

Commerce — GENERAL

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# Use 99-year plan, blacks advised

By J S MOJAPALO

THE Government was not at present considering the extension of freehold rights to blacks in "white areas", the Minister of Co-operation and Development, Dr Piet Koornhof, has told the National African Federated Chamber of Commerce (Nafcoc).

Instead, Government policy was in favour of granting individual freehold rights in the homelands, Dr Koornhof told a Nafcoc delegation in November.

The interview with the Minister followed a memorandum submitted to the Government by Nafcoc after its annual conference in July.

In the memorandum, Nafcoc raised the question of freehold rights for blacks in urban areas and the delay in implementing the Riekert Commission recommendations with regard to the creation of open trade zones and the recruitment of labour by black businessmen.

Dr Koornhof told the delegation the 99-year leasehold scheme must be utilised to a far greater extent. The scheme was cheaper than freehold tenure but had the same benefits, he said.

He said a new law had been passed to allow whites property ownership in black areas under the 99-year lease scheme to protect white investments in black areas.

## Problems

After Dr Koornhof's response, Nafcoc announced its intention to call a special conference on land policies to discuss the practical problems facing agricultural and economic development in black areas.

Dr Koornhof has pledged his department's co-operation and support for the proposed conference.

On the question of the implementation of the Riekert Commission recommendations, Dr Koornhof told Nafcoc the bulk of the recommendations would be implemented through legislation to be tabled this year.

Dr Koornhof said the Department of Community Development was investigating where open trade areas could be established in terms of the Group Areas Act.

The Minister also said present labour regulations did not bar black businessmen from employing labour from anywhere, but the necessary permission had to be obtained before recruiting labour from "outside".

Nafcoc also told Dr Koornhof that black traders were placed in an unfair position by existing legal restrictions.

## GENERAL NEWS

# Traders deplore rental doubling

Municipal Reporter

A number of shopkeepers in Johannesburg's coloured areas who rent their premises from the City Council face rent increases of more than 100 percent.

The management committee says the increases, which will go to the full city council for approval, are needed because of the rising cost of basic services, such as refuse and sewage disposal.

They will be spread progressively over a year.

Examples of the proposed rises:

Riverlea Extension 1 — general dealer from R45 to R100 a month; Coronationville — butcher from R70 to R140; fruiterer from R40 to R120; general dealer from R45 to R120.

Newclare — butcher from R100 to R195; greengrocer, dry cleaner, depot and laundrette from R67 to R130; cafe from R70 to R130.

Western Township — fish and chips shop from R30 to R70; general dealer from R30 to R60; cafe from R30 to R70 a month and greengrocer from R20 to R45 a month.

## BATTLING

Shopkeepers were unhappy about the increases. They said the doubled rentals were a harsh measure which many of them would find tough to meet.

Mr James Smith and Mrs D Ince, who own general dealers' stores in Coronationville, said small shopkeepers were battling to survive because most customers were being drawn away to the larger supermarkets where prices were lower.

"We cannot compete with the supermarkets," said Mr Smith. "Our prices are as low as we can manage. We can't meet high rents on low profits."

A Newclare butcher, Mr Brian Musa, said he could afford a 25 to 30 percent rise but not the 100 percent the council proposes. "Our overheads are too high. My electricity bill alone is more than R100 a month," he said.

## DOUBLING RENTS

Mr James Herman, who runs a fish and chips take-away shop in Riverlea, said the council was not maintaining premises leased to traders yet it was unfairly doubling the rents.

Most of the traders said it would be better if the council sold the shops to them outright as they did not want to go on facing increased rents.

A council spokesman said traders had been paying low rents for more than 10 years. Rents would now be reviewed annually.

## SOWETO TRADE

### Buying black

FM 15/1/82

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The 2 000-member Soweto Chamber of Commerce and Industry (SCCI) is to launch a "Buy Soweto" campaign in March this year.

Says SCCI president Vela Kraai: "The Soweto traders are calling on the community to buy in their own area. This plea is new but the theme is old — we have been asking for support ever since we started trading in the township.

"The difference now is that we have a structured programme which aims to meet this end."

Cost of the campaign will be around R20 000. Kraai is reluctant to say where the money is coming from, but says Metro Cash and Carry will be a substantial backer.

The proposed slogan for the campaign is "buy home."

Countering the claim that the programme may fall short of expectations because Soweto traders are more expensive than the large retail chains operating out of the city, Kraai argues: "Soweto traders did not place themselves where they find themselves — that is the work of government. As black

business is not allowed to locate in the CBD where the money is, the only way shopkeepers can get a slice of the cake is to get residents to spend in Soweto."

And, claims Kraai, traders are price competitive in most areas. "We have links with the large wholesalers and are, therefore, able to buy promotional lines and pass on the discount to the Soweto consumer.

"Black traders have become more sophisticated over the years and now line up goods in much the same way as the large retail chains. We often run lines at cost."

Kraai acknowledges that it is tempting for shoppers to purchase in the area in which they work. "And, of course, the wide range of goods available in the city is another plus in favour of the large chains."

Traders, he says, are merely asking for a larger share of the grocery package.

The campaign aims at attracting 10%-15% of the Soweto money presently spent in the CBD.

Kraai's message to Soweto residents is that if indigenous business is supported, existing facilities can be upgraded and "with the next turn of the wheel residents will find themselves in business. However, if the large chains take the cream, this will not happen."

The details of the launch have still to be finalised, but it is likely that the campaign will take the form of an attention-getting function. A convoy around Soweto is a possi-

ble strategy. Tee-shirts with the slogan "buy home" will be printed and sold at cost prior to the programme.

Metro's GM marketing, Harry Lipchin, says his operation will participate in the campaign through its links with the 3 000-strong Lucky Seven chain which is geared to assist black traders. "Lucky Seven's slogan is 'shop where you live.' It is thus in line with the Soweto festival.

"Metro will assist with the promotional functions and will offer promotional stock at lower margins — allowing the traders a competitive edge."

It will help with advertising and give financial support. And, says Lipchin, Metro intends asking manufacturers to contribute to the campaign by similarly cutting their margins.

## RETAILING

### Tighter belts

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FM 22/1/82

This year will be a tough one, say retailers, with the consumer durable market hardest hit. OK Bazaars' Meyer Kahn expects big ticket items to reflect zero or even negative growth and Dion's chairman and MD Norman Cohen concurs. The total durables market "is very depressed and little growth can be expected," he says.

Nevertheless, Cohen anticipates a 5% real growth for Dion this year — "depressed compared to the tremendous growth we experienced over the last few years." He foresees growth in video recorders and smaller ticket appliances.

Stellenbosch University's Bureau for Economic Research forecasts an absolute decline in 1982 of more than 8% on durables. Few retailers, however, are prepared to endorse this pessimistic outlook.

Ellerine's chairman Eric Ellerine ex-



Retail customers ... lighter

pects 3% real growth in his furniture chain, with turnover increasing from last year's R150m to R175m.

With increased electrification of black townships and with TV 2/3 boosting aspirations of black consumers, sales should improve.

But, says Ellerine, furniture sales "are levelling off," competition will be keener and inventories are likely to be cut "but not below realistic levels." A possible increase in gst is "not likely to affect sales adversely."

A spokesman for the 100-outlet, R44m/year turnover World furniture chain believes a steep increase in black unemployment will affect sales to a far greater degree than high interest rates or inflation.

He claims stores selling to an all-white market (World's market is 99% black) are more likely to suffer a sales lapse this year. Increased black housing, electrification and TV 2/3 will buoy up the black market.

Edgars MD Adrian Bellamy's views are hardly sanguine. Bellamy believes semi-durables (clothing, footwear and household textiles) will show "significantly slower growth in 1982 compared to 1981." He expects the real growth of 8%-9% achieved in 1981 to drop to 3%-4% this year.

Menswear, says Bellamy, will "feel the pinch worst. It's a more postponable commodity." Household textiles in a depressed housing market, where fewer new units are being built and bonds are difficult to come by, will also reflect the fall-off.

He expects the softer order books to result in keener manufacturer prices.

He anticipates that retailers will take "price action," meaning special offers and "more sales action." Losing a bit of margin is likely to be on the cards with inventories pruned judiciously.

"There will be a good deal of shake-up in 1982 and significantly more shake-out in 1983." He projects a tough 24 months ahead with government possibly clamping down on import permits to check the balance of payments deficit. The biggest problem, says Bellamy, is the continued high rate of inflation. "The adjustment of inventories will hit the manufacturing side hard."

OK's Kahn fears a hike in gst. "It would have a vicious impact on consumers. Coupled with a rise in direct taxation and a lowering of the gold price, that would cancel out my projections of 1,5%-2% real growth in food, houseware and clothing."

Pick n Pay financial director Chris Hurst expects high inflation rates "for the next three years," with many increases in consumer goods prices on the cards. Nevertheless, Hurst expects real growth of 5% this year, substantially down on last year's 15%. An increase in gst would mean a drop in sales initially "but people don't stop buying food." Margin cutting is unlikely, but "retailers can look forward to tougher times."

The last word from Bellamy: "It will be a more challenging year, but it won't be a disaster."

INVESTMENT

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Refreshing Soweto

FM 22/1/82

Black Traders are expecting Coca-Cola to set up a R1.5m franchising operation in Soweto. Details have still to be ironed out but the FM understands that Coke, Black Chain and black traders associated with Nafco are co-operating in the venture.

Soweto traders believe the plan is to form a public company which will handle the Coke franchise and set up a local distribution operation. They expect the company to draw its major shareholders from the black trading community.

The idea of piloting the project through Nafco-initiated Black Chain — thus creating black management and control — has also been canvassed.

The FM understands that the plan to build a distribution depot in Soweto was initiated by Coke last year when a feasibility study — aimed at potential participants — was commissioned.

Clearly Coke is keen to increase sales in a significant sector of its market.

Apparently it is also concerned with maintaining a high image within the black community.

The feasibility study cites economic growth and the narrowing of the wage gap as major considerations inspiring the project.

Coke has experienced a 12% growth in sales since 1970. It apparently expects the improvement in distribution and consequently reduced stock shortages to increase growth significantly.

The study also mentions a new packaging, flavour, size and marketing strategy to increase per capita consumption in the black market.

The electrification of Soweto will also have spin-offs for the R600m SA beverage market as refrigeration should increase the consumption in take-home packages.

Coke's Henne Viljoen admits that, as a separate part of Coke's long-term planning for the PWV, a study was commissioned into a possible distribution facility for Soweto. He adds that the company expects a lower rate of growth than outlined in the study as a result of the present economic conditions. Black Chain MD Hilbron Majola is not prepared to comment, as he claims it would be premature.

According to the feasibility study, Coke anticipates a 17% growth in the Soweto beverage market in 1982 — around 2.6 Ml in terms of physical case sales. Last year growth was 15%. Projections up to 1991 anticipate an annual 19% growth over the period.

# DECEMBER VEHICLE SALES

FM 22/1/82

## CARS

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	1981 Dec	% of Market	1981 Jan to Dec	% of Market	1980 Jan to Dec	% of Market
Sigma .....	4 643	18,57	50 866	16,87	55 186	19,92
Ford .....	4 442	17,77	50 460	16,74	41 442	14,96
Toyota .....	4 324	17,30	46 185	15,32	30 541	11,02
VW .....	3 595	14,38	51 426	17,06	55 176	1 992
GM .....	2 678	10,71	33 204	11,01	27 371	9,88
Datsun .....	2 279	9,12	29 951	9,93	30 551	11,03
BMW .....	918	3,67	13 442	4,46	12 066	4,36
UCDD .....	867	3,47	11 743	3,89	9 058	3,27
Alfa .....	693	2,77	8 211	2,72	11 218	4,05
Leyland .....	549	2,20	5 757	1,91	4 364	1,58
Other .....	14	0,06	283	0,09	85	0,03
December total .....	25 002 (8,80% up on 22 979 last year)					
Jan-Dec total .....	301 528 (8,83% up on 277 058 last year)					
November total .....	24 470					

## COMMERCIALS

	1981 Dec	% of Market	1981 Jan to Dec	% of Market	1980 Jan to Dec	% of Market
Toyota .....	3 149	28,70	44 750	29,44	34 840	27,28
Datsun .....	2 405	21,92	35 444	23,32	31 923	25,00
GM .....	1 506	13,72	19 253	12,67	15 789	12,36
Ford .....	1 222	11,14	16 241	10,68	17 425	13,65
Sigma .....	919	8,37	12 717	8,37	9 726	7,62
VW .....	847	7,72	8 729	5,74	5 870	4,60
UCDD .....	340	3,10	5 679	3,74	4 488	3,51
Leyland .....	191	1,74	3 341	2,20	3 493	2,74
Alfa .....	130	1,18	1 908	1,26	164	0,13
Int Harvester .....	93	0,85	1 178	0,77	794	0,62
MAN .....	85	0,77	1 155	0,76	1 236	0,97
Oshkosh .....	21	0,19	301	0,20	247	0,19
Fodens .....	18	0,16	146	0,10	169	0,13
Vetsak .....	17	0,15	499	0,33	774	0,61
ERF .....	14	0,13	314	0,21	387	0,30
Malcomess-Scania .....	10	0,09	233	0,15	189	0,15
Magirus-Deutz .....	7	0,06	107	0,07	160	0,13
VSA .....	—	—	18	0,01	24	0,02
December total .....	10 974 (11,87% up on 9 810 last year)					
Jan-Dec total .....	152 013 (19,04% up on 127 698 last year)					
November total .....	135 147					

## NEW SHOP HOURS <sup>(30)</sup>

### The "noes" have it

FM 22/1/82

Transvaal Province will not extend existing shopping hours because the majority of traders are opposed to it and there is no evidence of a consumer need.

So says John Griffiths, MEC in charge of shopping hours. But he adds that in about 2-3 years the province may have another look at the issue. The council has already considered the matter twice in the past 18 months.

Says Griffiths: "There is already flexibility in the existing system. Shops trade between 8 am and 5 pm, although they can open from 7 am to 6 pm. Traders can operate for 61 hours a week but most stay open for 45 hours."

He says 80%-90% of goods bought on Friday and Saturday are "privileged" items which could be bought after hours anyway.

Province found that the 5½-day week is already a turn-off for staff, and extended hours would have aggravated the situation.

"Some stores foresaw unrest among their workers. Our responsibility is to avoid such unrest," says Griffiths.

According to Griffiths about 3 000 written appeals were submitted to him from traders such as OK Bazaars, and individuals opposed to more flexible hours. Only about six supported a change.

But strong approval came from Cosmos Associates, the consulting group which represented 35 organisations including Woolworths, Pick n Pay and the Consumer Union which has said it will keep up the pressure for change.

OK Bazaars and other opposing traders say more flexible hours would mean additional and higher prices, contrary to the findings of the National Productivity Institute.

The NPI found that Friday and Saturday trading accounts for 42% of weekly traffic and that activity on Mondays and during early mornings is generally poor.

The institute says current retail trading hours restrict store performance and productivity and adversely affect prices. This view is supported by the Competition Board which believes flexible hours will aid consumers and give small businesses a fighting chance.

Joe van Blerk, chairman of the Johannesburg CBD Association's retail committee,

says the CBD, which previously backed more flexible hours in the city centre, did not take a stand because members could not agree.

He feels most major retail store managers will probably be quietly applauding the fact that existing shopping hours have remained unchanged.

Flexible hours, hold some, would have made a considerable impact on the workers' recreational activities, and the retail trade would have lost people to industry. Van Blerk claims this could have had the further effect of reducing the standard of management. He says it happened in the US.

His view is that the lobbying was backed mainly by shopping centre owners who have tenants linked to turnover clauses.

Morris Kagan, regional secretary of the 12 000-member Association of Distributive and Allied Workers Unions (Adawu) agrees. Property developers, he says, would benefit from flexible hours as they would gain from higher rentals.

Kagan says Adawu is very pleased at the provincial council's decision. "No-one under managerial level supported the appeal for flexible hours. I am quite convinced that flexible hours would have led to strikes and similar action."

But Cosmos MD Adele van der Spuy charges that the present system favours traders who sell privileged goods over weekends and want to maintain the status quo.

And Griffiths is keeping the options open, Van der Spuy says, because the provincial authorities are not sure of their ground.



**BLACK BUSINESS** (30)  
**A 'lack of vitality'**

*"The distribution of the wealth of the country among the various racial groups ... is a matter causing great bitterness in the hearts of black people"*  
— Sam Motsuenyane, Chairman of the African Bank, in his annual report for 1981.

Afribanks' group pre-tax profit for the



**Nafcoc's Motsuenyane ... 'lip-service to free enterprise'**

year reviewed was R110 391, an increase of 28% over the previous year. Its assets are valued at around R18m.

After noting the high growth rate of the SA economy over the past 18 months, Motsuenyane, who is also chairman of the

National African Federated Chambers of Commerce (Nafcoc), remarks that "in practical terms (the high growth) has meant a rising standard of living for a few fortunate people."

Motsuenyane says: "The problem of the distribution of wealth would indeed be solved if SA were prepared to implement and practise the principles of free enterprise instead of paying lip-service to them only."

It is interesting to observe, he adds, that while the country is experiencing a shortage of skilled workers, the black unemployment rate has stayed relatively high. "This ... points to something fundamentally wrong with the structure of our economy. For many years employers of black labour have been taking a lukewarm attitude towards training ... Even in today's improved climate of encouraging the training and retraining of black workers, one still finds a great many companies not practising what they preach in this area."

Motsuenyane warns that although SA has great potential to become a major economic power the problems which still face us in our inter-racial relationships suggest that "we are living in a situation which is highly charged with potential danger. In order to rectify this state of affairs, meaningful reforms should be instituted by the government as a matter of great urgency." He singled out for very pressing changes

the areas of education, housing and influx control.

In an interview with Motsuenyane in his capacity as chief of Nafcoc, he highlighted three main problems faced by black businessmen: legislative constraints, the lack of knowledge and technical expertise, and the shortage of capital. The latter had been somewhat ameliorated by the setting up of the Small Business Development Corporation, but the lack of ownership and security (collateral) was still a major problem in getting bank finance. Although the 99-year lease system for blacks helped the situation, they are still suspicious of "this unnecessary double-standard."

**Poor educational standards**

The "lack of vitality" in the growth of black business is partly accounted for by poor educational standards. Nafcoc is involved in providing very basic, practically oriented training programmes, as are certain companies "with a training bias" such as the oil companies, Unilever, and Anglo. Since 1976 Nafcoc had trained about 1 000 black businessmen with 500 enrolled for this year. There are around 35 000 nationwide.

Regarding the legal barriers blacks face in SA, Motsuenyane said government is "talking too much and doing too little. They've done nothing to remove anti-free enterprise laws ... Blacks operate in a so-

cialist set-up although they are capitalists at heart."

# Formula for success

Motor vehicle sales this year are expected to turn down by an overall 15%. And that is being interpreted by the market as a major bear factor for the sector. This is a superficial view.

Those pessimists who are forecasting that motor companies' profits are now poised to career downhill might do well to consider that earnings performances this year would depend more on the financial gearing ratios of individual companies and careful asset management, which is crucial to liquidity.

Motor group Saficon, which holds franchises for Mercedes Benz, Volkswagen and Audi through its operating companies Cargo Motors and Lindsay Sakers, is one of a growing number of companies in the industry which place a high premium on the need to manage assets. This means that the company's investment in vehicles is geared closely to its view of future demand. Executive chairman Sidney Borsook firmly believes that return on assets (ROA) is the key ratio in any coherent financial policy.

Effectively, management sets specific targets for after-tax returns on capital employed, before taking into account any effects of gearing. In other words, the basic profit measure is after tax, but before in-

terest deductions. Borsook explains that by eliminating the interest payments and the tax allowed, it is possible to determine the return on assets before considering the impact of pursuing any particular financing policy. This, in turn, enables the group's financial planners to set dividend policy and target gearing ratios, with an eye to maintaining sufficient liquidity. It is a strategy which has steered Saficon on a sure course through a number of extremely tough trading years.

The emphasis placed on financial planning is also reflected in the standard of the group's reporting to shareholders. In SA, where the inadequacy corporate disclosure has frequently been criticised, Saficon stands out as an exception. Along with that of 35%-owned building supplies company Boumat, Saficon's annual report is regarded internationally as a model of financial reporting.

Among other informative data, the annual report includes sections on target debt:equity and dividend policy as well as ROA. The company's measurement of its own performance against the self-imposed targets is refreshingly frank and its projections for the future often so accurate that outside analysts no longer bother to make

their own estimates.

Saficon's financial policy closely follows the theory propounded by Chase Manhattan's financial fundi Joel Stern (who was once retained as a consultant to the group) and Borsook — himself a serious student of corporate financial strategies — admits that the company's policies were inspired by Stern. But, he adds, "We were already working along those lines in attempting to improve our focus on future directions and we had a similar fundamental attitude towards disclosure. Stern simply added a new dimension to that attitude, prompting us to improve our reporting with an eye on market rating."

Those efforts, however, have not always been appreciated. Some analysts have repeatedly criticised the ultra-conservative dividend policy and accused Saficon of "esoteric number crunching." But the results speak for themselves. Since 1977, earnings have moved from a modest 9.0c a share to 104.77c at the March 1981 year-end. They are estimated to be 127.73c this financial year. Where forecasts have been inaccurate in previous years, they have erred on the side of conservatism.

Dividend policy, which appears to influence share ratings disproportionately on

the JSE, has at times caused investors to take a jaundiced view of the company. Saficon's dividends follow the trend of earnings growth, with retentions running at between 70% and 75%. While that may be regarded in some circles as unnecessarily cautious, it helps management to project what Saficon calls the "sustainable growth rate" (retentions multiplied by return on equity) and enables the group to set its objectives in terms of expansion, without relying on excessive outside gearing. Saficon currently has a target debt:equity ratio of 75%, which the directors regard as the optimum for that type of business.

The stringent dividend policy is curious, perhaps, for a company which started life as a family-owned business. But Borsook is adamant that payouts have never been dictated by the needs of the major shareholders. That attitude filters through in other aspects of the way Saficon is run. "I took a conscious decision way back," says Borsook "to move away from the family influence into more professional management."

That professionalism was evidenced in 1976, when Lindsay Sakers and cargo Motors — then both quoted companies — were merged and renamed Saficon. The ingenious merger scheme, which



Saficon's Borsook ... professional management counts

frequent.

Saficon and McCarthy, the market continues to hang onto the notion that motor companies are, nonetheless, particularly sensitive to general business downswings. Memories of the hard years between 1976 and 1978, when the motor industry was particularly badly hit by the economic downturn, are still fresh. Ironically, Saficon has a better market rating than most of its other competitors. But that is almost certainly a partial reflection of the group's diversified interests in Boumat as well as automotive component manufacturer Lectrolite, which last year contributed only 6% of taxed attributable profit.

Borsook admits that the group's non-motor interests will probably increase their contribution to overall profits at a faster rate than motors in the future. But, he says bluntly, Saficon does not intend to become a diversified conglomerate. That statement is backed by the fact that considerable resources are earmarked for developing motor operations in the coming eighteen months.

Despite evidence that the motor industry has already entered a downturn, Borsook discounts the possibility of a repeat of the crisis of 1977, when at least one firm of

# Kraai slams free trading in Kliptown

By Nk OPANE  
MAK OBANE

## THE proclamation

of the Kiptown grey business complex as a free trading zone for businessmen of all races will sound a death knell for the black trader in Soweto, a traders meeting was warned yesterday.

The meeting called by the Soweto Chamber of Commerce and Industry (SCCI) was also told that unless black traders united to fight the issue, there would be no black men in business within the next 20 years.

### CHALLENGE

Mr Veli Kraai, chairman of SCCI, said it was high time traders clubbed together and challenged the law so that this matter cannot go ahead without them being consulted.

He said he found it ironic the area was first proclaimed black, then white and later turned grey in order to make provision that people of mix colours could open up businesses there.

"The bill to...

next to black and coloured doorsteps and questioned why were they not bordering white areas.

"This is the reason Unico and SCCI have come together to form a committee to fight the matter and if possible take it to the highest authorities. We are opposing this on moral and principle grounds as we feel it is unfair to compete on an unequal level", Mr Mac-Bain said.

Another speaker said

the permission for whites to trade in the Kliptown area was unfair as some families had been uprooted there and sent to homelands. He said when the area was declared open, it should have been publicised and traders notified and consulted on the matter.

The meeting also mandated the executive committee of SCCI to go back to Metro and get full details on its proposals to build a wholesaler in Soweto.

This followed a report

by Mr Kraai on a meeting between Metro and individuals from SCCI last December where Metro had indicated that it was prepared to assist Soweto traders establish a wholesaler.

Mr Kraai said in this project they were not going to act a front for Metro but the business would be fully run by them and only use the financial assistance and know-how of Metro so long as needed.

However, some traders attending the meet-

ing pointed out that if Metro was allowed to assist them what would prevent other concerns — some already trading in the township from jumping on the bandwagon.

Mr Kraai said it was a known fact that many establishments in Soweto were in actual fact not owned by blacks. He said a bakery, an off-course totalisator and a dry-cleaner were existing or coming up and it was hard to stop individuals from being fronts.



DEATH KNELL: SCCI chairman, Veli Kraai.

## To prove that she did not believe the Surf Challenge, Mrs. Komane said:

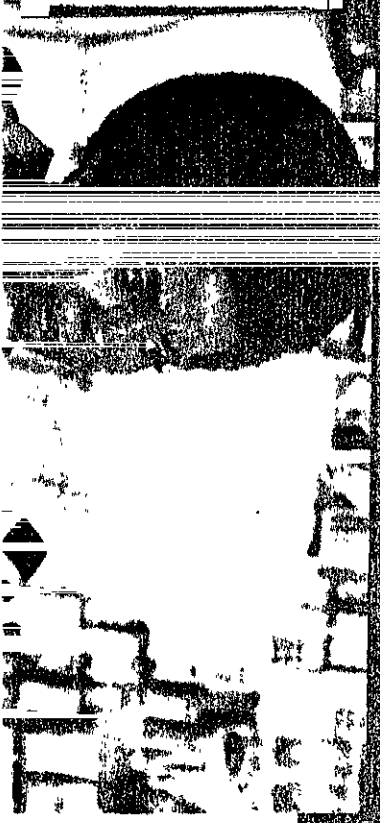
doing this purposely with the full knowledge that blacks and coloureds have not enough financial resources compared to that of whites and Indians and in order to drive us out of business.

"We also find it strange that when this area is returned to us it is said that we should buy it. We know we do not have much financial power but all we ask for is to be given a chance", Mr Kraai said.

### ZONING

Mr Willie Charles MacBain, president of the United Chamber of Commerce (Unico), — representing traders in Boshmont, Kliptown and Eldorado Park — reported that the situation in the opened zone was that white and Indian businesses were predominant.

He said the position was unacceptable in that these grey areas are set



Complex <sup>30</sup>  
Star 22/1/82  
no threat  
to small ~~traders~~  
traders'

The multimillion rand business complex to be built in Jabulani, Soweto, will not create competition for the small corner shops and general traders.

An article in New Horizons, a West Rand Administration Board publication, says the aim is to provide facilities similar to those available outside Soweto.

The R34-million complex, Soweto Development Company project, has been designed to ensure that the major portion of the people's purchasing power remains in Soweto.

This in turn will contribute to job opportunities and training, economic growth and the development of black enterprises.

High quality goods and services will be provided, thereby reducing travelling expenses.

The complex will include at least four major retail stores, numerous smaller shops, offices, 2 hotels and cinemas.

# The black market boom

By Stan Kennedy

A big shift in shopping patterns is taking place in Johannesburg.

Blacks, whose quality of life is improving steadily, are increasingly forming the majority of shoppers at many city centre stores.

Some, in fact, cater specially for blacks and many shopkeepers believe that in a few years' time whites will tend to do most of their shopping in the suburbs where they live.

A recent survey has shown that Sowetans spent more than 80 percent of their money outside the township.

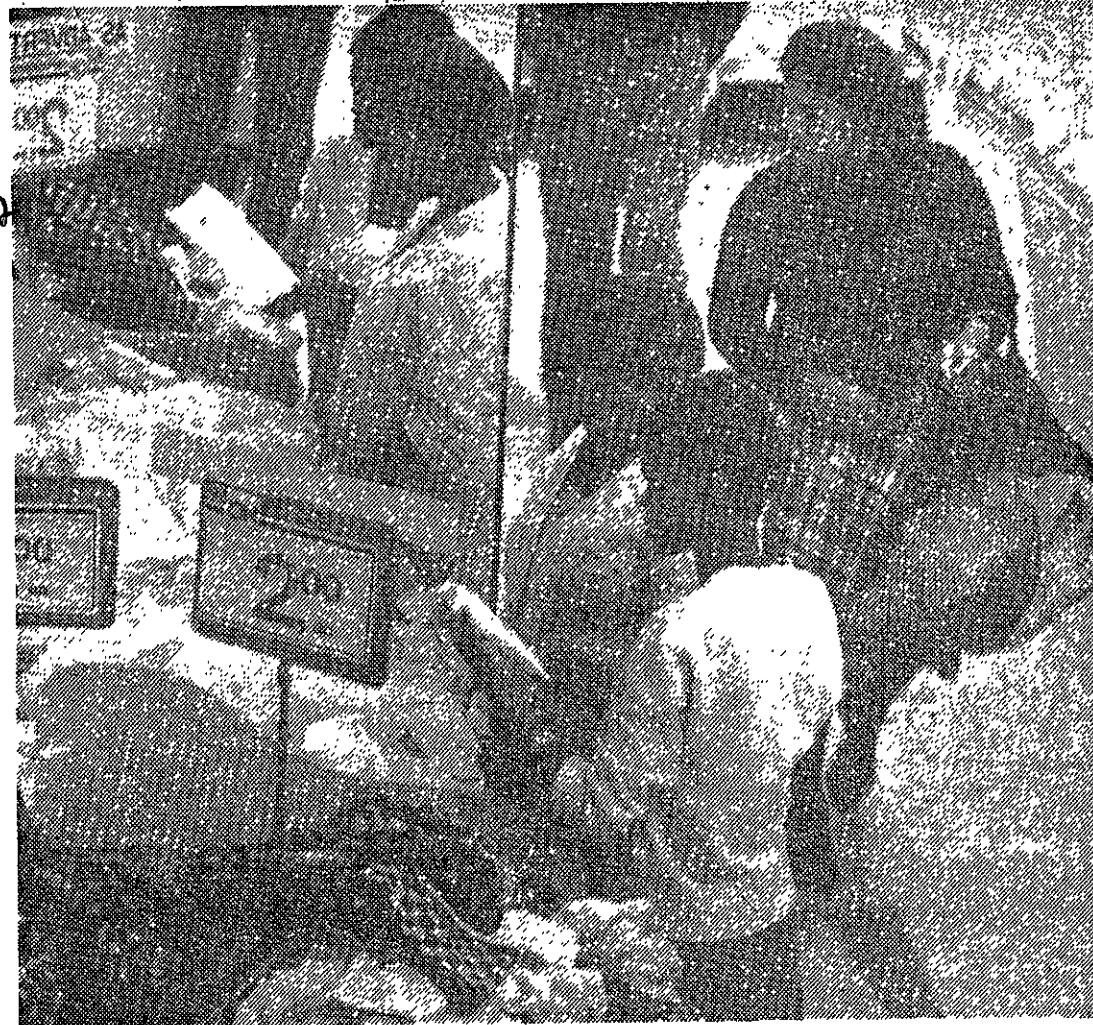
As long as the trend continues, with black shoppers swamping the city shops and department stores, there is little danger of the central business district dying, as it was in many cities in the world, said Mr Bob van Coler, operations manager of OK Bazaars.

"We have noticed that the increase in black shoppers has been an ongoing process for many months," he said.

"Whites, on the other hand, seem more disposed to shopping in the suburbs.

"Part of the reason is that we have put up, and are putting up, bigger complexes in these areas, making it more attractive to shop near one's home.

"Apart from the shopping conve-



Blacks make up the biggest percentage of shoppers at some of the city's department stores, particularly when sales are on. At the same time, they are becoming more selective in their choice of merchandise.

nience, there is also the question of parking, which is not as difficult as in the city centre."

He said the electrification of Soweto homes had brought a big demand for electrical appliances, which were not available in the township.

Mr Richard Cohen, a director of Pick 'n Pay, said supermarkets opened in the suburbs many years ago because of lower rents, which meant they could discount their prices even more.

Many businesses

had also opened offices in the suburbs for the same reason, and this had provided even more white trade for suburban supermarkets.

"Although there are supermarkets in the townships, blacks tend to prefer shopping in 'white' areas, where the prices are often lower. They also feel more confident about the quality of the goods.

"Because many of them do not have cars, they have to rely on buses, which take them to town

rather than the suburbs," said Mr Cohen.

The general manager (sales) of the big department store, Mr Michael Jacobson, said his company did not go out of its way to cater for any particular race.

The increase in black shoppers in the city was probably due to it being more convenient for them to shop where they worked, he said.

"We try to provide for the needs of those in the middle to upper-income

groups and we assume that blacks who want to be fashionable associate themselves with our merchandise," he said.

At the Eastgate branch of this chain the trend was predominant towards the upper-income group.

Mr Milton Brest, manager of a clothing store, said he catered almost solely for blacks.

"They are very selective and insist on certain brand names. More than that, they know exactly what they want," he said.

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Stan  
25/1/72

# Rent hikes for TP traders

25/1/82  
By MONK NKOMO

**MAMELODI township traders face massive monthly rental increases from April 1.**

The increases, which have almost doubled in some cases, were announced at the local community council meeting last week.

## PHASES

Worst-hit are garage, bioscope and offal depot owners, whose tariffs had been respectively increased by R225, R194 and R98 per month. The proposed tariffs would be spread into two phases. Part of the increase would be implemented as from April 1 and the other on October 1.

Most of the traders however face an average monthly increase of R16. These include motor driving schools, battery shops, welding shops, general agencies, market stalls, pet shops and photographers. Ice-cream depots would pay an extra R25 per month.

General  
Neat  
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**TRADERS**  
The increases — which would also hit general dealers, funeral undertakers, dry cleaning agencies, and herbalists — would only affect those who trade on sites belonging to the Administration Board for Central Transvaal, according to the council.  
The increased tariffs were unanimously approved by the council.

Health

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April 1

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# Steady selling of Greatermans

By HAROLD FRIDJHON

**JOHANNESBURG.** — Greatermans distracted attention from the sliding gold-share market on the stock exchange yesterday.

The sharp drop in the company's profits took the market by surprise, denting not only the Greaterman's image but also casting doubt on the stores section as a whole.

Dealers were questioning whether the reverse in fortunes in the Kaye group was the forerunner of further bad news in the retail trade or whether Greater-

mans was the exception. An analysis of the share's performance during the past fortnight or so suggests that the fall from grace should not have been the surprise that it was.

At the beginning of the year the share was trading at 1 540c but steady selling at a rate of around 5 000 shares a day on many days brought the share price to 1 300c at last week's close.

When the results were made known to the market yesterday, the price dropped to 1 150c, dipped to 1 100c and touched bot-

tom at 1 050c when some support came in to establish a closing price of 1 100, a drop of 150c on the day. The A shares were harder hit and closed 200c lower at 1 100c.

With the exception of Scotts Shoes which made 25c to a bid price of 800c — 50c below the offer price — other store shares yielded ground where traded. CNA was 10c down at 705c, Edcon 20c down at 800c. OK lost 20c and Pik'nPay and Pep were each 10c lower. Pikwik dropped 15c to 600c.

Gold shares drifted in

low volume trading with the financial rand again protecting the Diagonal Street market from American and London selling.

Randfontein, ex-dividend at R63, fell a further rand. Harties were down a rand at R56 and Western Deeps also lost a rand to R39. Elsewhere losses were marginal.

Supplies of Amgold continue to come from abroad. They were well absorbed at the lower levels and closed only 90c off at R86,35. De Beers were marginally lower.

Coal shares were down.

CAPK Times 26/1/82 (30)

# Greatermans' 31% plunge shocks market

CPOL Times 26/1/82

30

By DAVID CARTE

**JOHANNESBURG.** — In a set of results that could knock the whole stores sector, and possibly the entire industrial market, Greatermans has reported a 31% plunge in first half-earnings.

The interim dividend has been held at 35c but the directors warn that the final will not be maintained.

The earnings slump was in spite of a 27% rise in the sales of Checkers, which accounts for the vast bulk of the group's business.

Group sales, at R544 539 000, were 10% ahead but were not comparable with those of the previous year because of the exclusion this half year of Ackermans and the Claremont and Parow department stores, which have been sold.

Operating profit fell 24.4% to R7 042 000. Earnings of associates rose 59% to R2 126 000 but the tax rate soared to 40% (32.9%), leaving taxable profit 23.7% down at R5 441 000.

Earnings a share dropped 31% to 71.4c (1981:104c) and the directors warn that second half

## OK 'ahead of inflation'

**JOHANNESBURG.** — OK is okay, says Mr Meyer Kahn, managing director of OK Bazaars, Greatermans' chief rival in retailing.

Mr Kahn was amazed but sympathetic at the extent of the decline in Greatermans.

"All I can say is thank goodness it wasn't us. Let's face it, the rate of increase in sales is substantially lower than recent trends but we're still ahead of the inflation rate in all divisions," he said.

Asked if the furniture division was not experiencing tough times, Mr Kahn said furniture accounted for only 20% of OK's total sales. But sales here as well were rising at more than the inflation rate — even in very recent weeks.

earnings will also be down on those of 1981.

The exclusion of Ackermans and the two department stores had a "negligible" effect on profits and trends, said Mr Joffe.

Mr Joffe said heavy start up costs in 14 new stores and abnormally high stock shrinkage were the main reasons for the profit plunge. In addition, while costs have escalated, the group has experienced a very much easier trend in sales, particularly of durables.

Mr Joffe said Greatermans had opened 14 new stores in the half-year, including two hypers, and pre-opening expenses had been very heavy. He would not quantify them.

He said there were three reasons for abnormal stock shrinkage.

First, shrinkage was always higher in new stores, because it took time for management to settle in. Second, many branches of Checkers had extended their trading hours and this had entailed their working on skeleton staff.

Finally, Checkers' sales mix had changed, with the emphasis increasingly on high-margin non-food lines and theft today therefore had a greater impact on profits.

Mr Joffe said rising costs in a fiercely competitive market had also impaired margins.

Greatermans reports a healthy cash position, thanks partly to the adoption of the LIFO method of stock valuation. LIFO is used only in the subsidiaries and group figures are FIFO-based.

The final price of Ackermans has still not been determined but Greatermans expects a capital profit from its disposals.

**COMMENT:** The bottom line is that earnings are down R1 700 000, when, bearing in mind inflation and real economic growth, they should have been up by about R1 500 000.

The new openings are only a partial excuse, as last interim the group reported six openings and one expansion.

REUTERS



# Strong reaction to 'freeze' advice on border business

CAPTAINS of commerce and political leaders have reacted strongly against a Provincial Administration circular sent to local authorities throughout Natal advising them to freeze the setting-up of new businesses within five kilometres of national states' borders.

The circular says that no further business rights should be granted by any authority unless it could reasonably be assumed that the aim of the business concerned was to serve its immediate neighbourhood within South Africa.

The introduction says the guidelines set out were formulated by the Cabinet in October 1980

and all future applications should be judged accordingly.

In Cape Town, Mr Hernus Kriel, Cape MEC in charge of local government, said a similar circular was sent out in this province last March by way of a recommendation to local authorities bordering Transkei and Ciskei.

'But the effect on the Cape is practically negligible,' Mr Kriel added. 'It does not affect towns or cities and its only effect would be on small farm shops.'

In the Cape 'border' areas are comparatively short, while in Natal the 'homelands' of Kwazulu is

spread over islands throughout the province.

The Acting-provincial Secretary in Natal, Mr W R Bezuidenhout, said the Government's concern arose from the fact that trading undertakings within South African borders enjoyed considerable competitive advantages because of greater skill and better equipment.

However, the reaction of the general managers of the chambers of commerce in Maritzburg and Durban was that the guidelines were virtually unenforceable.

The first paragraph talks about it being existing policy to discourage trading within five kilometres of boundaries, but this circular goes on to be

far more specific, and this is a matter of concern,' said Durban's Mr Ken Hobson.

'Firstly it is not clear whether this refers only to the independent states, such as the Transkei, or whether it applies to all national states including Kwazulu.

'If it applies to Kwazulu, bearing in mind the fragmented nature of it, with bits very close to Durban, one would have to start drawing corridors around all those little fragments.'

This could involve as much as 12 500 sq km of Natal, if the present boundaries of Kwazulu were affected.

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# Big clampdown on rotten meat trade

By SOPHIE TEMA

ONE THOUSAND kilograms of decayed offal sold by illegal traders in Pretoria's townships is being confiscated and destroyed each week by the city's health department.

A local health inspector revealed this yesterday and the chief of the department, Dr J P A Venter, confirmed that unlawful trading was being carried out on a wide scale.

The police were now taking regular action against these traders, Dr Venter said.

"Police have time and again raided these traders, but now they are working harder to stamp them out."

Dr Venter said offal was a delicacy and should be handled as such.

He said the council received complaints from the public daily. In some cases the meat was completely rotten and dangerous for human consumption.

"The city council is also playing its part by condemning the offal, which is handled very unhygienically by these unlawful traders."

A Soweto doctor said decayed offal was its own worst enemy as human consumption was concerned — the smell was enough to put people off eating it.

## Very ill

"Anything decayed has germs which can make people very ill — it should be avoided at all costs."

In Soweto, health inspectors said they also carried out raids on illegal traders who did not handle food properly and hygienically.

Recently they carried out a blitz on such traders after members of the public complained that the offal was kept in contaminated containers and was infested with greenfly.

A spokesman for the Soweto Health Department said yesterday that, in cases where people traded with food not fit for human consumption, it was confiscated and condemned.

A nursing sister in a Soweto clinic said yesterday she had been to a butchery near Rockville where the owner traded in offal and red meat, and was shocked at the conditions under which the meat was being handled.

She said she discovered the same alarming conditions outside the Nancefield Hostel, where the meat was displayed on pieces of corrugated sheet spread out on the ground and exposed to flies.

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RDM 28/1/82  
**Plaza plan called off**

SPRINGS Town Council has decided to end negotiations with a consortium which planned to build an Oriental plaza in the central business district.

**By JOHAN BUYS**

This decision was taken after a representative of the consortium, Dr. M. Faber, failed to give the names of the businessmen involved and their percentage share in the project.

The consortium wanted to invest R6-million in the plaza project.

Mr. Tonk Meter, chairman of the council's management committee, said the council had now decided to call for new tenders and ideas for developing the old Town Hall site on which the plaza was to

be built.

The council offered the Town Hall and library site on tender for the project and the red-brick Town Hall buildings were to be demolished to make way for the plaza.

The consortium had planned a plaza with parking for 250 cars, 20 shops at ground floor level, 14 shops in the basement and 11 shops at first floor level.

The project also included two office floors in a tower block at the north end of the complex where the library is now situated.

A spokesman for the consortium said the building was planned to be Oriental in character "bringing a bit of the Indian atmosphere to Springs".

The council informed Dr. Faber that it was no longer interested in negotiating with the consortium.

for men to R220 and that management grant recognition to Ccawusa. Hurter says management did not agree to the increase or to the recognition of Ccawusa, but it did agree to discuss the claims with worker's representatives.

The workers were asked to return to their jobs while discussions took place. When they refused, 140 were fired. He adds that there has been a certain amount of rapprochement between the union and Game since the firing and that a number of the dismissed workers have been re-employed.

"In fact, only this week some of them were re-applying for their jobs." Official recognition of Ccawusa still appears to be a long way off. "That will have to be a management policy decision," says Hurter. "And those kind of decisions can be taken only at board room level."

over budget — more or less in line with the general upturn in retail sales in the CBD over December.

Representatives of the Commercial Caterers and Allied Workers Union (Ccawusa), who are behind the boycott, claim that it is having an impact. Although they have no figures to back up their claims they say they have widespread community support for a stay-away.

"At a local level people are responding quite positively and have pledged their support to us." What is more, Ccawusa plans to continue its campaign this year with a much more concerted effort to publicise the boycott through further pamphlet and letter distributions. Phiroshaw Camay, general secretary of the Council of Unions of South Africa, as attempted to mobilise the entire union movement behind the Game boycott. But he admits there have been problems.

#### Union support

One of the reasons, says Camay, is that Game is not a truly national chain and as such is not that susceptible to consumer action. He claims the campaigns against Wilson-Rowntree and Fattis and Monis became really successful only once they had received the support of unions and community organisations in the Transvaal. "That's where the country's major purchasing power lies."

Hurter, however, does not take the threat of a prolonged boycott seriously. He says the facts surrounding the dispute is one of the reasons why it has not caught on. Game has a clear conscience that it had not acted unfairly. "If we had acted in any way unfairly then I am sure the support for the boycott would have been much more pronounced."

According to Hurter, in early October Game's predominantly black labour force was involved in a work stoppage. The demand was that management up the minimum wage from R125 for women and R160

## GAME BOYCOTT Grounded?

The four-month-old, trade-union inspired consumer boycott of the Game discount operation in Natal does not seem to have got off the ground. As in the case of the boycott of Wilson-Rowntree and Fattis and Monis products the "Boycott Game Campaign" was sparked off by a labour dispute.

It was planned to coincide with the discounters Christmas seasonal peak when the tills were expected to be at their busiest. But senior vice-president Alec Hurter maintains that the boycott had no effect whatsoever on company turnover. He adds that Game's December sales were 23%

(30)  
(134)

PM 29/1/82

# Hawkers are unhappy at new bylaws

HAWKERS are unhappy over new bylaws restricting their trading practices passed by the Johannesburg City Council this week.

The bylaws stipulate that they may only remain in one place for an hour before moving to another site, and they may not visit the same site twice the same day.

One hawker, Mr Ismail Ebrahim, said: "We need at least an extra hour because of practical problems in moving our wares".

His father, Mr E Ebrahim, who has been hawking cosmetics for the past 21 years in West Street near the magistrate's courts, explained: "It takes almost half an hour to pack and unpack the bottles.

"It must be done carefully or else they will break. Then we have to cart them at least 25 metres from the previous spot to the next, holding up the traffic at the same time."

## Return

Mr Ebrahim said they were not allowed to return to the same spot if they had been there earlier in the day.

## Mail Reporter

"There is just not enough room in the good trading areas if we have to move this often," he said.

Hawkers, however, welcomed the move to open Braamfontein and Hillbrow to them.

"Now we can trade there the one day and go back to the old area the next," one hawker said.

Mr Ebrahim also complained that hawkers were being victimised by traffic officers.

"Since September I have been fined a total of R400 in R30 fines.

Mrs Janet Levine, a PFP councillor, on Tuesday welcomed the "small victory" for the hawkers while another PFP councillor, Dr Selma Browde, condemned the "vicious victimisation" of hawkers by traffic officers, and called for a more lenient approach.

# Liberty, Press

## keep Edgars

30 R004 3/2/82  
23

AFTER hectic dealing on and off the JSE yesterday, Liberty Life, Fugit and the Press family secured control of Edgars by increasing their joint stake in Edcon, the controlling pyramid, to 50%.

By DAVID CARTE

SA Breweries, which launched a surprise raid on SA's biggest clothing chain on Monday, ended up with a 38% holding that cost R66 500 000.

SAB's stake amounted to less than control but is still the largest single stake in Edcon. Nearly all SAB's shares were bought off the market from institutions.

After yesterday's frantic buying, the Press family had 32% and Liberty and Fugit together 18%. The Press family had 32% before SAB's foray but Liberty and Fugit increased their stake from 6%.

Altogether 1 100 000 Edcons, representing 9% of the issued shares, changed hands on the market yesterday.

Liberty staff spent most of Monday night offering institutional shareholders 1 400c a share, compared to SAB's offer of 1 250c and the pre-deal price of 800c.

SAB's offer of 1 250c included an undertaking to match counterbids and this is why SAB eventually paid 1 400c a share. Acceptors had the option of taking cash or two SAB shares worth 980c plus cash to make up the balance.

Edcon opened at 1 400c yesterday morning and in less than two hours Liberty and Fugit had the additional 12% they needed to secure the Liberty-Press consortium's control situation.

The share price came back to 1 250c shortly after Liberty's withdrawal from the bidding.

SAB managing director, Mr Dick Goss, said SAB initially set out to buy only 25% of Edcon but took more when it found sellers so willing.

share with a net worth of 730c based on Edgars' current price of 1 925c.

He acknowledged the price was steep according to ordinary investment criteria but said the long term strategic value of the shares justified the investment.

SAB's outlay was not a lot for a group with assets of more than R1 000-million and neither SAB's earnings or its asset value would be affected.

Liberty's answer to the same question was that it did not have to buy a large number of shares to protect the control position. Protecting that, it said, was worth every cent of 1 400c, even though the total cost of Liberty's additional 12% was R21-million. Liberty has still not decided whether to keep the shares itself or put them all into Fugit.

The Liberty spokesman pointed out that Edgars, with only 1 800 000 shares in issue, was one of the tightest held shares in the stores sector and it was virtually impossible to obtain as substantial an effective stake as Liberty now held through Edcon.

Market watchers won-

dered if Mr Williams reference to another prospective bidder was a pointed reference to Liberty, which only last week took a significant stake in Placor, the new company of Plate Glass after years of being on friendly terms with the controlling family.

Liberty, unlike most life companies, has control or substantial strategic stakes in several other companies.

One analyst was highly critical of SAB's move. He said no-one could justify paying such a huge earnings multiple, offering an exit dividend yield of 3% for a company that could improve earnings and its dividend by no more than 30% in the year ahead. SAB's size was no excuse for what he saw as profligacy.

He said SAB had plenty of scope to employ all the capital it had in the businesses it knew best - especially in booming brewing. He questioned whether returns or growth in clothing would match those in brewing and said clothing would make SAB more, not less, vulnerable to the business cycle.

Mr Ken Williams, a SAB director, was adamant that SAB never intended to take control of Edcon. "We couldn't expect control."

He said SAB launched its lightning raid without consulting the Press family to pre-empt a move on the R400-million clothing chain by another unnamed party. "Events overtook us and we had to act fast."

He regretted that SAB's bid for a strategic stake came at a time when Mr Sidney Press, effective controller of Edcon and therefore Edgars, was extremely ill overseas.

I asked Mr Williams how, with interest rates on 18%, SAB justified paying 1 400c, or 14,4 times earnings, for a

# Edgars goes to Liberty, Fugit and Press family

CAPE TIMES 3/2/87  
By DAVID CARTE

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COKI/GREATERMANS

# Control bid next?

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FM 5/2/82

If Kirsh Industries' chairman Natie Kirsh's track record is anything to go by, this week's acquisition of an effective 22.1% stake in Greatermans by Cokicor is likely to be the forerunner of a bid for control. Coki continued its aggressive acquisitive campaign when it bought 49% of Griffon Holdings, the unlisted company which controls Greatermans through its 44.3% holding in the 3.05m voting shares of the troubled retail group. Griffon was previously 70%-owned by Greatermans' chairman Isaac Kaye and co-director Dusty Miller. The remaining 30% was held by Fedchem which, shortly before the deal, had sold out to Kaye and Miller. In addition to the voting shares, Greatermans has 2.6m non-voting ordinaries in issue.

The near R17m deal, based on a price of 250c a Greatermans share — almost twice Monday's market price of 127.5c — will be financed by share issues from both Metro and Kimet. The mechanics of the deal involved the sale of Fedchem's original Griffon holding, with Kaye and Miller supplying the balance of 19%. Kaye and Miller then receive the shares in Metro and Kimet, which in turn are to be privately placed with institutions.

Metro is issuing 520 000 new shares at an agreed price of 335c a share. Half of these are to be swapped for 2.34m Kimet shares. Metro will then trade the Griffon interest with Coki for an issue of 8.6m Coki shares at 200c apiece.

Seen in terms of the structure of the Kirsh group, the arrangements make sense since Coki is the retail arm of the Metro group with interests which include the recently-acquired 49% stake in Union Wine, 30% of discount store chain Dion and 54% in furniture retailer Russell.

Although Kirsh agrees that the price paid for the strategic minority stake in Greatermans was extraordinarily high, he sees the group's retailing operations as "under-utilised" — a criticism which has frequently been levelled at Greatermans' current management.

Miller and Kaye will retain their control of Greatermans for the moment through the 51% holding in Griffon, but Kirsh is unlikely to be a passive partner in that set-up for long. If, as seems likely, Coki takes control of the group, it could become a major force in the retailing sector, with a dominant position in food retailing and increased strength in liquor and white goods. Checkers continues to enjoy a good reputation, particularly among black consumers, and a tie-up with Metro Cash would undoubtedly prove beneficial to both operations.

Another possibility is that the currently unprofitable Greatermans department stores would lend themselves well to conversion into high volume Dion-style discount operations. Kirsh may be feeling his way initially, but even the acquisition of a minority stake is likely to result in a revamping of Greatermans' operations on a significant scale.

And, after turning in sharply lower five-fifths interim earnings in the 26 weeks to December 26 1981, Greatermans appears to be in need of a fresh injection of retailing expertise. On a life accounting basis, the group made a significant loss in financial 1981 and prospects for the second half of the current financial year appear to be even bleaker.

One curious aspect of this week's acquisition is that no warning notice to shareholders was published prior to Wednesday's announcement that the deal had been concluded. True, control of Greatermans has not changed, but this week's developments are significant nonetheless and would certainly have justified the publication of a cautionary notice. That is reinforced by the recent sharp fluctuations in the share price and the fact that the JSE is currently investigating allegations of insider trading, prior to the announcement of Greatermans' interim results.

The advent of Kirsh could well provide that element of management flair



Coki's Kirsh ... providing needed retail flair

Greatermans needs If the retail group's assets can now be used as effectively as those of Metro — or for that matter chief rival Pick n Pay — the current life loss-making position would be turned into a strong profit performance. Shareholders who believe the new broom will start sweeping soon are probably best advised to stay with their investment.

Chris Wilson

## EDCON/LIBERTY Bottling up SAB

FM 5/2/82

732

Nobody is admitting to red faces at SA Breweries after this week's raid on Edcon shares, but there is no denying that the industrial conglomerate has ended up somewhat between two bar stools.

SAB was originally looking for a strategic stake in Edcon of about 25%, according to group MD Dick Goss. But the response by the market and the institutions which landed it with 38% of the Edgars Stores pyramid caught even SAB by surprise.

Maybe it should not have done, bearing in mind the 56% premium on the market price which SAB was offering at first and which is equivalent to more than double the nav of Edcon last June. Goss, however, reckons that the price was not too high, bearing in mind the quality of earnings from Edcon and the Edgars chain and the way it would round out SAB's growing retailing division.

Also pushing the bid along, Goss admits, was talk of an alternative offer from a local company which could have seen Edgars slip out of SAB's grasp altogether. Some brokers believe this might have been the deciding factor in pitching SAB's offer — and though they started at 1250c, the eventual average cost of the shares acquired was higher than this. Total cost of the stake was a little above R60m, according to Goss.

While Goss says he does not feel at all awkward with the 38% stake eventually taken up, control was obviously in his mind. He believed that a majority shareholding in Edcon was unlikely to be immediately won with the first raid on the company's shares because of the powerful Press family holding. But he now reckons that SAB is in a strong position to negotiate for a larger stake once Edcon chairman Sydney Press returns from surgery abroad.

The chances of attaining control after talks with Edcon are impossible to gauge at present, however, as it is difficult to predict Press's reaction to the raid. Heartless as it may seem, though, there must be some thoughts in the minds of the two ap-



30 JSE WRANGLE

FM 5/2/82

One of the JSE's recent expansion schemes has been temporarily thwarted. For an application in the Rand Supreme Court by the JSE for a order to evict Indian tenants from Arenel House, Newtown, has again been postponed — this time until March 1.

JSE apparently wants to demolish Arenel House to make way for a parking lot for its members. The building is now occupied by fruit wholesaler F A Dadabhai and 12 Indian families.

JSE's attorneys, Hayman Godfrey & Sanderson, gave Dadabhai one month to vacate. Deadline was end-November 1981. The JSE argues that the lease is on a monthly basis and that the tenant is entitled only to a month's notice.

Dadabhai, however, refused to accept

the notice.

He further instructed his attorneys to oppose the JSE's subsequent eviction application on the grounds that he had entered into an oral agreement of lease for four years, beginning January, 1981 and therefore had three years still to run.

Dadabhai's attorneys further denied that Arenel (Pty) Ltd, a property company belonging to JSE, had any reason in law to cancel the lease and was therefore not entitled to give notice.

They further offered to hand to Arenel's attorneys 12 post-dated cheques for the 1982 rental (as this was the usual method of payment).

Dadabhai's attorneys stated that they would "strenuously resist" any attempt by Arenel to evict their client.

FM 5/2/82 (30) 275

## BLACK BUSINESS Go-ahead at Jabulani

A new business complex to be built at Jabulani in Soweto has been approved by Co-operation and Development Minister Piet Koornhof. If the necessary finance can be raised, the complex, planned by the Soweto Development Company (SDC), will cost an estimated R34m.

At least nine other groups had submitted applications to the Soweto council — but after several interviews, the SDC was given preference. The council's decision angered the Soweto Chamber of Commerce and Industry (SCCI), some of whose members were among the applicants.

Says an executive of the SCCT: "It is surprising that preference was given to people who do not have business track records. The Soweto council gives preference to their application and the government has granted Ministerial approval."

Jabulani, which is adjacent to the Soweto council chambers, has a catchment of about 100 000 customers and is centrally placed.

The company's board of directors includes chairman John Mavuso, a politician and top Inkatha man, three businessmen, Jack Sello, Joseph Seakatsie and Edward Dube, and *Pace* editor Lucas Molete.

Mavuso tells the *FM*: "We have seized an opportunity to develop the area in Jabulani. It is a mammoth venture and it took us over two years to get this far. Within 72 weeks, the first phase of our project will have been completed."

The National African Federated Chamber of Commerce's boss, Sam Motsuenyane, has expressed reservations and great misgivings about the complex: "I hope there will be a genuine case of black involvement in this development and I also hope that the SDC's directors will not be used as window dressing."

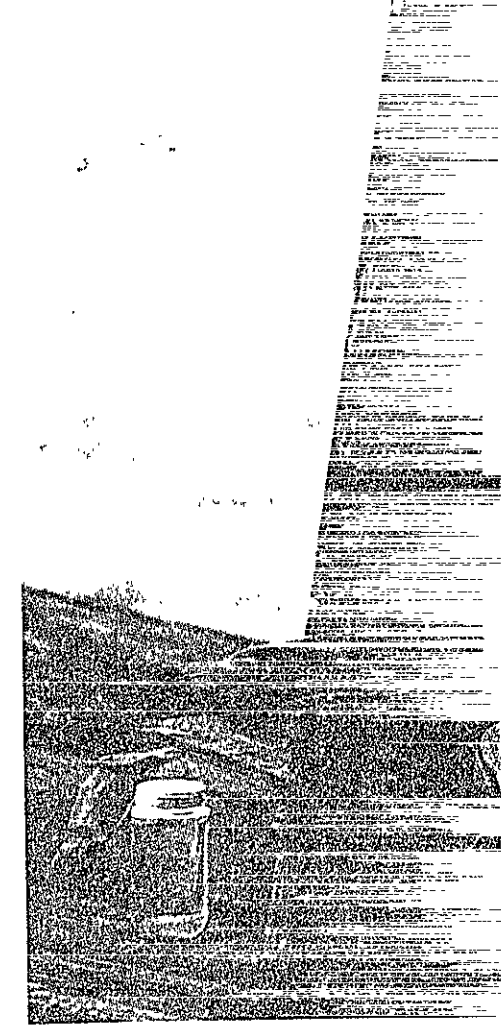
Motsuenyane says the policy of his organisation is that where the retail trade is concerned, blacks have already acquired skills and do not need white partners. Partnership is needed in heavy capital intensive undertakings.

The SDC has no capital of its own and is dependent on loans. It has asked the Small Business Development Corporation (SBDC) for finance, but the application was turned down, the reason being that the SBDC finances small companies.

The SDC has now assigned Volkskas Merchant Bank to investigate a possibility of raising the R34m.

Says Volkskas General Manager Johan Otto: "At this point in time everything is still in the planning stage. We are still investigating the possibility of raising the loan. Negotiations are underway with money markets."

Otto is noncommittal about the possibility of acquiring the loan "because we have to convince financial institutions" of the via-



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Financial Mail February 5 1982

## Did you hear?

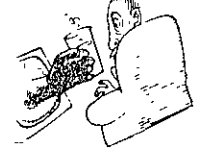
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Catholic bishops have urged the faithful to double their devotion to "Peter's Pence" — the contribution taken to support the

to the commonly held Douglas Green's St really KVV's Roodeberg, not the KVV's Petillant by Douglas Green's otherwise why is it that the among its members several of the Petillant Rose mounted Chantel seal and the firmly marked on the

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IGI has jumped on the wagon? It has introduced policy designed for "the woman." It is cutely called

at Cape Town's hotel, Mount Nelson, are tune into TV2 and TV3? 's Carlton and Landdrost their guests are not rived.

l Aviv — Yafo tourist has introduced a campaign ential visitors to Tel Aviv. ering discounts at all their ts.

is established a Water earch Programme in the of Civil Engineering?

# Pharmacists and

# OK leap ahead

30  
S. Times 7/2/82

PHARMACISTS have substantially increased their share of shoppers, as have the OK supermarkets, says the latest Markinor survey, reporting on the changing trends in white female shopping patterns.

The study emphasises the increasing swing towards shopping at the four major groups, particularly at the hypermarkets — but, interestingly, this swing has not been at the expense of the pharmacists.

Though most monitored chains, mainly grocery stores and toiletry outlets, have shown an increased number of shoppers, the highest results have been scored by pharmacists.

Today almost 75% of all white women had shopped at

By Vera Beljakova

a pharmacist during the previous month compared with one woman in two in April 1978.

Of the four main supermarket and hypermarket chains, OK supermarkets now have the highest penetration of 56%. The increas-

ing network of OK hypermas has also enjoyed a substantial growth, though not at the expense of supermarkets.

OK hyperamas (14%), however, do not have as wide a patronage as Checkers hypermarkets (now claiming

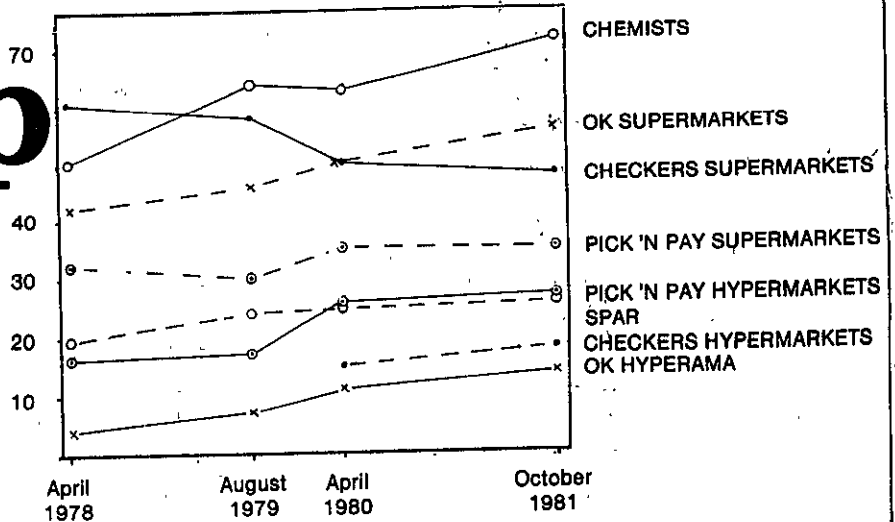
18%), but both are beaten by Pick 'n Pay hypermarkets (well ahead with 27% penetration), though this gap is closing with OK hyperamas hot on its heels.

Pick 'n Pay supermarket usage has not increased at the same rate as its hypermarkets or OK supermarkets.

Checkers' results do not in-

dicates the same increases in shopping trips overall, and it appears that their hypermarkets tend to be increasing at the expense of their supermarkets.

Spar outlets, though used by a smaller percentage of white women in an average month, are growing steadily (from 19% in April 1978 to 26% in October 1981).



TRENDS IN WHITE SHOPPING PATTERNS

# Stockings up for lucrative Black buying binge in 80s

All of a sudden the stores sector of the Johannesburg Stock Exchange has come in for intense attention from predatory groups.

Without admitting to the real reason for their interest there is the realisation that spending power in South Africa will come increasingly from the country's 20-million Blacks.

Their incomes are growing at a faster rate than Whites' and the obvious target for spending power is food, clothing and footwear.

With one estimate of retail spending looking at R20 000 000 000 of sales by the end of the century it is not surprising that the major consumer-orientated groups are building up their positions now.

The aggressive Kirsh Group was an early leader in the field and last year snatched furniture chain Russell & Co from under the noses of other interested parties in a daring stock exchange operation.

Last week it pulled off a similar major coup with the purchase of 49% of the equity of Greatermans Stores, which had just shocked the market with the publication of unexpectedly low profit figures.

Again Kirsh pulled the carpet from under its rivals' feet.

It transpired that Edgars was considering putting in a bid for Greatermans but instead of being the hunter it immediately became the prey.

Last Monday afternoon South African Breweries, with the aid of its merchant bankers, UAI, descended upon institutional shareholders of Edcon, the controlling parent of Edgars, and within hours picked up 38% of the shares while the chairman Mr Sydney Press was having medical treatment in the

## NEW INTEREST IN STORES IS SHOWN AT JSE

United States.

UAI did extremely well to acquire as many shares as it did. Indeed it would have been a miracle had it reached 50% since the opposition group needed only a further 12% to attain the same result.

Now Breweries has a "strategic stake" in Edcon but to put through the changes it wants it will at some time in the future have to acquire more shares. As one unkind observer put it: "Donny Gordon (of Liberty Life and Edcon) has SA Breweries over one of its own barrels."

In the meantime Breweries announced its recent

By TONY HUDSON  
Business Editor

RICH men's money seems to be the target of those wanting to make a profit these days, and Legal & General Volkskas (L&GV) is no exception.

This week the company launched a new policy offering better returns than tax free investments. However, the policy is aimed at the top end of the market with a minimum investment of at least R100 000 for a period of 10 years or more.

The policy is offering a guaranteed minimum annual growth of 10% on net capital and full participation in L&GV's direct linked fund which has so far beaten the inflation rate in its growth record.

The capital will be invested partially in a term annuity to generate four of the five premiums required. The

## Only the very rich can ask for this 10%

only taxable element is the taxable portion of the annuity proceeds.

L&GV states that even at a marginal rate of 50%, the effective guaranteed return will be above 9%.

The 10% guarantee applies on the maturity of the policy and in the event of an earlier claim. The contract is of immediate collateral value to the investor as it can be used as security for a loan from L&GV or another institution if cash is required before maturity.

But the group has not ignored the little man and has designed two new schemes

to protect policies against the erosion of inflation.

Chris Cunningham-Moorat, L&GV's general manager, sales and marketing, said this week that inflation will reduce the real value of an investment aimed at producing R100 000 in 20 years time to R15 000.

He said: "By the same token, the value of a R100 monthly premium would probably have shrunk to under R25 in 15 years time. This is hardly a comforting thought when one considers the corresponding low real final value of the contract."

Because of this (and, of course, the profit motive)

L&GV has introduced two systems aimed at combating this problem. They are:

- Premium inflation linking (PIL) and
- Automatic inflation management (Aim).

The PIL approach is to annually increase policyholders investment premiums with the inflation rate.

Aim provides a maturity target and as inflation erodes away at the real final figure, the premium is automatically increased so that the final figure stays the same in real terms.

Both systems will be available on all life assurance contracts.

R25-million purchase of Scotts Stores had been completed and that company's interests were being split up between SAB's shoe and store divisions.

It is thought by analysts that on its own Scotts is small fry for the beer group and that plans for a merger with Edgars were probably on the drawing board.

Rumours on the stock exchange are rife regarding other retailing groups.

The latest is that World Furnishers, in the light of its sparkling trading results, is being lined up for a bid but a firm candidate has yet to emerge.

# Amalinda wholesale: province stops plan

EAST LONDON — Plans for a R1.5 million Metro Cash and Carry complex in Amalinda have been scrapped by the Provincial Administration.

The plan, which got the blessing of the city council, was strongly opposed by the Amalinda ratepayers association who petitioned the provincial authorities to rescind the decision to build the wholesale warehouse.

Chairman of the association, Mr Fanie Strydom, said yesterday he was "very glad" at the Provincial Administration's decision not to allow the project to go ahead.

But the local director of Metro, Mr Ben Armist, said he was "terribly dismayed" and said the decision was harmful to East London's future development.

Mr Armist said the development would have meant at least R15 000 a year for the city's coffers in rates and service charges.

He said the development would have also brought at least two other companies "associated with our group" to Amalinda who would have dealt directly with the public.

"They would have employed at least 100 extra

people," he said.

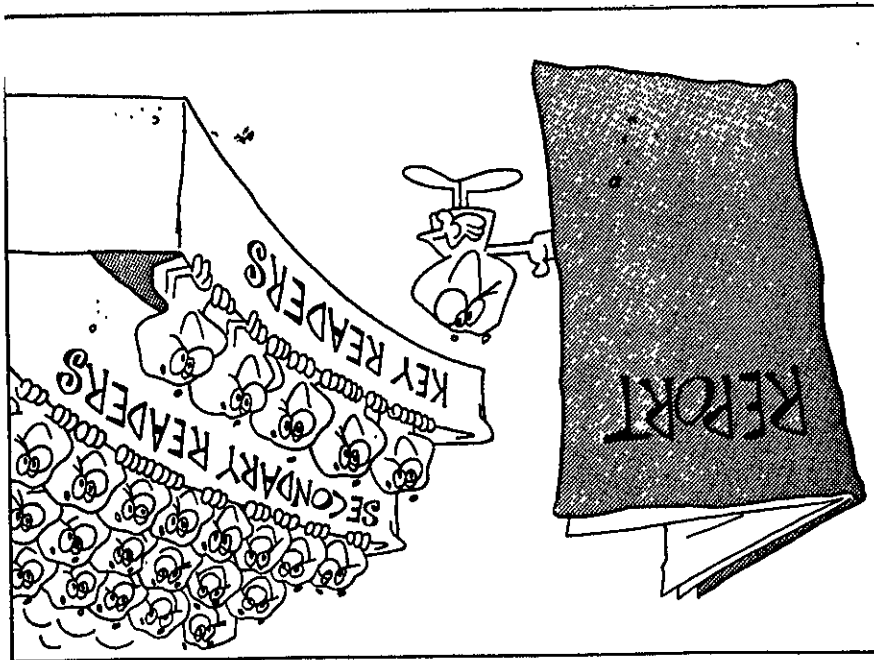
"It is unheard of that ratepayers should turn down developments like this."

The Amalinda ratepayers association were strongly opposed to the wholesale warehouse being built in Amalinda, saying it was totally unsuitable for a semi-residential area.

Mr Strydom said the area needed retail shops for the public and that wholesalers should be accommodated in light industrial areas.

"We are only working for the best of our community," he said. — DDR

CAPTION: Reports are often read by different groups of people, with different needs.



Laird, p. 203

# Calling on black hands



Affirmative action to push blacks up the management ladder has long been a favourite sundowner conversation piece, but now major companies are actually *doing* something about it. And it is interesting to note that altruism, which usually accompanies the affirmative concept, is one of the last things on corporate minds.

Management, after all, is as short-handed as most other business sectors with at least 175 000 posts vacant. Ironically, it is a sector of the labour market least likely to run into trouble with white hardliners.

By now most large companies have established their own in-house training schemes, while private consultancies and inter-company associations are appearing everywhere. Just two major groups co-operating in this way are Anglo American and Barlow Rand.

The 175 000 statistic on management staff shortfall comes from Nasser Associates' Martin Nasser. And he says the figure is understated.

"In South Africa," he says, "we are working with a ratio of one manager to 42 staff. In Australia the figure is 1:11 and, in the US, 1:6. We are really pushed for men at the top."

The shortfall of management skills is mainly in the lower to middle management range.

Barclay's personnel manager Steve van Zijl explains "The current demands of the SA economy have substantially increased the number of blacks holding supervisory and management positions. As companies are concerned with profits, productivity is a priority. And the best way to train blacks to fill the large gaps, they find, is to send

them on development programmes."

Image building in the black market is another major consideration. Blacks account for a significant percentage of SA's buying power and will represent an even greater share as time goes on. Most concerns appear to accept the need to establish a good image in the black market if they are to get their share of future business.

Others, of course, have further considerations to think of. The multinationals operating in SA, for example, face pressure from parent companies abroad anxious to show critics at home that they are actively supporting black advancement in SA.

Companies and organisations catering for the demand for training skills are many and diverse. Some take the form of consortiums designed to share ideas on successfully promoting blacks to higher level jobs; others are private consultancies which claim to provide SA business with professional help in achieving a non-racial allocation of skills.

Also, some universities have recently set up specific centres geared to the promotion of black skills.

Prominent are Wits' SAB-sponsored Centre for Developing Business (CDB), Black Management Foundation (BMF), Nasser Associates and Unisa's School of Business Leadership.

As black advancement is a new area, the industry does not have defined standards. Consequently, clients often have to take the word of "experts" on trust.

Methods employed differ with the emphasis ranging between assertion training to the installation of the principles of free enterprise.

Wits CDB head Stephen Black admits that black management training money is often spent ineffectively. "What is needed," he argues, "is an impartial body to research the industry; to look at what is being spent, evaluate the methods being used and monitor success rates. But," he cautions, "the body must co-ordinate and act as a sounding board rather than as dictator to the industry."

Black skills need to be developed, he adds, and the greater the number of organisations geared to meet this demand effectively, the better. "The CDB is continually upgrading the services it offers."

About 100 students have joined the Management Advantage Programme since it was established. Class attendance is non-racial and most students are company-sponsored. Most "graduates" take up positions as personnel officers, marketing managers and administrators.

Van Zijl also sees little danger of over-training. Newcomers to the training field are welcome, he says. "It is true that many personnel consultants are jumping on the bandwagon. But in my view, there is plenty of room for them."

"We will not survive if we do not train personnel for management positions and, because of the vast shortages, we have to do it fast," he adds.

Van Zijl says blacks made up 1.3% of total managerial staff in 1981 compared to 0.7% in 1980. The figure is expected to rise to 2.6% by 1984.

But more important than merely increasing the number of blacks in managerial slots, argues Van Zijl, is setting up systems that aid blacks to effectively fulfil management functions.

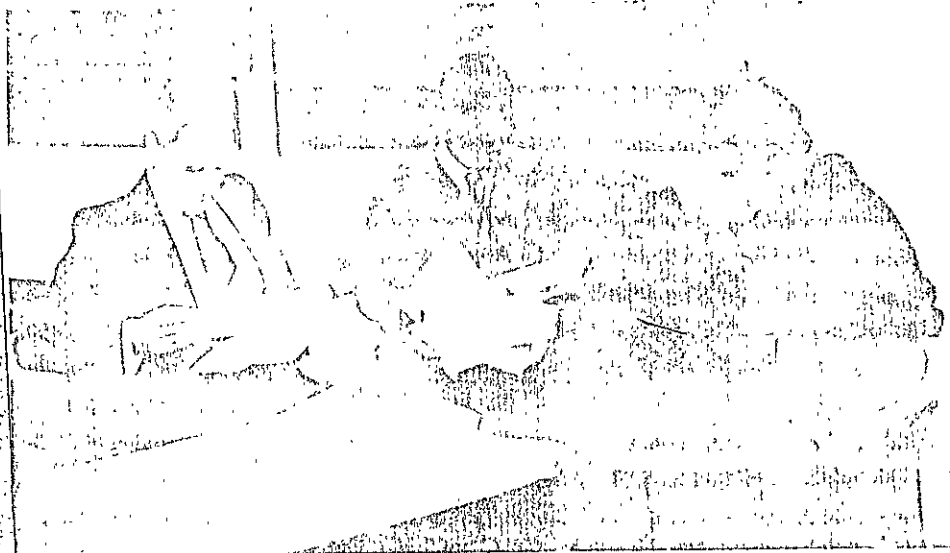
The recently formed Centre for Black Advancement (CBA) has introduced syndication into the market. Says CBA head Dave Jackson "We have tested the concept and it has shaped up well."

Many SA businesses are grappling with the problems of black advancement — but are doing so in isolation. They are, therefore, frequently making the same mistakes.

In response to this problem, CBA offer companies a vehicle for streamlining the process.

The syndicate, says Jackson, structures opportunities for the exchange of corporate experience. "Companies are able not only to swap historical data but also to develop new strategies and possible solutions."

The solution to the management manpower problem thus lies on the doorstep. With so many willing hands waiting to be trained, the wonder is that there should be shortage at all.



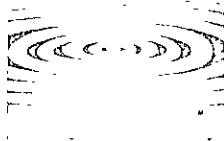
Management trainees ... learning the ropes

Your name is James/Jane Donovan. You work for Master Engineering, a middle-sized manufacturing and sales organisation with plants in all the major cities.

RETAILERS

# The chase hots up

FM 12/2/82  
30



Natie Kirsh and Donald Gordon had lunch together last Saturday. As winners in the latest bout of turmoil to hit the retail industry, they had something to celebrate.

Kirsh, the head of Kirsh Industries, had effectively sewn up control of Gre German Stores through a quick-fire deal after Edgars pulled out. Gordon, the chairman of Liberty Life Assurance, had moved equally quickly to prevent SA Breweries from snapping control of Edgars while chairman Sydney Press was overseas.

In the stock market this week the shares of other retailers, notably John Orr's, have been the target of some speculative action again. Now, of course, as the ripples spread, the talk is of which other companies might be vulnerable to bids and of protection they are seeking.

It is almost a re-run of this time last year when Woolworths took over Truworths and Kirsh whipped in to acquire Russell while the latter was in the middle of talks with Edgars. That flurry prompted a number of executives to start buying shares in their own companies or creating pyramids to hold the voting stock of the operating groups.

Pep Stores was one concern where the then chairman and a fellow director began increasing their stakes from the 25% level at that time. The Ackerman family took similar action with Pick n Pay shares.

Others to be mentioned in the current crop of suggestions include Beares, Clicks, Grand Bazaars and Harrowes. Beares is a fairly well run company tightly controlled by the Beare family who show little sign of wishing to relinquish the reins. Should they change their minds, SA Breweries, among others, could make an offer.

Clicks is run by Jack Goldin who speaks for over 50% of the stock. He is said to have received something of a shock last year when Kirsh made it clear he was interested in buying. A defensive deal, apparently with Raymond Ackerman, was explored but it failed to come off.

Grand Bazaars also suffered an unpleasant surprise last year when Max Sachar, the cousin of chairman Manual Sachar, disposed of his 40% in the company to an unidentified buyer. Manual Sachar then set up a pyramid company to hold more than 50% of Grand Bazaars' equity and his family in turn controlled over half of the pyramid's shares. The owner of the 40% remains hidden behind a nominee name.

Harrowes is another company tightly controlled by the family who are believed to account for some 60%-70% of the shares.

One Johannesburg stockbroker has made it plain for some time that he is a buyer on behalf of a client, but the family have shown no sign of being interested in selling.

Yet tight control, family or otherwise, is not a guarantor for the future. The latest events in the industry have shown that success or failure is judged by the profitability of the groups, though other factors like friendships play their part.

At bottom, if the management of a company is unable to come up with the profits, then it is vulnerable. But the prizes for success could be plentiful for the retailing market is one that is expanding with the growth in population and rising black living standards. Its ultimate bounty will not be eroded by the vicissitudes of business cycles, although in the immediate future growth may be restricted as the economy cools. Certainly the major groups will be unable to sustain the growth of the past two years or so when 40% increases were not uncommon.

Even so the immediate prospects are not that bad. Gross national product may grow at only around 2% this year. That means current high living standards will be maintained. They won't decline. It is widely expected that the hypermarkets and groups pitching at the lower end of the market could well show profit increases in the region of 20%.

The year began with a blaze of activity in the shares of John Orr, long an indifferent performer, although this was partly a hang-over from the last four months of 1981. Often the subject of takeover rumours, the shares suddenly became heavily sought after on the stock exchange. Suggestions abounded that an unidentified consortium was steadily building up a stake.

Dr Nic Labuschagne, the chairman, and other members of the Orr family rapidly took defensive measures. They persuaded Garlicks, a rival store group, to part with its 15% of Orr's. This took the family's con-

trolling interest to over the 50% level. Just how firm each owner of particular parcels of stock remains an open question.

There is an intriguing aspect to the deal Orr's did with Garlicks. Labuschagne pointed out they had been friends for years, even doing some joint buying.

But the latest development at Orr's is the announcement of the forthcoming closure of the group's most famous store, the one in Fleet Street Johannesburg. For years it was the flagship of the company, possessing the aura of a colonial Harrods.

The logical workings of the market place indicated that Orr's management needed to bite the bullet. Said Labuschagne simply: "The store is no longer a profitable entity."

Just before that news last week came an impressive display of business unity during the brief, fierce battle for Edgars. SA Breweries mounted a raid on Edeon, the publicly-quoted pyramid company which controlled the stores. Donald Gordon, of Liberty Life and acting chairman of Edeon, swiftly countered with purchases that took control beyond SAB's reach.

Sydney Press, the chairman of Edeon whose family owns a large stake in the company, was undergoing surgery in the US when SAB pounced. Initially the aim was to acquire 25%, but so fast came the offers from institutions holding Edeons that it switched, and aimed for control.

The institutions and other shareholders could hardly be blamed. Edeon's price was R8 before SAB started. It went to R12.50 and then R14. "It was too good to be true," said one stockbroker.

SAB ended up with 33% and the subject of a lot of controversy. There were those who said it had paid too much for what was only a minority holding while others acknowledged that it had to lay out a substantial premium if it was aiming for control.

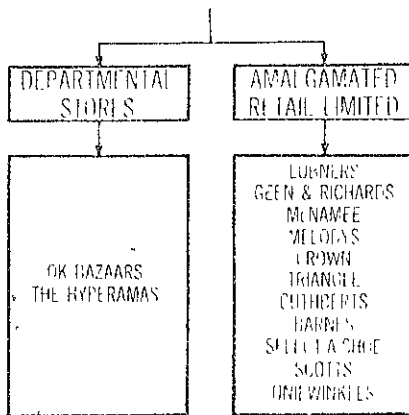
The move fits into SAB's long-term strategy of entering the retail field in size. It already controls OK Bazaars and last year bought Scouts.

SAB is highly regarded. Even Adrian Bellamy, managing director of Edgars, was reportedly said to be reasonably happy at the prospect of being part of the group.

Bellamy, however, probably did not realise how loyal Gordon is to Press. The two have been associates for 12 years, which is the period Gordon has been on Edeon's board.

"With this illness of his, I felt I had to do something special to protect him. I hope somebody does the same for me sometime. There is some sentiment in business," Gordon says, no doubt remembering his takeover of Fugit.

But he also stresses there were other more compelling motives. As chairman of Liberty Life and a director of Edeon, he



tributing selected prescribed articles, you are strongly advised to make the fullest possible use of the Library. It would stand you in good stead to attend an orientation course conducted during the first

SOWETO 11 Fm 12/2/79

### Black/white partnerships

A new project, a 100-unit add-on (ADCH), a black-controlled company with Roberts Construction as a minority partner, has been allocated 400 building sites in Soweto by the township's Community Council. It plans to use them for both business and housing development. The company has also applied for building sites in Thebusa and Pretoria.

Development will be carried out by African Development & Construction Company (ADCC), in which ADCH has 51% and Roberts 49%. Both the holding and the construction companies are chaired by Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafccc).

Says the company's project manager, Matodzi Laphosa: "We hope for a reply soon from other community councils to whom we have applied for sites. As the company expands we intend to buy sites throughout the Republic."

Some ADCH plans may be short-circuited by the bureaucracy. In the Pretoria area, for example, no 99-year leasehold rechner have yet been cleared.

Laphosa says ADCH hopes eventually to sell sites to the public. "With the money we acquire, we will undertake other projects."

"Rosemary is a girl of about 21 years of age. For several months she has been engaged to a young man named -- let's call him Geoffrey. The problem she faces is that between her and her betrothed there lies a river. No ordinary river mind you, but a deep, wide river infested with hungry crocodiles.

"Rosemary ponders how she can cross the river. She thinks of a man she knows, who has a boat. We'll call him Sinbad. So she approaches Sinbad, asking him to take her across. He replies, 'Yes, I'll take you across if you'll spend the night with me.' Shocked at this offer, she turns to another acquaintance, a certain Frederick, and tells him her story. Frederick responds by saying, 'Yes, Rosemary, I understand your problem -- but -- it's your problem, not mine.' Rosemary decides to return to Sinbad, and spend the night with him. In the morning he takes her across the river.

"Her reunion with Geoffrey is warm. But on the evening before they are to be married, Rosemary feels compelled to tell Geoffrey how she succeeded in getting across the river. Geoffrey responds by saying, 'I wouldn't marry you if you were the last woman on earth.'

"Finally, at her wit's end, Rosemary turns to the last character, Dennis. Dennis listens to her story and says, 'Well, Rosemary, I don't love you . . . but I will marry you.' And that's all we know of the story."



# Govt approval for Guguletu complex welcomed

## Municipal Reporter

THE government's approval of a long-term lease for a business complex in Guguletu was yesterday hailed as a breakthrough and the first step towards modern urban development in the Peninsula townships.

Reacting to this week's announcement by the Minister of Co-operation and Development, Dr Piet Koornhof, the chairman of the Cape Town Community Council, Mr Leslie Kakaza, said yesterday the go-ahead had also been given for the future development of business complexes in Nyanga and Langa.

## Negotiations

The granting of a long-term lease to the Small Business Development Corporation (SBDC) followed negotiations between the community council, Dr Koornhof, the SBDC, the Urban Foundation and administration board officials.

Mr Kakaza said the complex would include a supermarket, a department store, civic hall, hostel, bottle store, and office accommodation for banking facilities and building societies.

The needs of small businessmen and manufacturers would also be catered for, he said.

## Housing crisis

At a recent meeting between the parties, the development of Nyanga and Langa was also discussed, as well as the housing crisis in the Western Cape.

The council expressed concern over the "destabi-

lising" effects of the influx of illegal blacks to the Peninsula in view of the natural population increase and financial resources needed for the provision of housing.

Mr Kakaza said residents of the three black townships were becoming increasingly perturbed about concessions being made to "illegals" and about wavering official action in this regard.

## First priority

The council saw the critical housing needs of qualified residents as a first priority and pointed out that established residents felt illegals were encroaching on housing facilities and employment opportunities in the Peninsula. This was contrary to the agreements on influx management between South Africa, Transkei and the Ciskei.

"In this context, council's primary objective was protecting the interests of the established residents."

At the meeting it was agreed that every effort should be made to stimulate private sector involvement in housing along the lines stipulated by the Viljoen Commission.

It was also agreed between the council and Dr Koornhof that residents of the KTC camp would be housed in the second phase of the New Crossroads project.

Dr Koornhof is to meet the council again in two months to discuss homeownership, identification documents, site and service and controlled self-build schemes.

**SAB** <sup>232</sup>  
**gains** <sup>30</sup>  
**control of**  
**Edgars** <sup>Jan 15/2/68</sup>

By Mervyn Harris and Patrick McLoughlin  
 South African Breweries has gained control of Edcon, the holding company of Edgars, the country's largest clothing retailer.

The move came less than two weeks after its raid on the company was thwarted by Liberty Life.

In a shock announcement today Mr Donald Gordon, chairman of Liberty Life, said his group had decided to accept a new SAB offer for its shareholding in Edgars Consolidated Investment.

It was quite an emotional matter concerning Mr Sydney Press (chairman of Edgars who is recuperating in the US after hospital treatment).

Liberty Life came to the rescue of Mr Press, who held 28 percent of the Edcon shares, when SAB swooped on the shares two weeks ago.

Liberty Life boosted its stake from 12 percent to 22 percent, and with Mr Press's holding held 50 percent of Edcon.

SAB grabbed the strategic stake of 38 percent, which boosted the price from R8 to R14 in hectic trading.

It now has 60 percent as a result of the new deal taken by Liberty Life at board level.

Mr Gordon said he

To Page 3, Col 1

*Slow* SAB in ~~control~~ control of Edgars <sup>30</sup>

▶▶ From page 1

assumed Mr Press would now sell his holding.

SAB made a new offer to the Liberty Group which was acceptable until 6 last night.

Mr Gordon said: "It is in the best interest of all that we took this decision. The whole thing was in a state of flux and had to be resolved."

"We are an insurance company and cannot handle problems of a big retail group. We were not established for this purpose."

"No less than five public companies — SAB, Liberty Life, Edcon, First Union General Investment Trust and Edgars Stores were involved. It was obvious that the earliest possible resolution to the problem should be sought."

SAB is offering shareholders two-and-a-half SAB shares worth R12,25 and R2,75 in cash for every Edcon share.

Mr Gordon said that Liberty now had the third largest holding in SAB.

**POSITIVELY**

The deal means that Liberty will now have a total of 17 million SA Breweries shares which, at SAB's current share price of nearly R5, are worth R85 million.

Mr Adrian Bellamy, managing director of Edgars, said he was told of the development on Sunday. Senior executives in the company had reacted "very positively."

Mr Bellamy said he half expected something to happen but he was rather surprised events moved so quickly. "The price paid by SAB is very high," he said. "We could not have stayed in a state of suspended animation."

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# Repairs to cost more and maybe fuel as well

30 (135) Mercury Correspondent 16/2/82

**JOHANNESBURG**—Minimum pay rates for workers in the motor repair industry will rise by between 20 percent and 40 percent from the end of June — the highest increase in the industry for some years which will almost certainly lead to an increase in repair costs.

The new increases were announced yesterday in a statement by the National Industrial Council for the Motor Industry. They affect workers in the motor 'service' industry — repair shops and some components plants, rather than assembly plants.

A leading figure in the motor industry in Natal, who did not wish to be named, said last night that there would have to be an increase in the labour rate which in the long term would be equitable with the increase.

He said so far in the metropolitan areas the motor industry had managed to stay ahead of the laid down minimum. 'But an increase in the minimum wage rate now only affects the mechanics at the bottom end,' he said. 'It also means we will have to increase the wages of those at the top end accordingly. So it would certainly involve an increase in the labour rate but at this stage it is impossible to judge how much.'

The general secretary of the Tucsa-affiliated Motor Industry Combined Workers' Union, Mr Des East, said yesterday that the average minimum increase was around 37 percent.

He said this would directly affect the pay of higher-paid workers in the country areas and of lower-paid workers throughout the country. 'For these workers, the minimum laid down by the agreement is usually what they are paid,' he said.

But higher-paid workers in the city areas would not be affected so much because their pay was usually well above the minimum, he added.

The new minimum probably would be around R1 an hour in the country areas and R1.25 in the cities.

Meanwhile, our Pretoria Bureau reports that motor industry sources expect the price of petrol to rise by between 6c and 8c a litre from April 1.

Economists pointed out yesterday that the fuel price hike, together with the expected increase in railway rates and fares of about 15 percent would be a major factor in maintaining the country's inflation rate at a high level for the rest of the year.

One motor industry source said the Minister of Mineral and Energy Affairs, Mr F W de Klerk, would have no alternative but to adjust the price.

When he announced the 4.6c a litre increase in November, Mr de Klerk said at the then rand-dollar exchange rate, it was within the power of the fuel equalisation fund to delay another price hike until the end of March.

The 4.6c a litre was absorbed by the fund and pump prices remained the same.

The Government pays for crude oil imports in dollars, and the value of the rand in terms of dollars has deteriorated by about 30 percent over the past 12 months.

URGENT

# Pick<sup>30</sup> n Pay plans move into Australia

Dispatch 17/2/82

CAPE TOWN — Raymond Ackerman's Pick 'n Pay will soon be trading in Australia. The group has long-range multi-million rand plans for opening some 10 hypermarkets or superstores in the major centres.

Only a few details still have to be settled in what will initially be a R10m partnership venture with a leading Australian group. Pick 'n Pay is likely to have a 33 per cent stake, providing some R3m of the capital, and an official announcement should follow soon.

In Cape Town, Mr Ackerman said he was most enthusiastic about the growth potential in Australia. Trading conditions and the markets are very similar. But at the same time he is highly conscious that few South African retailing ventures overseas have succeeded. Some have chalked up huge losses while others are barely breaking even.

There is no chance either that Pick 'n Pay will diversify worldwide. The emphasis at this time is on a single prime market — Australia.

Pick 'n Pay will move extremely cautiously, beginning with a single store and slowly building this to the long term objective of 10 outlets. The group's financial exposure in the venture is minimal and thus risk is nil.

Mr Ackerman says the new Australian stores will be large, either in the hypermarket or super store class, and he has no doubt Australians will give this concept, which he pioneered in South Africa, the same reception as local shoppers. In addition the venture makes sense as South Africa is rapidly becoming overtraded, particularly as far as the choice areas are concerned. By contrast, Australia is untapped and Mr Ackerman has tremendous expertise to offer.

The new chain is expected to be launched around the end of 1983. The as yet unnamed Australian partners, but rumoured in retail circles to be a group called Half Case, are expected to visit Cape Town soon.

The bold Australian venture seems likely in

entire group is trading very strongly, with January supermarket turnover up 28 per cent on year-ago levels, while the hypers are showing even better growth — 31 per cent.

Trading is "definitely becoming tougher" but it is in times such as these that Ackerman's superb retailing operation comes into its own. Currently probably boasting the leanest margins among the retail chains, he is pushing hard for substantially increased productivity — not only in improving staff performance but also in cutting expenses even further.

Even in the coming year, which could prove difficult if the economic downturn accelerates, Mr Ackerman is forecasting 20 — 25 per cent growth.

The entry of Natie Kirsh into Checkers

must, however, present a new challenge. In buying power alone Kirsh-muscle (Metro plus Checkers) is enormous.

Mr Ackerman is far from perturbed but there is no doubt that strategy has already been formulated:

"When I started Pick 'n Pay we stressed the David and Goliath principle to suppliers and it worked extremely well. We found suppliers most anxious to do business with our small chain. The situation will probably repeat itself."

Declining to comment on Checkers' problems — "it is not my policy to harp on their difficulties" — he did add that Pick 'n Pay's management team is concentrating on running Pick 'n Pay and ignoring the hurly burly of takeovers being highlighted in the stores sector of the JSE. — DDC.

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30 28 E. Post 17/2/82

# Liquor chain cuts race barriers

Post Reporter

RACE barriers have been removed in almost half the 103 outlets in the Solly Kramer's liquor store chain and the chain now intends to apply for desegregation in all its stores, including three in Port Elizabeth.

"Of the 51 applications made to the Liquor Board to remove separate entrances for different race groups, 43 were successful," said Mr Richard Dimitri, Solly Kramer's development director in

Johannesburg.

"Three were refused and five await a decision by the board.

"The success of this phase of our desegregation programme has given us a good basis on which to approach the board to relax the segregation conditions in the remainder of the liquor licences we hold."

In the Port Elizabeth area, this means three stores — in Constantia Centre, North End and Westbourne Road.

"There is a woeful lack of liquor facilities for black people, particularly on-consumption," said Mr Dimitri.

"This has led to degrading forms of drinking, in alleyways and toilets for instance, increasing the incidence of publicly offensive behaviour.

"It also denies the predominantly working class population the social environment of the traditional pub.

"Taking Soweto as an example, with a population

of more than one million, there are only 10 beer halls, four beer depots, 17 liquor stores and three beer lounges in the township.

"No wonder a host of 'illegal' shebeens have grown up.

"We have experienced no resistance to desegregation to date in any of our stores from any race.

"I reckon that's some proof that the public realise how artificial race barriers of this kind really are," said Mr Dimitri.

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ONCE there was John Orr's, Stuttards, Ansteys and Garlicks — great department stores which attracted suburban and even country shoppers to central Johannesburg.

Ansteys has closed, Stuttards has moved to the suburbs, John Orr's is about to follow, Greatermans may do so. Only Garlicks thrives in the CBD.

According to John Orr chairman, Dr Nic Labuschagne, his store was no longer attracting the kind of customers it wanted.

"The racial mix of the city centre has changed. John Orr's policy is designed to meet the needs of suburban customers," he said.

And it is true that in the past decade the Johannesburg CBD has had to compete with suburban shopping complexes, losing a major portion of its market in the process.



Fed up with traffic jams, lack of parking and crowded pavements, the white suburban housewife has retreated to more exclusive centres.

But there more than 250 000 workers in the CBD which, together with Braamfontein, holds half the office space in South Africa.

This represents a substantial market of its own, and one that is evolving an interesting mix of white city workers and a new generation of sophisticated blacks.

And it is precisely from the new CBD mix that other stores have prospered under the motto "adapt or die".

Mr H Regenbaum, managing director of Levisons Outfitters, said: "It's been good for Levisons".

His shop offers up-market, fashionable imported men's clothing and at least half his customers are black.

"Like most cities Johannesburg has been losing its customers to suburban shopping centres, but we haven't felt it because the gap has been filled by the growing black market."



Other specialist stores, such as Derber's, the furriers, still attract their old customers.

The managing director, Mr R Fritz, said: "It's a highly specialised business. Our customers are regulars and they come in to see our designer."

But Derber's have also had an increase in black customers and they do well out of the tourist trade. His highly trained, intergrated staff speak a wide variety of languages, including African languages.

A D Spitz, a quality shoe chain, has experienced the same trends as Levisons.

Marketing director, Mr John Hallows, said 70 percent of their city customers were black: "The black trade is either ultra quality conscious or price conscious — stores that have fallen between the two have been badly hit."

"Department stores have tended to go for top quality in limited areas and have generally lacked discernible brands and quality profiles. This has made them vulnerable in the CBD."

His theory is supported by both the success of the O K

30 ROM 18/2/82  
**Black**



# and in the black

**JOHN ORR'S recently closed its Eloff Street doors, blaming the changed customer pattern of the central city for the move. But does an increase in black custom necessarily spell death to "white" business? According to Johannesburg's Central Business District Association chairman, Mr Nigel Mandy, by 1985 black spending power will exceed that of whites. VITA PALESTRANT reports. ABSALOM MNISI took the pictures.**



Bazaars and Woolworths.

OK Bazaars director, Alan Fabig, attributes their success to mass marketing and competitive prices. "Some of our customers used to pop their goods in a John Orr's packet when no-one was looking," he said. "The important thing is they shopped here."

For some time now OK have been aiming at the younger set and they have gone out of their way to emphasise things such as pop music — they hold 20 percent of the music market in the country. Their store is almost entirely black.

(One department store — now closed — also made a belated attempt to attract a new younger market by bringing in live performances by pop groups. This merely alarmed their regular middle-aged and elderly customers.)

"Our black customers are

particularly fussy when it comes to clothes and meat — they are willing to spend more if they know the quality is good," said a spokeswoman for Woolworths, a store which is predominantly black at two of its CBD branches.

Edgars is another success story thriving in the CBD's new mix. They moved from a small dull shop in Eloff Street to a major, departmental clothing store in Market Street — almost twice the size of Garlicks.

They cater for the fashionable working woman — both black and white.

Specialist music store, Recordia, have increased their jazz and reggae sections to meet their black customers' demands. They also have large industrial accounts. Managing director, Mr H S van der Veen, said: "You have to adapt or die."

Generally, the business

community have not rejoiced in the decline of department stores. But their opinions vary:

- Worldwide the department store is the sick man of retailing;
- Bad management — they look like Petticoat Lane;
- They couldn't adjust in time because they are more cumbersome and less flexible than specialist stores;
- They were mostly family businesses and that's dicey;
- They're still the most exciting kind of retailing.

There is talk in the city that Greatermans may move out. Certainly, their general manager, Mr D J Darlington, admitted the store had been caught between a downturn in the economy and parking problems.



His store had not changed its merchandising policy over the years and his customers were 80 percent white during the week and 60 percent white at weekends. He would not say whether he saw a continued place for department stores in the CBD.

But at least one department store, Garlicks, is proving it can thrive in the CBD.

Situated in the Carlton Centre it has ample parking and a buoyant tourist trade.

A spokesman said: "Our customers are still predominantly white. Since our restaurants turned multiracial a few years ago we have attracted more blacks. This will increase as earnings go up."

Their Rosebank branch 15km away has made no dent in their existing market.

"Every store is run autonomously. One has to take into account different shopping trends. The city centre caters for the working person while the suburban store caters for the housewife. If you have the

right merchandise you will attract customers."

He said blacks were particularly quality conscious — selecting the best in goods such as silverware and paying in cash.

He has no doubt that department stores can do well in the CBD and gives Macy's in New York as an example. "After Macy's had been revamped, its interior tastefully decorated and its merchandise changed, it became a leader in the States," he said.

A recent survey on shopping trends conducted by the

Johannesburg Central Business District Association showed some areas were entirely black, particularly those closest to stations, like Hoek Street — while others, like the Carlton Centre, were predominantly white. Eloff street was split down the middle.

"The traditional, separate white markets are blurring," he says. "An increasingly non-racial middleclass market is emerging."

The present working population of the CBD — its service community of stockbrokers, lawyers, accountants and doctors and their staff — present a large market because their services also bring suburbanites into the city.

The CBD still has the highest concentration and selection of specialist stores — whether they deal in furniture, furs, jewellery or motor cars.

"A lot is said about decaying city centres. This only applies to cities which have lost their function. Johannesburg is the financial and commercial centre of the sub-continent and it is still growing," Mr Mandy says.



But there are problems to be tackled: better city transport by way of mini buses or taxis, more conference centres and exhibition halls.

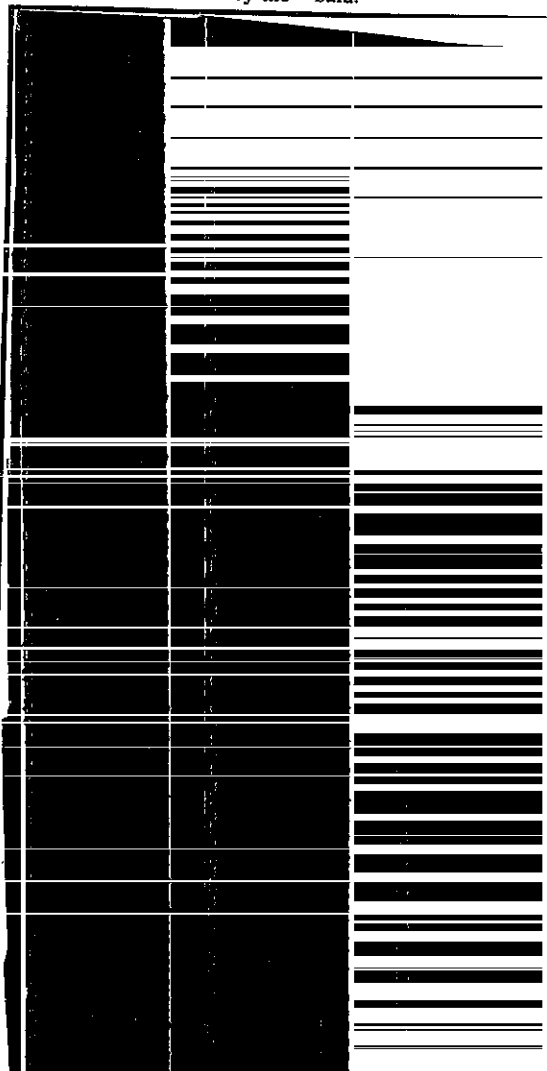
"Specialist stores in the centre have been able to adjust to the new market because they are relatively small and personalised. Department stores are more cumbersome and complex — they couldn't adjust quickly enough. Also, their customers are often 40-plus and less able to adapt to a changing society."

But he believes department stores have a place and he points to other major cities where they flourish.

Another positive factor he expects to see is the trend of homeowners to move closer to the central city. He predicts the ring of suburbs within 5km of the CBD will increase in affluence.

"Younger people want to be closer to the city. The city has a cosmopolitan excitement. It knows how to welcome strangers and this is an advantage in our racially mixed society," Mr Mandy said.

30 18/2/82



What progress has been made in the provision of electricity to Soweto?

†The MINISTER OF INTERNAL AFFAIRS (for the Minister of Co-operation and Development):

A very satisfactorily tempo of progress in the provision of electricity to greater Soweto is being maintained. The total estimated cost amounts to R235 million and work to the value of R74 million has been completed by the end of 1981 which represents an expenditure of more than R4 million per month. This monthly rate of expenditure has now increased to over R5 million. 25 082 houses have now been completed by the contractors and these are in various stages of inspection and acceptance by the consulting engineers and the local supply authority. The estimated date of completion is early in 1984.

*Handwritten:* Hansard Q. Col. 143

*Handwritten:* Hotels: international status 19/2/82

\*4. Mr. S. S. VAN DER MERWE asked the Minister of Industries, Commerce and Tourism:

How many hotels in South Africa have international status at present?

†The MINISTER OF COMMUNITY DEVELOPMENT (for the Minister of Industries, Commerce and Tourism):

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*Handwritten:* Hansard Q. Col. 143-144  
Central city areas: trading 19/2/82

\*5. Mr. S. S. VAN DER MERWE asked the Minister of Community Development:†

- (1) Whether any representations were received in 1981 in regard to the opening of central city areas for trading by all races; if so, (a) from whom and (b) what was the nature of the representations, in each case;
- (2) whether central city areas or parts thereof were opened in 1981 for trad-

ing by all races; if so, in which cities or towns?

†The MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes.

(a) The Chairman, Executive Committee of the South African Indian Council and the City Councils of King Williamstown, East London, Pietermaritzburg and Port Elizabeth;

(b) the South African Indian Council made representations for the opening of all central city areas throughout the country, in particular those of Durban and Johannesburg, for trading by all races, whilst the city councils in question requested that the whole or part of their central city areas be opened.

(2) The explanation given by me on 30 January 1981 in reply to the hon. member's question No. 7 still stands but I wish to add that this matter falls within the terms of reference of the technical committee of inquiry, under the chairmanship of Judge J. Strydom, which was appointed to investigate the Group Areas Act, 1966 and related legislation.

*Handwritten:* Hansard Q. Col. 144-145

*Handwritten:* 72-hour curfew 19/2/82

\*6. Mr. D. J. N. MALCOMESS asked the Minister of Co-operation and Development:

- (1) Whether he intends to lift the 72-hour curfew imposed in terms of section 10(1) of the Blacks (Urban Areas) Consolidation Act, No. 25 of 1945, in (a) Pretoria and (b) Bloemfontein;
- (2) whether he intends to lift such curfew in any other areas; if so, which other areas;
- (3) whether a test survey has been con-

**KLIPTOWN**  
**Grey not OK**

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FM 19/2/82

Black and coloured businessmen are getting together to fight government's decision to declare Kliptown an open trading area in terms of the Group Areas Act.

Part of the area has been bought by a group of Indian businessmen, acting as Kliptown Investment Company (KIC), for R750 000. And the Soweto Chamber of Commerce and Industry (SCCI) is investigating the possibility of asking Pretoria to re-promulgate Kliptown in its favour. Their basic argument is that they are not responsible for the apartheid laws, but want protection when it comes to developments.

National African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane tells the FM: "We are waiting for more details, and only then can we handle the matter with the highest authorities."

The eastern side of Kliptown has already been expropriated and transactions over its future concluded between government and the Soweto Community Council. This was a result of the Du Rand committee's proposal that Kliptown be incorporated into Soweto. (The committee was appointed in 1975 to investigate a possibility of the rounding-off of Soweto boundaries.)

"I do not know anything about any deal

clinched by a group of Indian businessmen," says the Soweto council's chief executive officer, Nico Malan. Nonetheless, the FM has reliably learned that the SCCI committee investigating the matter has strong feelings about the sale to KIC. "We will fight tooth and nail until we win this battle," says a senior committee member.

Well-placed sources say KIC will be asked to pull out of the deal, and the committee wants the company's members to be identified.

SCCI chairman Veli Kraai finds the issue "very sensitive." He adds: "We want the Soweto and coloured business community to be given preference when it comes to matters such as these. We are aware of the expensiveness of the land, but that may not necessarily be a problem."

The committee says: "We are not responsible for the policy of separate development," but argues vehemently that if certain areas are to be declared open trading areas they should, at first, be located in CBD areas.



SHOP HOURS FM 19/2/82

# Plugging away

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1. London: Oxford

Wilson, M. and L. The  
1969 The Oxford

The recent provincial decision to maintain the status quo on Transvaal shopping hours is not being accepted as the final word by the Johannesburg Chamber of Commerce (JCC).

Pretoria: G  
1974 Gross Geogr  
Republic of South Afr

Armed with a mandate from members, it will continue its five-year-old fight for flexible trading times. Although some bigger retailers (like OK) are against changes, chief JCC executive Marius de Jager points out that the majority of his 3 800 members, and Assocom itself, favour a change.

African Aff  
"White pros  
1970 Johnstone, F.A.

Says De Jager, "A JCC survey has found that most shopkeepers on the Reef favour flexible business hours and the National Productivity Institute and Competition Board have also recommended it."

burg: South  
1969b A Survey of

De Jager is thus surprised that province turned down the idea, though temporarily, on the grounds that very few traders supported it (*Business* January 22).

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1969a South Africa  
Horrell, M.

Says the chamber: "It seems that the

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REFERENCES: The styl

MEC concerned (John Griffiths) is disregarding the views of recognised employer and consumer bodies and is relying on the opinions of a number of individuals." Legislation, says de Jager, should allow

local authorities to set trading hours to suit the needs of traders in their own areas. The JCC therefore intends to keep plugging the issue. But Griffiths says the decision is made and, as far as he is concerned,

there will be no review for at least 2-3 years. Perhaps Fanie Schoeman, now the responsible MEC, could be persuaded differently.

PLAGIARISM: "Plagiarism: publish borrowed thoughts as original, steal (thoughts), steal from (work without)"

Research papers/essays written during the second semester as part of the evaluation of lecture or seminar courses at the third-year level are kept for the external examiners to review. Students who wish to have their papers returned with the course instructor's comments should submit their papers in duplicate.

It is in the student's interests to make a copy of all written work handed in, in case of loss.

Students should state clearly on the front page: name, course, date, and name of lecturer/tutor concerned.

An abstract is generally desirable, i.e. a brief statement at the outset on the content of the essay.

A generous margin should be left on the edge of the page to allow for the evaluator's comments.

One side of the page only should be used, and typewritten work must be double-spaced.

Typing is strongly recommended. Where handwritten work is presented, a high standard of legibility and neatness is required.

## ESSAY/ASSIGNMENT PREPARATION

term by library staff.

## BLACK BUSINESS (30) Into the mainstream

FM 19/2/82

Total black consumer spending will exceed that of whites by 1985, according to economic analysts quoted by Nafcoc president Sam Motsuenyane at the weekend.

The market for food and other consumer products is already heavily dependent on the black consumer, and black buying power in SA is "certain" to rise more than five times during the next 20 years — from R5 billion to about R22 billion by the turn of the century, Motsuenyane said. Better

utilisation of black buying power is therefore of the utmost importance.

Motsuenyane was speaking at a seminar on Regional Development in Lebowa. He emphasised the urgent need for a restructuring of the economy "in order to enable blacks not only to share more equitably in the wealth of the country, but also to move deep into the mainstream of its bustling economic activity."

He pointed to education and training as prerequisites for this development.

"Greater emphasis should be given to technical education, especially in the black community. School curricula should embrace technical subjects and provide career-orientated education which should gradually do away with the present white-collar mentality in black schools."

If blacks are the biggest consumers, they must have a larger entrepreneurial stake in producing the goods they consume, Motsuenyane said. The government must move as rapidly as possible to eliminate the legal and ideological barriers which prevent blacks from becoming part of the business life of SA.

"While the country is rapidly integrating economically, some leaders are still clinging to ideals and political clichés whose time has long passed."

Legislation such as the Group Areas Act and the Land Act interfere with the rights of the business community to trade wherever they like and where the prospects are bright, he said.

Motsuenyane also suggested that the "white" areas ought to become common areas for all people. It must be kept in mind, he said, that by the year 2000, nearly two-thirds of the 43m blacks in the country would be living in what were now termed white areas.

# Another delay in opening of business areas to all races

S. Post 19/2/82  
Political Correspondent

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CAPE TOWN — The long-delayed Government decision on open central business districts is now the subject of another inquiry — that of the technical committee set up to investigate the Group Areas Act.

In 1979 the Wiehahn Commission recommended that CBDs be open to all races. The suggestion was widely endorsed by organised commerce in all the major areas.

In January last year, the Minister of Community Development, Mr Pen Kotze, said in reply to a question that the Government was still considering the proposal but pointed out that a number of areas had been declared Section 19 zones, thereby allowing mixed occupation.

In answer to an identical question today, Mr Kotze repeated the statement he made last year and added the matter was now also the subject of an investigation by the recently-appointed Strydom committee of inquiry into the Group Areas Act.

In his reply today, Mr Kotze confirmed he had received representations from the municipalities of King William's Town, East London, Maritzburg and Port Elizabeth for the opening of CBDs.

Representations had also been received from the South African Indian Council for the opening of all central areas throughout South Africa and especially in Durban and Johannesburg.

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# Poor wages blamed for shortage of mechanics

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E. Post  
20/2/82

By SALLY KERNOHAN

POOR wages are to blame for Port Elizabeth's critical shortage of motor mechanics — but blacks are now poised to pick up the tools.

Motorists are finding that jobs on their cars — usually done in a day — are taking up to two days and in some cases, as long as a week.

Dealers told Weekend Post this week that wages — a first-year apprentice earns R69 a week before deductions — was one of the reasons for the shortage.

Mr S C Williams, service manager of a major Port Elizabeth dealership, said the biggest problem facing dealers was that youngsters were no longer entering the trade "because of poor pay".

"Neither is the trade attracting the right type of person for this very reason," said Mr Williams.

Other dealers agreed with him. Another reason given was that companies, with their own fleet ownership workshops, were attracting journeymen at higher wages and better working conditions.

Pay rates for workers in the motor repair industry will increase by between 20% and 40% from the end of June.

But the increase has come too late.

Mr Bill Hayward, national secretary of the National Association of Automotive Components and Allied Manufacturers (Naacamp), lays the blame squarely at the door of the motor industry.

"I can't accept poor wages as an excuse," he told Weekend Post.

"The industrial agreement for the motor industry prescribes minimum wages and conditions.

"But in a free enterprise system, the employer is at liberty to pay a man what he is worth."

Mr Hayward said there had been "insufficient initiative on the part of employers in regard to all races".

"And this applies to all industries and all artisan fields," he said.

"Industry as a whole has been slow off the mark to provide in-service training for blacks.

"Provided you apply selective recruitment, aptitude testing and proper training, you can produce workers of a good standard, regardless of race."

Mr Hayward accused "to many prejudices".

"We shall have to re-think and provide employment for our indigenous people — surely preferable to recruiting people from overseas at additional expense," he said.

But Port Elizabeth is in a better position than most other places.

Besides the in-service training centres operated by the big three motor manufacturers in the Port Elizabeth-Uitenhage area, Port Elizabeth is also lucky to have a unique in-service training centre on its doorstep.

At the Emthonjeni Training Centre in Struandale, in-service training for all races in all the operative spheres of practical work is provided.

And on Wednesday, the Mayor of Port Elizabeth, Mr H van Zyl Cilhe, will turn the first sod in a R1.7 million expansion programme at the centre.

This new project will provide the centre with 2 821 square metres of additional space.

The extra space will provide for a new welding workshop, and a new workshop for training in the motor trades including diesel mechanics and auto electricians.

There will be another workshop for mechanical work, too.

# SA Brews and Coki — giants battle for shoppers' custom

NOW that SA Breweries has control of Edgars and Mr Natie Kirsh's Coki Corporation has effective control of Greatermans, SA retailing is dominated by two corporations with annual sales of more than R2 000-million.

The Kirsh companies with projected sales of more than R2 400-million and SAB, with projected sales of R4 000-million, will become daunting opposition to smaller fry in the retail jungle — and to each other.

The two giants overlap in food, liquor, furniture and to a lesser extent in clothing.

In liquor, in the aftermath of the great Union Wine scramble last year, the overlap is acrimonious to put it politely.

SAB, with its Solly Kramer chain, is one of the biggest liquor retailers in SA. But in terms of the Government edict permitting SAB's monopoly in beer, it must sell all but five of its bottle stores.

Coki's Union Wine and Picotel, on the other hand, have permission to open 150 bottle stores and thus become far and away the biggest liquor retailers in SA. Chances are some of these licences will be

## Note 2:

The death of a partnership accounting entity to be drawn up for ascertain the correct policy would be shared to the partners' capital accounts.

22/2/82 By DAVID CARTE P.M.

used to open wine counters in the bigger Checkers stores.

The licences are confined to a magisterial district, but there is no restriction on location or size of store. Picotel intends making its stores large.

SAB and Cape Wine, the other liquor giant, are hoping that the Competition Board will rule that Union Wine, as a producer, must get rid of its bottle stores. If that happens, the bottle stores will no doubt be shifted into Picotel, so Coki is unlikely to lose.

In food, SAB has OK, and Coki has Greatermans, each with food sales approaching R1 000-million. At the wholesale level, Coki also has Metro Cash which is budgeting for sales of R750-million, mostly food.

With Pick 'n Pay commanding a huge and growing slice of the market there could be some rough stuff among the three giants if food sales start to flag.

Checkers seems to have over-expanded and appears to have acute management problems. Sorting this out is Greatermans No 1 priority.

In obtaining 49% of Grifhold, Coki acquired only an attributable 22% of Greatermans equity. The biggest stake of 23% is held jointly by Mr Isaac Kaye and Mr Dusty Miller.

Either Coki has picked up a few more shares in the market to make it the biggest stake, or it has been given a management contract for Greatermans — for Mr Kirsh is putting one of his own men at the top of Greatermans.

Mr Gordon Utian, a director of Tiger Oats, and according to Mr Kirsh, one of SA's brightest food men, starts work as executive deputy chairman of Greatermans in April.

Mr Utian will also join a five-man executive board in Kirsh Industries at the top of the Kirsh empire — Mr Natie Kirsh, Mr Mervyn King, Mr Utian, Mr Izzy Kirsh and Mr Arnold Levy.

Mr Rex Glanville stays on as managing director of Greatermans. Mr Bob Harvey is retiring and Mr Kaye and Mr Miller seem likely to stay in the background.

The acquisition of Mr Utian from Mr Kirsh's arch-rival, Tiger, suggests that having plundered the stock market, Mr Kirsh is doing the same to the market for retail executives.

He has unsuccessfully approached two senior retailers, one of them in the SAB group, to join him. But Mr Kirsh insists the group is not short of management. Management, he maintains, is its strength.

Dion's, he says, is running smoothly under Mr Clem McLeish, Russells goes from strength to strength under the long-standing management of Mr Les Mankowitz, and Mr Jan Pickard's team is prospering at Union Wine and Picotel. The insurance interests, AA Mutual and Consure, have all the management they need.

In furniture, the two big contenders prowl the same territory. SAB has OK and Amrel, and Coki has Dion's —

about to go national — Joshua Doore and Russells, not to mention the Checkers hypermarkets. SAB has Afcol, the biggest furniture maker in SA.

By comparison with Breweries, which now has Edgars and Scotts with joint sales of R600-million a year, Coki's interests in clothing — Cyril's Wardrobe, Woolfsons and bits of Russells — are small beer and SAB appears to have headed Kirsh off in this area.

Coki and SAB are acutely aware of each other and it is clear that Breweries bid for Edgars was prompted by Coki's pounce on Greatermans.

After grabbing Russells out of the hands of Edgars at the 11th hour six months ago, Coki snatched Greatermans from Edgars while Edgars was negotiating with Greatermans controllers — Fedchem. Mr Kaye and Mr Miller.

SAB's fear seems to have been that if Mr Kirsh were thwarted by Edgars in his bid for Greatermans, he would move on Edgars itself.

Only a year ago, Mr Kirsh had moved on Tiger Oats, so Edgars was by no means too big for him.

The truth is, after two years of incredible growth, hardly anything is too big for Mr Kirsh and SAB, jealous of its retail dominance, knows it.

With its Edgars bid, SAB appears to have blown the whistle on Coki's spectacular growth.

Coki is not likely to heed the whistle and the paths of SAB and Coki seem bound to cross again — and the fur to fly.

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direct

COM

# No Indians in CBD, says councillor

By JOHAN BUYS

A SPRINGS councillor is opposing a town council plan to allow Indians to trade next to whites in the central business district of the town.

Mr David Botes, who is also organising secretary for the Afrikaner Weerstandsbeweging, told the council's monthly meeting this week: "The council was busy sucking more blacks into the centre of town which is a white trading area."

The town council has decided to inform the Department of Community Development that it has no objections to a trading area for Indians in terms of Section 19 of the Group Areas Act, provided the area comprising Third Street, First Avenue, Fourth Street and Second Avenue, were excluded from the trading area.

Mr Botes, a former Nationalist who was kicked out of the party for opposing a fellow Nationalist in a municipal election, objected to the plan.

He said: "I am against this plan because it involves a white area. The whole entrance to the business area would basically be a grey area consisting of Indians. Voters in Geduld are upset over the idea and I can only foresee problems ahead."

Mr Botes asked that the matter be referred back to the management committee and said he would present a petition from 60 white traders who were against the idea.

His request that the matter be referred back to the management committee was defeated by 10 votes to one.

The CBD in Springs has traditionally been a white trading area with Indians trading on the outskirts of the CBD. But Indians have applied now for business licences in the central area.

Mr Botes is standing as a conservative independent candidate - with the slogan: "Keep Springs white" - in next week's municipal election.

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04, Jan 1: Insurance Expense  
Bank  
Years 02 and 03 - same as 01  
Dec 31: Income Statement  
Insurance Expense  
being closing entry  
01, Jan 1: Insurance Expense  
Bank  
being payment of premium  
(1) Premiums Treated as Business Expense

SOLUTION TO: GL5

ACCOUNTING A

# 'Hidden perks to GST'

ARBUS  
24/2/82

30

**Parliamentary Staff**

**GENERAL SALES TAX** had 'hidden benefits' for large concerns such as supermarkets, super-markets and chain stores, Mr Alf Widman (PFP, Hillbrow) said in the Assembly yesterday.

Speaking during the second reading debate on the Part Appropriation Bill, Mr Widman said these concerns could accumulate the sales tax for a month and receive five percent interest on it from banks by depositing it on call account or daily rates.

The Minister of Finance, Mr Owen Horwood, had now increased sales tax, and this 'hidden benefit' for large concerns would now increase by 25 percent.

Some of these concerns had turnovers of R400 000 a month, giving them a clear R1 000 a month profit.

'How about them passing the benefits on to the customer?' said Mr Widman.

Mr Widman also called on the Government to exempt local authorities from GST.

Local authorities were struggling to balance their budgets, and they played a vital and integral role in the economy. The total capital expenditure of local authorities was a 'substantial amount' — half of which usually came from rates and the balance from services such as water, electricity and sewerage.

'This is all paid for by John Citizen, who is, in fact, twice taxed to keep Government and local government, and thrice taxed to include the Province on certain tariffs,' he said.

Mr Widman said it was clear that the National Party could not manage the country's economy. Politics and economics were inextricably bound to each other. The National Party was shackled to its right wing, and bogged down in a mire of conservatism.

'I appeal to the Prime Minister to break the shackles, to put South Africa above the National Party. It is clear the interests of South Africa and the interests of the National Party mutually conflict,' said Mr Widman.

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Bank  
being payment of premium  
Premiums Treated as Business Expense (1)

SOLUTION TO: GL5

# Apartheid in liquor stores on the way out

CAPE TIMES 25/2/82 30/48

By GORDON KLING

ONE OF the last vestiges of apartheid at the retail level, racial segregation of customers in bottle stores, is officially on the way out.

The Rebel group has obtained permission from the Liquor Board to integrate all but one of its stores in the Western Cape in a move welcomed by the other major liquor chains.

Integration had gone smoothly with only "one or two" objections from customers, according to Rebel's head in the Cape, Mr I Sacks.

## Two major points

"Ninety-nine point nine percent of the customers seem to be very happy and think it's a good thing. After all, why should people shop shoulder to shoulder everywhere but in liquor stores?"

The group's national managing director, Mr Trevor Pearman, said in a press statement that separate entrances and segregated shopping areas had been scrapped at all its outlets throughout the

country because of strong feelings on two major points.

"First, we believe that business should know no racial barriers. Anyone who has money to spend should be exposed to the whole range of merchandise, and not restricted to just a minuscule portion because of colour.

"The second important point to remember is that we are part of an international organization, and we need to adopt an international attitude towards relationships."

## Move welcomed

Mr Sacks said some of the stores were designed in such a way that they could not easily be integrated into one and in this case both sections were open to all race groups. It would take time and money to revamp these outlets.

The managing director of the Drop-Inn group in

Cape Town, Mr Joey Berk, welcomed the official seal of approval for the integration of the stores. His group had effectively abandoned apartheid several years ago, he said, by simply designating the two sections of its stores "counter service" and "self service".

## Clear trend

It was up to the customer to decide which section he preferred and the trend was clear, but this practice would probably be retained for the time being because he feared serious repercussions if one store was refused permission to integrate.

"Say there were objections from the public, for example. All of a sudden we would have a store being labelled racially and we want to avoid this sort of situation."

A spokesman for Rembrandt's liquor outlets described the move as logical and said it could be expected that other dealers would follow suit.

300

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24 000

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24 000

24 000

300

300

300

04, Jan 1: Insurance Expense Bank 300

Years 02 and 03 - same as 01

Dec 31: Income Statement Insurance Expense being closing entry 300

01, Jan 1: Insurance Expense Bank being payment of premium 300

(1) Premiums Treated as Business Expense

SOLUTION TO: GL5



**Financial Editor**

**THERE** is a great lament that Durban's traditional old Greenacres store has to go. Shopping will never be the same again and if the site is sold and the property razed, West Street will never look the same again.

But times, change and Durban's old retail trade has been a typical example. The traditional West Street stores have been bowled over like ninepins. Are there particular reasons?

My coffee-grinder story shows one facet of why Greenacres is closing.

One week during December, when the tills were starting to ring up their R250 million worth of sales in the city, I went searching for a coffee-grinder in West Street.

The old hand-operated model brought from Holland 25 years ago no longer ground the beans fine enough for filter coffee

influence of black spending power.

Their spending is becoming increasingly more important to the retail trade than the white and this will be further encouraged as black incomes improve.

He said that black shopping demands were becoming more sophisticated as they were beginning to acquire the feeling of more permanence in the white areas.

'I tend to believe that there will be a degree of polarisation in the retail trade with discount operations, hypermarkets and the like catering for the mass market with a distinct emphasis on price, and at the other end, those with a tendency towards speciality stores operating on a higher mark-up but offering all the trimmings.'

Dr Labuschagne thinks that in this area there will

stores offering no credit, little or no service and a reasonable quality of the goods they offer.

Yet another facet of the retail scene was highlighted by Professor John Simpson, director of the University of Cape Town's Graduate School of Business.

His forecast was that in the next two years the number of traders would diminish. The recent economic boom had caused many retailers and developers to open new shopping centres and new stores at 'an alarming rate' and because of an immediate increase in sales they felt they were right to do so.

'But in the next two years, at least, when we can expect a levelling off of retail sales in real terms, I suspect that the ogre of over-trading will, in fact, be a reality.'

Professor Simpson expects that by 2000 there would be at least 13 million blacks living in urban areas as the ratio increased from 1980s 38 percent to 55 percent.

He does not think that the Government will, for political reasons, take a savage swipe at the economy as Mrs Margaret Thatcher has done in Britain.

'High inflation affects not only the consumer in his buying behaviour but the retailer as well.'

Professor Simpson also expected that the current recession would have a major impact on turnover and profitability.

His forecast was that the retail industry would be dominated by a limited number of highly efficient, large chains.

**More mergers**

This would be accompanied by an increase in the growth of specialist outlets, many of which would also be chains.

He saw three development directions:

'Firstly, I am fairly confident that we can expect even more mergers and take-overs in the retail sector over the years, for reasons of economies of scale, continued rationalisation by some of the more efficient groups, and because of overtrading'.

Secondly, he expected that each retailer would divide their markets more carefully and keep each section under careful management observation.

Thirdly, there would be a move towards speciality outlets which would play a larger part in the retail scene than they do now.



and so an electric model was required.

I visited three shops with this result for the same model of a French appliance: R23,75; R19,95 and R16,95.

Let's say that the lowest price was set to make a modest 15 percent gross mark-up. Then on the the same cost price the next store were marking up 39 percent and the top store 65 percent.

My choice was natural — price counted.

Does the quality of service come into such a small purchase — in this case the manufacturer offered a guarantee?

Why should the purchaser favour an establishment where goods cost more?

Was there any degree of exclusiveness about the purchase?

This article is not meant to condemn one store for setting a price 40 percent higher than that available elsewhere but rather to show that old styles of retailing are just too costly.

Dr Nic Labuschagne, speaking as president of the Durban Chamber of Commerce (he is also chairman of John Orrs) said yesterday that a major factor in the retail changes was the growing

be a high potential for small family-owned enterprises and the strength of the major chains challenged.

He pointed out that small business tends to employ more people as a whole than the chains and 'frequently provide the entrepreneurial flair from which the larger organisations have grown.' Thus the comments of a major retailer.

Back to our look at the demise of the retailers. Many major stores are cash dealers and the only credit you will get is through a bank credit-card.

The cost of running accounts in terms of manpower, outstanding amounts and sheer paperwork mounts every day and is not solved by installing computers.

I'm told that Durban's landed gentry are inclined to run up accounts and not pay them for long periods, a habit which is not conducive to running a retail store.

There is now a gradual dividing into the high-class quality store with personal service and high quality — and probably high prices to pay for these services — and, on the other hand, the retail

**Black spending power changes pattern of retail trade**

30 Mercury 25/12/82

The Natal Mercury, Thur

30

# JANUARY VEHICLE SALES

## CARS

FM 26/2/82

	1982 Jan	% of Market	1981 Dec	% of Market	1981 Jan	% of Market
Sigma .....	4 271	19,89	4 643	18,57	4 482	22,01
VW .....	4 038	18,80	3 595	14,38	4 690	23,03
Ford .....	3 340	15,55	4 442	17,77	2 650	13,01
Toyota .....	3 140	14,62	4 324	17,30	2 141	10,51
Datsun .....	2 230	10,38	2 279	9,12	1 695	8,32
GM .....	1 711	7,97	2 678	10,71	2 471	12,13
BMW .....	829	3,86	918	3,67	731	3,59
UCDD .....	734	3,42	867	3,47	402	1,97
Alfa .....	714	3,32	693	2,77	695	3,41
Leyland .....	452	2,10	549	2,20	393	1,93
Other .....	19	0,09	14	0,06	18	0,09
Jan total .....	21 478	(5,45% up on 20 368 last year)				
Dec total .....	25 002					

## COMMERCIALS

	1982 Jan	% of Market	1981 Dec	% of Market	1981 Jan	% of Market
Toyota .....	2 715	24,32	3 149	28,70	2 738	29,56
Datsun .....	2 508	22,47	2 405	21,92	1 701	18,36
GM .....	1 406	12,60	1 506	13,72	1 354	14,62
Ford .....	1 364	12,22	1 222	11,14	1 333	14,39
Sigma .....	1 295	11,60	919	8,37	907	8,87
VW .....	868	7,78	847	7,72	445	4,80
UCDD .....	319	2,86	340	3,10	333	3,60
Alfa .....	220	1,97	130	1,18	85	0,92
Leyland .....	197	1,76	191	1,74	246	2,66
Man .....	85	0,76	85	0,77	53	0,57
Int Harvester .....	65	0,58	93	0,85	50	0,54
Oshkosh .....	31	0,28	21	0,19	29	0,31
Erf .....	30	0,27	14	0,13	14	0,15
Vetsak .....	15	0,13	17	0,15	20	0,22
Malcomess-Scania .....	21	0,19	10	0,09	15	0,16
Fodens .....	11	0,10	18	0,16	11	0,12
Magirus-Deutz .....	11	0,10	7	0,06	13	0,14
VSA .....	1	0,01	—	—	1	0,01
Jan total .....	11 162	(19,41% up on 9 348 last year)				
Dec total .....	10 974					

# Sabotage now 'a constant threat'

**Crime Reporter**  
DURBAN's retail stores, the larger ones in particular, would be more secure against saboteurs and organised shoplifting if their managements invested more money in crime prevention.

That was the consensus reached yesterday when 25 security managers — the largest number yet to put their heads together at one time — met to discuss their mutual problems and to exchange views on how best to overcome them.

Special guest was Capt Piet Meiring, public relations chief for the Port Natal division of the South African Police.

The Mercury was allowed to attend on condition that store names were not used in relation to reports by their security

## Raise security spending, stores told

(2) 26/2/82

managers.

When opening yesterday's meeting Mr Ted Beetar, who established the unofficial 'association' of security managers two years ago, said that the security side of the retail world now recognised the fact that sabotage had become a 'real and constant threat'.

Management was just beginning to realise this but it was necessary for extra capital to be spent on security if it was to be 'up to scratch' and effective.

It was generally agreed that management held the

attitude that money spent on more sophisticated security was 'non-productive' because it was not directly involved in further profit-making.

This was a 'blinkered' approach because one act of sabotage could have a disastrous effect on the finances of even the most wealthy business.

Dr Nick Labuschagne, president of the Durban Chamber of Commerce, said his organisation was constantly re-evaluating security methods for the business community,

through committees which liaised with, among others, the South African Defence Force and the South African Police.

Time, he said, would be the only test of whether the actions of individual store managements were adequate or not.

The security managers spoke of more uniformed security guards to act as visual deterrents, more detailed vetting of employees, more staff to conduct more thorough security checks and the further introduction of electronic surveillance equipment.

(1) Premiums Treated as Business Expense

01, Jan 1: Insurance Expense	300	Bank	
		being payment of premium	
Dec 31: Income Statement	300		
		Insurance Expense	
		being closing entry	
Years 02 and 03 - same as 01			
04, Jan 1: Insurance Expense	300	Bank	
Jan 2: Debtor (Insurance Company)	24 000	Income from Life Policy	
		being accrual of proceeds receivable	
Jan 2: Income from Life Policy	24 000		
		Income Statement	
		24 000	

# Pick 'n Pay bread price war!

S. Times 28/1/82  
 RAYMOND Ackerman, prime-mover and boss of the massive Pick 'n Pay food retailing chain, has seldom been known to miss a trick when it comes to marketing.

Nevertheless, his latest move, explained by the man himself on Friday, is also a highly generous and much-needed gesture in the battle to get Government to drop the 25% increase in general sales tax on staple items.

\* In short, all P 'n P stores countrywide will sell bread at 5% below cost in order

By Stephen Orpen

to hold the prices at the GST pre-increase level.

Moreover, the campaign will continue for the rest of the year, costing the chain more than R250 000.

Efforts by Mr Ackerman and others, including leading consumer bodies, to persuade Government to scrap the GST increase in the case of staples have so far failed.

The increased GST -- 5% not 4% -- comes into effect tomorrow.

The maximum cash selling price for

bread is set at 40c for white and 28c for brown loaves.

P 'n P has been selling white at 38c and brown at 26c.

The prices from Monday will be 36c and 25c -- effectively wiping out the GST hike.

Mr Ackerman says other staples he feels should also be excluded from the higher GST margin include maize, milk, eggs, margarine and possibly candles, which are widely bought by blacks because of still embryonic electricity services in many black residential and farming areas.

<u>Dec 31:</u>	Income Statement	60	
	Life Policy		60
	Policy written down to surrender value (See Note 1 below)		
<u>04, Jan 1:</u>	Life Policy	300	
	Bank		300
<u>Jan 2:</u>	Debtor (Insurance Company)	24 000	
	Life Policy		540
	Income from Life Policy being accrual of proceeds receivable		23 460
<u>Jan 2:</u>	Income from Life Policy	23 460	
	Income Statement being closing entry		23 460
<u>Jan 31:</u>	Bank	24 000	
	Debtor		24 000
	being receipt of proceeds		

## Note 1:

At the end of year 03, the life policy would be reflected on the partnership balance sheet as a non-current asset at its surrender value of R240.

## Note 2:

The death of a partner automatically dissolves the partnership as legal and accounting entities. For this reason a partnership income statement would have to be drawn up for the period up to the date of death of the partner so as to ascertain the correct balance on his capital account. The proceeds from the life policy would be shown as income in this income statement and NOT credited direct to the partners' capital accounts.

Consumer Reporter

FROM today everything over 9c will cost you more because sales tax has gone up from 4c in the R1 to 5c.

And it now starts at 10c instead of at 12c, as it did yesterday.

This is a 25 percent increase in the tax and will make a considerable difference to the total for large purchases such as a car and even to the monthly grocery bill.

There is likely to be confusion in some shops.

# Sales tax 5c in R1 from today

ARGUS 1/3/82 30 3/1

Several small retailers rang The Argus on Friday to inquire about tax tables which, they said, they had not yet been able to obtain from the Receiver of Revenue.

From today, one cent tax is payable on purchases between 10c and 29c, two cents for articles costing between 30c and 9c, 3c on

articles costing between 50c and 69c, four cents on articles costing between 70c and 89c, and five cents on articles costing between 90c and R1.

This means that you will pay R1.05 tax on R21 worth of purchases, rising to R1.50 tax on R30 worth of purchases.

The tax on R40 worth of goods will be R2, on

R50, worth R2.50, and R60 worth R3, on R70 worth R3.50, on R80 worth R4, on R90 worth R4.50 and on R100 worth R5.

The new higher tax, which has been described as 'inflationary' by businessmen and economists, will affect everything sold over the counter and every service.

It may even affect the rates bill next year. Local authorities will have to pay the higher tax and this will increase their expenses which have to be met with money raised from the rates.

They will have to budget for this increase in their expenditure when they fix the rates for next year.

# Section of PE now proclaimed as <sup>(30)</sup>~~(31)~~ a free trade zone

4/3/82 E. Post

## Municipal Reporter

A SECTION of Port Elizabeth bordering on the Baakens River, which was previously a white group area, has been proclaimed a free trade zone and is now ready for development.

In terms of a proclamation which appeared in the Government Gazette in November last year, certain properties were deproclaimed as a white group area and proclaimed a Section 19 trade area.

According to the agenda of the City Council's Administration and General Purposes Committee, which meets this afternoon, the area includes erven in a section between Baakens Street and Pinchin Lane and the entire block

bounded by Produce Street, Pinchin Lane, Horton Street and Dodds Lane.

The buildings, land and premises can be used for a wide range of trades and occupations ranging from that of auctioneer to undertaker. Workshops, consulting rooms and offices can also be established in this area.

In an interview today, the chairman of the Indian Management Committee, Mr R Bhana, said he doubted if any coloured or Indian traders would be interested in trading there. Free trade areas, permissible in terms of Section 19 of the Group Areas Act, were not really free as permits were needed.

The South African Indian Council had called on the Government to implement the proposal by the Riekert Commission that Section 19 should be abandoned and free trade areas should be completely free of regulations.

Mr Bhana said he doubted whether development in the area would be viable — there was no movement of traffic there and it was isolated from the CBD trading area.

According to a spokesman from the Estates Office of the municipality nothing has been heard for a long time from the developer who was interested in putting up an Oriental bazaar in the area.

# Plenty of action

~~FM~~ 30  
FM 5/3/82

Natie Kirsh's Kirsh Industries is taking formal control of the Greatermans department stores and Checkers supermarkets group. The move is the culmination of a number of dramatic developments in recent weeks which included an unsuccessful 11th hour attempt by SA Breweries to acquire control of Greatermans from Kirsh and the present board.

No formal announcement had been made as the *FM* went to press, but there was considerable activity behind the scenes as a conference, called for Wednesday afternoon to disclose the changes, was abandoned for the second day in succession.

The *FM* interviewed Kirsh last Friday but he refused to comment on specific aspects of the Greatermans deal until each one had been finalised. However, early this week, details started to filter through to top retailers and stockbrokers and the following appear to be the principal developments in the drama:

□ The suspension from Stock Exchange trading on Monday of Greatermans shares amid suggestions of a rift between the existing board and Kirsh. They were suspended

at R11,50;

□ The downward revision of Greatermans' interim pretax profits for the six months to last December by around R3m to R6,5m following three accounting adjustments;

□ There was also the writing down by over R2m of the value of a UK investment in a small retail company which went into receivership last week;

□ As a result of these changes, the original agreement was cancelled whereby Kirsh acquired, for R17m, a stake of 49% of Grifon Holdings (Grifhold), the unlisted pyramid company controlling Greatermans, from Isaac Kaye, the chairman, and "Dusty" Miller;

□ Instead, a bid is expected to be made by Kirsh for 50% of Greatermans' voting shares at a cost of about R22,5m. There will be no offer at present for the non-voting shares; and

□ The immediate resignation of most members of Greatermans' board, including Kaye and Miller, is proposed and their replacement by Kirsh and his appointees, including Gordon Utian, from Tiger Oats, who will run Greatermans.

Originally, Kirsh bought into Greatermans through the purchase of 49% of Grifhold at an effective price of R25 a Greatermans' share. With Grifhold owning just over 44% of Greatermans' voting stock, he effectively controlled 12% of Greatermans' total equity.

Under the new terms, Kirsh may be paying only R15 for each voting share but will secure 26% of the total equity.

He will acquire initially half the 44% of Greatermans owned by Grifhold or 22% of the voting stock. Kirsh Industries will then make a cash offer for up to 50% of the total voting equity.

Should acceptances fall short, Kaye and Miller are under an obligation to make up the balance from their remaining holdings so that KI's stake reaches 50%.

The reduction of the price from R25 to R15 obviously reflects the downward revision in profits Greatermans has been forced to make.

To complete the deal, KI will dispose of its Greatermans' shares to Metro, another Kirsh company. Half the Metro shares will then be exchanged for shares in Kimet, an-

## MANAGEMENT STYLE

other Kirsh company. The Metro and Kimet shares will be placed with institutions. Metro will dispose of its Greatermans' holding to Coki, Kirsh's retailing arm. In return, Metro will receive Coki shares.

The events leading up to these developments began on January 25 when Greatermans published its interim figures showing earnings down from 104c a share to 71c. Fedchem immediately put up for sale its 30% stake in Grifhold which was bought by Kaye and Miller at R15 a share. Edgars, invited in to discuss a possible bid, quickly pulled out and was replaced by Kirsh who concluded a swift deal for 49% of Grifhold based on R25 a Greatermans' share at the moment SA Breweries launched the first of its ultimately successful raids for control of Edgars. (Kaye and Miller would seem to have been sitting on a handsome profit at that stage).

In three weeks in February, Kirsh people apparently discovered accounting problems at Greatermans. This was hardly surprising in the light of criticism levelled at the management by, among others, the FM (January 29), and given the mild astonishment with which other retailers greeted Greatermans' interim profit figures.

Of the problems, two concerned discounts. One, involving just over R1m, was accounted for as discounts granted by a supplier, but they were in fact granted in relation to the sale of an asset and should have been treated as an abnormal item.

The second discount, amounting to roughly R1m, took place in a reporting period prior to the six months to last December and should have been taken in then.

The third was a reduction in the amount of attributable earnings from associated companies by just over R700 000.

The company also wrote down by more than R2m the value of an investment in the Irvine Sellars retail group in the UK after it went into receivership last week.

The impact of the accounting changes must have been considerable when looked

Just to add more drama to an already fairly dramatic scene, two representatives of SA Breweries appeared at Kirsh's house on Saturday, February 28. They offered to take him out of the Greatermans situation.

The idea seems to have been that Adrian Bellamy, MD of Edgars and now a SA Breweries director, would manage the stores side. Meyer Khan, who runs SA Breweries-controlled OK Bazaars, would handle Checkers. Evidently Kirsh said no.

Despite the recent hive of activity, Kirsh and the handful of colleagues on the top floor of Johannesburg's Glencairn building run a fairly relaxed head office.

He allows the senior executives of the operating companies a lot of freedom. "My own management style is such as to give people a lot of autonomy and authority. I delegate widely as I don't want to be informed about every little thing. "If an executive is running an outfit, it's his responsibility. I don't believe I can run it better than he can."

The main holding companies are private, including Kirsh Industries itself. Dions is also private. The public ones are Kimet, Metcash, Coki and Russell's.

As for the group's overall strategy he believes that it is important to be in retailing. "We are interested in building a diversified retail chain. We would love to buy more of Dions. We think it's a spectacular business.

"There is an awful lot going for Rus-

sell's. We need a little bit of patience as we cannot buck the economy, but it does have terrific growth prospects. We don't have as much management involvement at Union Wine, but we are on very friendly terms with Jan Pickard."

Meanwhile Kirsh is renowned for moving extremely quickly when needs dictate. With the delicate negotiations over Greatermans heading for a climax last Friday, the atmosphere within the head office fairly crackled. While the telephone rang almost continuously, Kirsh moved swiftly between his office and that of Mervyn King, who was playing a leading part in the talks.

"Our style is acting fast only in a situation where quick action is required." Last Friday was in fact one of those rare days Kirsh cancelled his regular lunch-time squash session.

As for the relationship between his different companies, he says "We run them separately. There is no way I will allow one company to ride on the back of another. They are sacrosanct. The average management fee which includes a contribution to the group charity situation is about 0.5% of profit."

It is not at the moment possible for a rational outside analysis and assessment to be undertaken that will answer the question of whether Kirsh and his colleagues are over-reaching their management capabilities. The information is insufficient given the private nature of the concerns. But Greatermans will prove a key test.

at in relation to the level of earnings attributable to shareholders after tax. In fact, a guess for attributable earnings could put them as low as R1m.

That in turn would give earnings per share of not much more than 20c against the 71c reported in the interim statement at the end of January. The dividend declared then of 35c a share would therefore be uncovered.

But apparently the saga took an unusual twist when somebody suggested reducing the dividend because of the fall in attributable profits. Stock market sources argued that it could not be done because of the status of the shareholder as a creditor. According to informed sources, this proved to be a last-minute stumbling block which possibly prevented the announcement.

The position of the auditors, Arthur Andersen, is hardly affected by the differences on the accounts. The interim figures were, as stated at the time, unaudited. That, of course, ignores the fact that a R1m discount should have been taken in the previous financial year for which accounts were audited.

Looking back to when they were first offered the stake in Grifhold, Kirsh and his

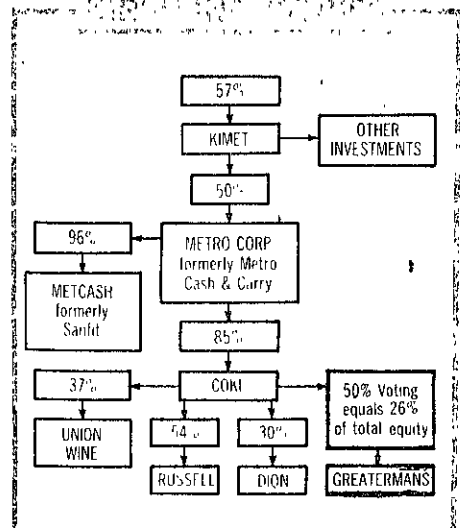
executives were a little wary of moving without full knowledge "When you are going to buy blind, you want to limit your risk. We paid R17m. We could have overpaid R5m and that was acceptable to us in terms of our corporate size and strength and the opportunities it gave us."

They moved fast. Apart from the accounting errors, they soon found evidence of strategic and managerial problems. That was probably why the deal was renegotiated.

As for his plans, Kirsh says: "We believe we know what needs to be done and we do have some spare management capacity."

Kirsh realises he has to take a long-term view on Greatermans. "You can't change companies quickly. I've had sufficient experience to see people trying to change things quickly to know that it is not possible. We know what it means to change administrative methods, particularly in multiple store operations."

It could take about two years to turn Greatermans around, according to Kirsh. Fortunately, though, there does not appear to be the need for a large injection of cash — the balance sheet of the company appears basically sound.





BLACK BUSINESS <sup>30</sup> ~~343~~

## Five-star in Soweto

FM 5/3/82

Ephraim Tshabalala, Soweto's magnate and director of E B Tshabalala Property Holdings, is negotiating a R22m loan deal with a commercial bank and other financial institutions for huge business undertakings in the township.

Tshabalala intends building a five-storey hotel and a shopping complex in Mofolo — Soweto's business focal point. He has already bought a site under 99-year lease for R400 000 from the Soweto Community Council.

"I am negotiating with the Standard Bank, and am hopeful the deal will be concluded soon. I am faced with one problem: there have been increases in interest rates and obviously a man like me is certainly going to feel the sting," Tshabalala tells the FM.

He adds: "I would like to repay my loan over 40 years." If the bank agrees, "I will start building soon. I have the required 30% to acquire the loan."

Construction of the building, to be financed by the E B Tshabalala Construction Company, will start soon after that. The hotel and complex will be near one of the

township's biggest taxi ranks, and besides the hotel, will include supermarkets, butcheries, take-away food outlets, disco, cinema boardroom, swimming pool and ladies' bar.

"We want to cater for the needs of the people of Soweto who have no place to entertain themselves and their visitors. This has been nagging me for several years and that is why I decided on such a venture," Tshabalala says. He plans to let the centre to black people only: "This is the policy of separate development and we cannot run away from it. I will only allow whites to trade at my businesses if the government allows it. However, my preference is my people. Charity begins at home. I got all my money through my people."

Tshabalala says he is aware that certain blacks are being used by whites as "fronts." He strenuously denies claims that he has

massive white involvement.

"I am not leaning against anybody. I am not a front at all. I can only get money from whites by applying for a loan. But I am not being used as a front. I have a total of 16 businesses in SA and Swaziland. They include garages, bazaars, airlines and insurance holdings," he claims.

# 1. THE tycoon with

# a smile — and time on his hands

30

**RETAIL tycoon Sydney Press is a man with a R54-million smile.**

That's the sum he has been paid — in cash — for his holding in South African Breweries.

That means more than R22 000 a day to keep his smile in shape, at an interest of 15% compounded simply on the R54-million.

If he was more interested in collecting a weekly 'wage', he would find R155 769 in his pay packet.

A monthly cheque would be worth R675 000 from an annual interest cheque of about R8.1-million.

Mr Press told the Sunday Express yesterday he had sold his entire holding to a large insurance organisation for cash and at a handsome profit.

Just what is he going to do with all that money?

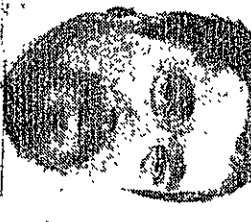
"Well," he said, "there is so much turbulence in the economies of the world at present, I am not going into equities. I would rather leave it in the money market where interest rates are excellent."

Mr Press also said he was finished with boardroom battles and intended to devote his time to private interests.

"I have been working for 47 years, which is a long in-

**PRESS BOWING OUT WITH R54m CASH FROM SAB SHARES**

**EXCLUSIVE**



**BY TOMNY HUDSON Business Editor**

It suits me well to be free of responsibility and have some of that precious commodity, time, at my disposal.

Mr Press and his company, Edcon, made front-page news last month when SAB launched a lightning raid on Edcon, which owns Edgars, and gained control within a week.

Initially provoked to anger by the raid, which occurred as he was undergoing major heart surgery in the

US, Mr Press has now accepted the situation.

At first he felt, that the raid had been launched at that time to take advantage of his indisposition. However, after consulting a world-famous expert on mergers and takeovers he realised the move had been planned long before and the fact that he was ill when the raid happened was coincidence.

"I accept with good grace that Dick Goss (managing director of SAB) had laid his plans well."

Of Donny Gordon, chief executive of Liberty Life who finally gave SAB control of Edcon by selling the shares he had bought in a vain attempt to stave off the takeover, Mr Press said:

"I think Donny Gordon was in a difficult position. He is not only my friend but has other interests that he must safeguard and what he did is understandable."

On his retirement from the battlefields of commerce, Mr Press said: "It is important for a man to prove himself in life, but

# Jo'burg's D-day tomorrow

**JOHANNESBURGERS will know which political party will run their city by about 2.30pm tomorrow.**

As frantic behind-the-scenes negotiations marked the days following Wednesday's no-win municipal election, it became clear that the three independent candidates were unlikely to play their hands before tomorrow's election of the new management committee.

"Everybody is just stalling. They're all trying to extract as much as they can," Mr Peter Soal, the senior vice-chairman of the Progressive Federal Party's Southern Transvaal region, told the Sunday Express yesterday.

"I don't see how there can be a deadlock," Mr S W B Brits, director of Local Government in the Transvaal, said yesterday.

"There are 47 councillors and if some of them can't decide whom they're supporting the matter can always be arranged by the drawing of lots."

Both Mr Brits and Mr Soal dismissed speculation that Transvaal Administrator Mr Willem Cruywagen might be forced to intervene to break the deadlock.

"We are always threatened that the Administration will step in, but that won't happen," said Mr Soal.

Mr Sam Moss, council leader of the PRP, felt it would be unfair to expect Mr Cruywagen to intervene.

Mr Cruywagen could not be reached for comment.

See Pages 8, 9

# Defence Force faces shock in Durban hijack trial

**From Page 1**

purpose — to unlawfully divert the Air India Boeing 747 from its flight to Bombay so they could escape liability for their coup attempt.

According to the reply to the request for further particulars, the State will rely

Various accused with AK 47 rifles entered the aircraft from time to time while it was at Mahe airport. Mr Van Huyssteen and Mr Doorewaard and other accused armed with AK 47s supervised the inspection of the

struck passengers and crew not to converse with the authorities at Louis Botha airport.

At Mahe the accused had instructed the Air India captain and members of the

7/3/82  
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Small Business Development Corporation

30 *Harvard Q. W. 328 10/3/82*  
\*4. Mr. P. R. C. ROGERS asked the Minister of Industries, Commerce and Tourism:

Whether the Small Business Development Corporation was able to meet the demands made upon its funds in the 1981-'82 financial year in respect of granting loans to applicants?

The MINISTER OF INDUSTRIES,  
COMMERCE AND TOURISM:

The Small Business Development Corporation is registered as a private company in terms of the Companies Act 1973 (Act 61 of 1973). The State has a shareholding. The Corporation is responsible to its shareholders. The Managing Director of the Small Business Development Corporation can be approached for information and can supply the information according to the provisions of the Companies Act, 1973.

**Effluent discharged into sea**

\*5. Mr. P. R. C. ROGERS asked the Minister of Environment Affairs:

Whether his Department lays down standards for the composition of the effluent discharged into the sea off the coast of the Republic; if so, what are these standards?

†The MINISTER OF ENVIRONMENT  
AFFAIRS:

## BLACK BUSINESS

### Whitewashing?

FM 12/3/82

30

Volkas Merchant Bank has completed an investigation into finding ways of raising funds for a R34m business complex in Soweto, to be developed by the Soweto Development Company (SDC).

The Chief Executive Director of SDC, John Mavuso, told the FM: "We are hoping to start building soon. The Soweto community council has granted us land near its chambers and I do not see ourselves failing to get off the ground."

Johan Otto is the senior official at Volkas heading the investigation into funding. According to him, "We should be able to finalise the matter within the next few weeks. The Soweto council has already granted the company a site under 99-year leasehold. In fact, the SDC must exercise its option on the land within the coming few months. And, if we can go ahead with the finances within the next month or so, the

building can start within three months."

At a special meeting to discuss major business projects in Soweto, the Soweto Chamber of Commerce and Industries (SCCI) charged that the SDC was a front for white capital — a sore point for the traders, who want a degree of protection at present because of the historical inequities under which they have had to operate. The chamber went so far as to say: "We shall see to it that the project does not succeed. To us the Mavuso group are a group of puppets. We would like to know what percentage of capital they are putting in as security. They are our black brothers but we shall make our people aware that the project does not belong to them."

The SDC is pressing ahead regardless.

□ The SCCI also has great misgivings about the envisaged R22m business complex to be put up in Soweto by Ephraim Tshabalala. Last week, Tshabalala told the FM about his plans to build a five-storey hotel and an assortment of businesses at the same complex.

According to the chamber: "The tycoon has caused a stir, but we know the set-up of Soweto millionaires." The SCCI further argues that the employment of whites in Tshabalala's businesses brings about a suspicion of his involvement with white capital. "We stand to abhor Tshabalala's project and we feel he is lost."

Tshabalala is also proceeding regardless.

As-Salaam (peace) at Bramat...  
People of all races and religions are welcome to attend.

ra, said: "We have not...  
but he will be here a few weeks before the Muslim Youth Movement's Easter week Islamic rally."  
A Press report from London said: "The Cat

2/7/82  
business district and coloured communities by the Group Areas Act.

report stated: "Employment opportunities will become increasingly multiracial at all levels."  
Restrictions on the employment of people of all races should be urgently removed — particularly in the central

By Rob Soutter  
The Johannesburg Central Business District Association has called on the Government to urgently remove racial legislation which restricts employment and promotion in the association.

# Remove race bars, says CBDA

for upgrading South Africa's underdeveloped areas, the CBDA warned that this should not be done by encouraging industrial decentralisation at the expense of the metropolitan areas.

These communities have lost the freedom to choose to live close to the city or in a distant suburb, said the report. After praising Government proposals

The Soweto electrification project is going according to plan, says West Rand Administration Board chairman Mr John Khobze.


Accusations that there had been further delays in filling the trenches for electrical cables were not true, he said this week.

All the problems had been sorted out, he said. In October last year it was decided to reopen some trenches to pull up and inspect faulty or damaged cables.


At the time it was said losses could run to millions of rands.

At electricity service for a city of 1.25 million people was being provided in a single trench — a world first.

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eart...  
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the legendary rock star.

By Rob Soutter  
The Johannesburg Central Business District Association has called on the Government to urgently remove racial legislation which restricts employment and promotion in the association.

referred to current Group Areas Act investigations into the creation of small, uniracial business enclaves as "totally out of touch with reality".

In a submission to the Economic Planning Branch of the Prime Minister's Office, the

business district and coloured communities by the Group Areas Act.

These communities have lost the freedom to choose to live close to the city or in a distant suburb, said the report.

After praising Government proposals

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At electricity service for a city of 1.25 million people was being provided in a single trench — a world first.

# A R600 000 boost for PE car firm

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E. Post  
13/3/82

THE Eastern Cape gets a boost as an industrial centre with the news that Maritime Motors, the distributing company for Mercedes-Benz cars and commercial vehicles in Port Elizabeth, Uitenhage and Grahamstown, is to invest more than R600 000 over the next two years in expanding its dealer operation in the region.

The expansion forms part of a major R200 million development programme by the UCDD Group and its dealer organisation, which are manufacturers and distributors of Mercedes-Benz cars and commercial vehicles and, in the near future, Honda cars.

The new Honda car will be introduced to the South African market in late 1982, and will be sold by Maritime Motors.

The expansion announced by the Maritime Motors group is being undertaken against a background of encouraging sales of cars and commercial vehicles.

The investment by the group, which includes the Uitenhage and Grahamstown dealerships, will provide for the extension of existing showroom and workshop facilities.

In addition, it will enable the construction of new truck workshop facilities and new spares depots.

Considerable investment will also be made by the group to accommodate a greater number of Mercedes-Benz commercial vehicle and car parts, as well as new tools, equipment and parts to back up the introduction of the new Honda car.

The chairman of Mari-



By Fred Roffey

Business Editor

time Motors, Mr R R Stucken, said the planned expansion would create new job opportunities.

"It will also enable the group to maintain and even improve the high standard of service and back-up facility laid down by the manufacturer of Mercedes-Benz products, and to ensure that a similar standard will be applied in the marketing of the new Honda range," said Mr Stucken.

The group's optimism in undertaking this large investment programme appears to be justified in view of figures given at a seminar on economic interdependence held in Port Elizabeth this week by the Midland Chamber of Industries and Barclays National Bank.

An overview of the South African motor industry was given by the managing director of Datsun-Nissan, Mr L J J Muller, who was invited to speak on the automobile manufacturing industry in a developing country.

He said motor manufacturers in South Africa were agreed on the basic trend

over the next five years.

"We forecast a slight downturn during the next two years, but we see that as much-needed breather to give the total industry some time for consolidation and preparation for the next upswing.

"We are indeed optimistic for the future."

"The South African motor industry has come a long way in the post-war years.

"We have made great strides since the days when the local market was supplied with vehicles with 100% imported content to a point where there is now a sophisticated network of local assembly plants supported by local component suppliers providing 66% of the mass of all passenger and light commercial vehicles, as well as diesel engines for the heavy commercial vehicles.

"Entrepreneurs in this sector of the industry must be congratulated for what they have accomplished, especially as it was achieved with severe strain being placed on capital and labour of a high standard."

Also optimistic about the

future of South Africa is Mr Barry Swart, a former East London man who is now president and chief executive officer of Barclays of New York.

At the seminar he delivered a paper on the international economic outlook.

"South Africa has a sound economic infrastructure with good roads, harbours and communications, it produces a wide range of manufactured products, and processes and exploits a startling variety of minerals — often strategic — as well as producing sufficient food not only for domestic consumption but for export," he said.

"It is one of the 20 largest trading countries in the world.

"South Africa is regarded as a good investment risk, and there appears to be a businesslike approach for either investing in or doing business with South Africa.

"South Africa already appears well along the way towards moving away from being an exporter of just raw materials — that is, it is likely to be performing more beneficiation in the case of minerals and metals.

"But it will continue to require transfers of technology — for example, the computer and electronic sciences which will be such an important element of all of our lives into the 1980s and 1990s.

"I see South Africa in the 1980s continuing to trade profitably with its traditional trading partners but at the same time it will make every effort to broaden its base to encompass African and Pacific Rim countries," said Mr Swart.

CAPE TIMES 13/3/82

# Chain store chief tries to pacify irate pharmacists

By GORDON KLING

THE head of one of the country's major retail chains, Mr Harry Goldin, yesterday tried to pacify pharmacists he had antagonized earlier this week by claiming they were not doing an honest day's work.

Mr Goldin, managing director of Clicks Stores, said he had no fight with the pharmacists and in fact had a high respect for them.

He had said earlier that they should "stick to their profession, get off their backsides and do an honest day's work".

Scores of pharmacists have reacted with indignation over Mr Goldin's remarks, spooned out after pharmacists had complained they were struggling to survive the onslaught of giant supermarkets which were undercutting them in sales of medicines and toiletries, according to the Cape Times Johannesburg correspondent.

"All I was trying to say was that a pharmacist is a professional man and he

should stick to the profession he's qualified for," said Mr Goldin yesterday. "If they want to go into the supermarket or mass discounting business then they must not complain that the supermarkets are more competitive.

"I do not belittle their profession by saying they should do an honest day's work, but I feel they should do the work for which they trained for six years."

In the United States, for example, drugstores sold

a wide range of goods, but the pharmacist had his own section where he filled prescriptions and dealt in medicine rather than selling toothpaste, he said.

At this week's annual meeting of the S A Retail Chemists and Druggists' Association in Johannesburg, a market researcher said the pharmacists should not be precluded from handling items which they believed they could sell profitably, but they should buy more selectively.

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*Swimming*

# RIS MILLION DISTRIBUTION CENTRE FOR PROSPECTION

# EXPANDING EDGARS

By DAVE McDERMOTT, Property Editor

A MASSIVE R15-million distribution centre is being built for the Iscor Pension Fund Industrial Park development at Prospecion, south of Durban.

Being built on an 8 800 square metre ground area to an eaves height of 11.3 metres, the development will include a mezzanine floor of 4 400 square metres giving a total of more than 13 000 square metres.

The groundworks for the scheme have been completed and

operations have been started by the contractor Matrix Projects. A three-storey office block of 2 300 square metres which includes a computer room is also being built adjacent to the distribution centre.

Edgars distribution development manager Jim Swannell says that in this particular field of distribution for the retail trade the complex will be the most modern

in South Africa.

"It uses techniques which have been tested in the United States but have been modified to suit local conditions. To put this particular design together has taken the best part of two years and selection of equipment is still going on," he says.

The system will be mechanical and will make use of data processing equipment.

The object of the exercise, says Swannell, is to make in merchandise, check what we have got, break it up into store-sized packages and send it out as quickly as possible.

The target throughput for the centre is 52 million items a year which means a virtually constant stream of cartons entering the centre to be sorted out for distribution to the Edgars retail outlets.

Edgars should be able to move into the complex in October this

year to install the equipment and the overall project should be operational by January 1983.

Several criteria applied in the selection of Prospecion as a site for the centre. About 40 to 50 per cent of supplies to Edgars originate through Durban.

Edgars also needed to be within the railways carriage area and required that the site be exceptionally well served by road. The Prospecion area fulfilled these requirements as it is within the extended carriage area and has

excellent road access.

The leaseback deal between Edgars and Iscor Pension Fund was negotiated by C. G. Peet Witherow and Company. It is a 20-year lease on fixed terms with built-in reviews every five years. Edgars hold two five-year options at rentals to be negotiated.

A spokesman for C. G. Peet Witherow says the lease has been designed to cater for escalations to keep pace with market trends and the 20-year term should be in the region of R30 million.



Greatermans makes it third largest industrial empire

# Kirsh group sales rocket to R2 300-m

30 S. Times 14/3/82



25,5 + 41 = 126,5  
1997

graph paper examination book(s) are used. Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

FOLLOWING its highly controversial acquisition of a controlling interest in the Greatermans group, the Kirsh empire has burgeoned into a mammoth retailing-wholesaling force which, in sales terms, is now South Africa's third-largest industrial company.

The Kirsh group, with its turnover swelled by the Greatermans takeover, now boasts annual sales of around R2 300-million.

It controls a dominating 25% of the country's distribution of food, hardware and softs, while its stake in the food-distribution sector alone is probably in excess of 30%.

Barlows heads South Africa's industrial giants with sales of R4 600-million, followed by SA Breweries (whose turnover was recently boosted by its Edgars acquisition) with R3 300-million.

Kirsh now elbows Sasol's approximate R1 600-million out of third position.

The Kirsh group's turnover comprises R1 000-million from Greatermans-Checkers, R700-million from Metcash, R300-million from Russells, R150-million from Dions and R100-million from Union Wine.

All the group's interests fall under the umbrella of the ultimate (unlisted) holding

## THAT DIVIDEND

THE reduction in the Greatermans interim dividend after it had been officially declared has raised some knotty legal questions.

For, since the dividend had actually been declared and not merely recommended, is not the company legally bound by its declaration? Can it therefore be compelled to pay the dividend initially declared?

According to legal experts canvassed by Business Times, a company's interim dividend is declared at the discretion of the directors, and may therefore be subsequently altered prior to payment if the board, for bona fide reasons, changes its initial decision in the light of additional information.

However, once a final dividend has been declared, the company is bound to stand behind the declaration.

By JOHN SPIRA

company, Kirsh Industries, which itself has substantial interests unrelated to its holdings in companies listed on the Johannesburg Stock Exchange.

The finalisation of the Greatermans deal is the culmination of a series of drama-laden events in which:

● The price paid for control was reduced from an effective R25 to R15 a share.

● Greatermans' interim earnings were reduced by 51% from those originally announced as a result of certain "accounting changes".

● The interim dividend was slashed from 35c to 15c (see above story).

● Legal action has been threatened by a group of non-voting Greatermans "A" shareholders because the Kirsh offer of R15 a share is confined to 50% of the voting shares only.

● The business publication, Finance Week, used the columns of a Johannesburg evening newspaper to publish a statement that "there was no intention on the part of Finance Week to impute any form of improper dealings by either the Kirsh group or the Johannesburg Stock Exchange Committee..."

The disappointment of the Greatermans non-voting shareholders over the Kirsh group's unwillingness to extend to them the same offer it has made to the voting shareholders remains a contentious issue.

Natie Kirsh's deputy, Mervyn King, tells Business Times that his group will not extend the offer to the "A" shareholders.

It would appear that, until the Kirsh group is satisfied

that Greatermans is completely "clean", it is unwilling to commit more shareholders' funds to the purchase of additional Greatermans shares.

An "A" shareholder approached by Business Times yesterday commented that, while he would obviously feel happier to have his share price underpinned by a R15 a share offer for half his holdings, he would not join the group of non-voting shareholders seeking to force such an offer via legal channels.

He said: "Apart from the fact that such action has little or no chance of succeeding, if it induced the Kirsh group to pull out of the deal, my shares would be worth far less than they are now, as the ship would clearly be without a rudder."

Mr King declined to comment on the revised interim results, or on the accounting adjustments which forced a revision to the Greatermans interim figures.

He did, however, indicate that Greatermans had lacked firm direction — a void which the Kirsh group would fill. At store level, however, the Greatermans personnel are, in general, highly competent.

While it will clearly take some time for the Kirsh group to get Greatermans into shape, shareholders will be encouraged by Mr Kirsh's

willingness to pay R15 a share for a controlling stake in the company.

It is an offer which seems to have been prompted by Mr Kirsh's belief that he can in due course produce a strong flow of earnings from Checkers, underpinned by net assets which could be worth in excess of R20 per Greatermans share.

# FEBRUARY VEHICLE SALES

FM 19/3/82  
30

## CARS

	1982 Feb	% of Market	1982 Jan to Feb	% of Market	1981 Jan to Feb	% of Market
Toyota .....	5 104	19,44	8 244	17,27	5 153	11,53
Sigma .....	4 613	17,57	8 884	18,61	9 026	20,20
Ford .....	4 516	17,20	7 856	16,46	6 286	14,07
VW .....	4 445	16,93	8 483	17,77	9 455	21,16
Datsun .....	2 244	8,55	4 474	9,37	4 448	9,96
GM .....	1 995	7,60	3 706	7,76	5 213	11,67
UCDD .....	1 209	4,61	1 943	4,07	871	1,95
BMW .....	823	3,14	1 652	3,46	1 929	4,32
Alfa .....	710	2,70	1 424	2,98	1 456	3,26
Leyland .....	572	2,18	1 024	2,15	781	1,75
Other .....	22	0,08	41	0,09	61	0,13
Feb total .....	26 253 (7,99% up on 24 311 last year)					
Jan-Feb total .....	47 731 (6,83% up on 44 679 last year)					
Jan total .....	21 478					

## COMMERCIALS

	1982 Feb	% of Market	1982 Jan to Feb	% of Market	1981 Jan to Feb	% of Market
Datsun .....	3 916	28,05	6 424	25,57	4 131	19,73
Toyota .....	3 309	23,71	6 024	23,98	6 313	30,15
Ford .....	1 860	13,32	3 224	12,83	2 859	13,65
Sigma .....	1 281	9,18	2 576	10,25	1 771	8,46
VW .....	1 208	8,65	2 076	8,26	1 030	4,92
GM .....	1 057	7,57	2 463	9,80	2 822	13,48
UCDD .....	474	3,40	793	3,16	772	3,69
Leyland .....	298	2,13	495	1,97	580	2,77
Alfa .....	163	1,17	383	1,52	206	0,98
Int Harvester .....	137	0,98	202	0,80	128	0,61
MAN .....	103	0,74	188	0,75	111	0,53
Malcomess Scania .....	41	0,29	62	0,25	31	0,14
ERF .....	36	0,26	66	0,26	40	0,19
Oshkosh .....	34	0,24	65	0,26	60	0,29
Vetsak .....	22	0,16	37	0,15	45	0,22
Fodens .....	14	0,10	25	0,10	19	0,09
Magirus-Deutz .....	6	0,04	17	0,07	18	0,09
VSA .....	—	—	1	0,00	2	0,01
Feb total .....	13 959 (20,44% up on 11 590 last year)					
Jan-Feb total .....	25 121 (19,98% up on 20 938 last year)					
Jan total .....	11 162					

SOWETO TRADE 30 ~~7/13~~

## Land the big problem

FM 19/3/82

Land for business development is one of the main bureaucratic hurdles faced by black traders

In an interview with the FM this week, the president of the National African Federated Chambers of Commerce (Nafcoc), Sam Motsuenyane said "Land has always been a problem faced by blacks in this country, not only for business development but also for occupation.

"The Land Acts of 1913 and 1936 confine

the black people to 13% of the total area of SA. Over the years, there has been a rapid growth in black population. The black areas are getting smaller and smaller under an ever-growing population, especially in the urban areas."

Over the years, Nafcoc has made a number of representations to government on the question of land.

"We have approached the Department of Co-operation and Development regarding the issue, but were disappointed with the negative response we received. This is a problem that cannot be solved without a lot of persuasion. There is a lot of reluctance on the part of the government," adds Motsuenyane.

The executive of the Soweto Chamber of Commerce and Industry (SCCI) reiterated the problem when they met a group of leading German industrialists recently. The Germans are visiting SA on an information-gathering programme and are expected to exchange views across the spectrum.

The SCCI told them: "We have no land. We cannot expand even if capital could be made available. A trader can only acquire land with great difficulties. The conditions are tough indeed. The blame has to be put squarely on the shoulders of the government."

It is indeed difficult to see how small traders can acquire the capital for large business undertakings.

# 'Commerce has duty to black communities'

30  
~~19/3/82~~  
 E. Post  
 19/3/82

By SANDRA SMITH  
 A COMPANY which signalled its indifference to its workers' living conditions by ignoring the needs of the community, did so at its peril, the director of public affairs at Goodyear, Mr M R Selley, said at a symposium on labour relations last night.

The symposium, organised by the Public Relations Institute of South Africa and held at the University of Port Elizabeth, was addressed by a panel made up of Professor Roux van der Merwe, head of the Department of Industrial Relations at UPE, Mr Fred Ferreira, director of industrial relations at Ford, Mr J C Viviers, editor of the Eastern Province Herald, and Mr Selley.

"It is a fact of life that the relationship between management and workers is potentially explosive at any time," Mr Selley said.

This was true for almost any industrial environment anywhere in the world, but the situation in South Africa was bedevilled by political factors unique to this region.

Most of the work force were voteless, lived in rented homes of poor quality in segregated areas, received an inferior education and were restricted in their mobility — social or economic.

"If countries in South Africa are sincere in their desire to retain the goodwill

of their black employees, they would be well advised to invest substantial funds into the communities in which they live," Mr Selley said.

On the same theme, Prof Van der Merwe said industrial relations was a political matter and that it could be expected that what happened at work would largely reflect the tensions of the whole community.

He said the "enlightened initiatives" of the Department of Manpower had no doubt contributed to tensions within the National Party.

"At factory floor level, blacks have responded by using their new-found rights to pressurise employers at every opportunity.

"Although a new era in labour relations may have dawned, there is little doubt that many employers wish it hadn't," Prof Van der Merwe said.

Labour relations never had been and never would be about peace and consensus. Trade unions and collective bargaining were there specifically to articulate and deal with those basic conflicts which characterised a capitalist, free enterprise society, he said.

Mr Ferreira said unions had an important contribution to make towards maintaining an acceptable level of productivity and maintaining industrial peace.

In the South African situation, it was practically impossible totally to isolate the labour field from the socio-economic-political field

The employer should recognise some basic premises

There could be no question about the employer not having a social responsibility in areas such as recreation, health, education and housing.

There was no justification for any forms of discrimination in the workplace.

The employer was regarded and had to accept the role of a change agent.

Worker participation in the decision-making process was essential.

The last member of the panel to speak, Mr J C Viviers, said in industrial relations, as in many other fields, newspapers found themselves between two opposing forces intent on crushing one another.

In such a position it was inevitable that they would draw fire from both sides.

It was the duty of newspapers to inform its readers as widely, as fairly and as fully as possible.

"Industry should stop seeing the Press as being on the 'other side'. It should play open cards with the newspapers as far as possible, even when the labour pot is boiling over," Mr Viviers said

# Porn films: man found guilty

Post Reporter

A PORT ELIZABETH man was today found guilty in the Port Elizabeth Regional Magistrate's Court of possessing pornographic material and distributing a video film without removing certain scenes as laid down by the Censorship Board.

Augusto Manno, 38, of Video Place, Parliament Street, who pleaded guilty to both charges, said he had received a copy of the film, 10, at the end of November.

He was fined R300 (or 30 days) on the first count and R500 (or 50 days), conditionally suspended for three years, on the second count.

The film arrived from the distributors, Warner Bros, with a certificate of approval, he said.

After he had hired out the film, a letter arrived from the distributors saying that uncensored copies of the film had been sent out with clearance certificates.

On the charge of possessing pornographic material, Manno said he had never shown the films in question to anyone. He agreed they were "obscene" but said an Italian friend had left them there.

The magistrate, Mr J S Knoesen, said the scenes from the uncensored movie were obviously not meant to be erotic or crude but they should have been submitted for censorship.

The two pornographic movies, however, were "filthy and crude" and Manno knew the risk involved in keeping them.

Mr J S Knoesen was on the Bench and Mr W W Pretorius appeared for the State. Mr M H Claassens, instructed by Kaplan, Loon, Solomons and Blumberg appeared for Mr Manno

# SA asked to pull out of bridge

LONDON — The South African Bridge Federation will decide next week whether to agree to a request that it withdraw voluntarily from the World Pairs Olympiad at Biarritz in October to avoid "embarrassment".

The appeal to the federation to stay away was made in London yesterday when the president of the SABF, Mr Julius Butkow, met executives of the World Bridge Federation.

"They want us to be the good guys and

keep away from the tournament so as not to cause any upset or embarrassment," he said before flying back to Johannesburg.

He described the request as "pure politics" and said he believed Communist countries and India and Pakistan were behind it.

"We are being made a political scapegoat once again," he remarked.

There were demonstrations against South African bridge players at a tournament in Falkenburg, Holland, last year.

LONDON — Former American Wimbledon champion Arthur Ashe has declared his opposition to sporting links with South

# Ashe makes condition

(30) ~~26~~ 19/3/82  
Tractor sales tumble

By PAT SIDLEY

TRACTOR sales fell 44% in the first two months of this year compared with January and February 1981.

The drop is, however, largely in line with the industry's expectations.

The number of agricultural tractors sold in January and February this year was 2 199 compared with 3 929 in the same time last year.

Total tractor sales last year were worth R500-million to R600-million.

February sales this year dropped by 5.5% on January's — a trend which can be expected to continue in the drought conditions — from 1 131 to 1 068.

In spite of having to revise predictions for the year's sales down from 14 000 to 12 000, Ford (which sold 175 units last month) still sees some reasons for optimism.

Fedmech (Massey-Ferguson) sold 232 units last month. It says the market held up well in the drought conditions, especially in the maize areas.

February is an important month for tractor manufacturers to gauge the year's business. About 40% of tractors are sold to maize farmers (11% to wheat and 12% to sugar farmers).

The maize crop size is particularly determined by rainfall in February, and occasionally as late as March during dry times.

Farmers and tractor manufacturers are asking for a hefty increase in the produc-

er price of maize

An announcement of an increase in the maize price is expected soon.

Producers were not awarded any increase last year.

They now face severe drops in income with smaller crops this year and rising interest rates.

"Existing tax concessions may not be enough to offset these factors," says the acting head of Ford's tractor division, Mr Keith Berning.

## Showground complex opposed

CAPE TOWN 23/3/81  
Municipal Reporter

30

THE 2 100-strong Western Cape Traders' Association "totally opposes" the proposed business/entertainment complex at the Cape Showgrounds and has appealed to the Administrator not to let it go ahead.

In a statement yesterday, the WCTA said the fresh application by the developers to the Administration after the Cape Town City Council had rejected the plan a few months ago was an attempt by "big white business" to establish a foothold in the black areas of the Western Cape.

The WCTA, with other organizations and local authorities, opposed the original application.

The WCTA submitted its objections to the Administration on the grounds that there were enough businesses in the area which encompassed Goodwood, Parow, Thornton, Epping, Elsie's River, Langa and Bonteheuwel, to cater for the communities there.

pects of the enrichment programme for gifted children  
 co-ordinator at Grey High School, MR B HIBBERT, and  
 the school's rector, MR D PAKENDORF.

sults after one term of the  
 scheme were encouraging.  
 The school's project co-  
 ordinator, Mr B Hibbert,  
 said the pupils involved  
 were suddenly astonishing  
 their teachers with their

## Water for canoeists

Post Reporter

A TWO-DAY "white water" canoe marathon in the middle of the dry and dusty Karoo sounds absurd but, according to Mr Giles Hobson, chairman of the Eastern Province Canoe Union, water for such an event can be guaranteed.

And it will be thanks to one of South Africa's latter-day engineering marvels, the Orange-Fish River scheme.

Water for the event will be pumped from the Hendrik Verwoerd Dam into the Great Fish River system by way of the Teebus and Brak Rivers.

Mr Hobson said the EPCU hoped to finalise arrangements with the Department of Water Affairs.

The marathon, ending in Cradock, will be held in November. It will be a two-day event and cover 100 kilometres from start to finish.

Expressing high hopes for the event, he said it was possible it could become as important an event on the canoeing calendar as the Western Cape's renowned Berg River Marathon.

It was also possible a few Springbok canoeists would be invited to take part.

The EPCU holds a course for beginners and coaches in Cradock this weekend at which plans for the marathon will be discussed.

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## IMC renews call for opening of a 'free trade area' in PE

Post Reporter

THE Port Elizabeth Indian Management Committee has again called for the opening of a "free trade area" in the city for businessmen of all races.

At a meeting yesterday, the IMC reaffirmed an earlier resolution on the question of open trade areas and the chairman, Mr R Bhana, criticised the permit system.

"We abhor any permit system," he said.

The question of "free trade areas" was first considered by the IMC in March last year, when the authorities were asked to open the whole PE magisterial district to businessmen of all races.

The IMC resolution, however, was defeated at a meeting of city councillors two months later. The council decided to apply for a free trade zone between the Market Square and Em-

bassy Street, as well as a portion of Commercial Road.

The Riekert Commission later recommended to the Government that all business and industrial areas should be opened to all races.

The recommendations have not yet been formally adopted by the Government.

Mr Bhana said it was "exciting" to read in a recent Press report that the Minister of Community Development, Mr Pen Kotze, claimed that Port Elizabeth had an "open" trade area.

"But what does this mean? Is this another false hope situation where the citizens are led to believe something which is not?"

"I want to state here today that we, the blacks, are up to our necks with the false actions of the Government and are rapidly grow-

ing impatient at the tor-  
 toise pace of change — if it  
 can be called change —  
 which is taking place."

Referring to the various commissions set up by the Government, he said the Government spent a total of R2,5 million on commissions in 1981 — "a waste of money".

"I assume that 80% of these recommendations have not been formally ratified.

"Commissions, to us, are just a delaying tactic. Look at the 'commission of commissions' — the President's Council.

"I am sure that if the Government were to ask any black organisation what they want for SA, they would have received the answer to this country's political problems. But I suppose we have to have a glorified institution to make investigations and findings," he said.

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Brandt would want with the file, to which Mr Hopkins replied: "Knowing Andre like I do he would probably destroy it."

The two detectives, Mr Brandt, Mrs Brandt and Mr Hopkins met the next morning, where, according to Mr Brandt, there was a struggle between the two men over a book.

Mr Hopkins denied this. Mr Coertzen suggested Mr Hopkins and his daughter, Mrs Thora Brandt, wanted to see Mr Brandt in trouble. Mr Coertzen suggested Mr Brandt had never hit Mr Hopkins, bumped him or given him a black eye.

Pictures were shown of

## To get cuts for scraping car paint

Post Reporter

A MAN who, out of "mischievousness", scraped the paint of a car's roof with a knife, was sentenced by Mr G J de Beer in the Port Elizabeth Magistrate's Court today to four cuts with a light cane.

Johan Abraham Bezuidenhout, 20, of Jacaranda Crescent, Port Elizabeth, told the court he could not explain his actions. He did not know the

## 'Royal' treatment for PE Mayor and party in Taiwan

Post Reporter

Port Elizabeth's Mayor and Town Clerk, Mr H van Zyl Cillie and Mr P K Botha, and their wives have been "garlanded, feted and generally treated like royalty" during their visit to Taiwan.

The Deputy Mayor, Mr Ivan Krige, received firsthand news from the travellers today. A letter from Mr Cillie was handed to him by a member of a visiting Taiwanese baseball team.

Mr Cillie wrote that the party had been "garlanded, feted and generally treated like royalty". He had met three of the Taiwanese baseball players and had asked one of

E. Post  
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 23/3/82

20 [Signature]

# Commerce plea on new defence policy

By DON MARSHALL  
Pretoria Bureau Chief

SOUTH Africa's business leaders last night reacted sharply to moves by the Defence Force to drastically extend military service for all white men.

They urged the Government to produce positive answers to the country's thorny political issues which form a part of the defence problem.

The proposed new call-up regulations were published in the Defence Amendment Bill which was introduced in Parliament yesterday by General Magnus Malan, Minister of Defence.

The controversial legislation makes white men liable for military service up to the age of 60, extends Citizen Force service and provides for the Commando system to be reorganised.

Mr G Stuart-Reckling, president of the Associated Chambers of Commerce, said last night that the Bill should be referred to a select committee so "problems which can be foreseen with the new system can be taken up".

"If the assessment by the Defence Force for its future manpower requirements is correct, then I believe that the proposals for meeting this commitment

are probably necessary. "However, the effect on the private sector will be severe and Assocom would welcome referral of the Bill to a select committee.

"Many companies are certain to review their existing practices of making up pay during military service because of the greater financial commitment involved."

Mr Stuart-Reckling warned on behalf of Assocom that productivity and, therefore, inflation was likely to be affected as a result of the extended military commitment plans.

The Afrikaanse Handelsinstituut president, Mr I J Steyn, said in a statement that SA, including the Defence Force, would experience acute manpower problems with regard to suitably qualified and trained people.

He appealed to the Government to proceed cautiously with the implementation of its new defence policy to ensure that the private sector was disrupted as little as possible.

The AHI also called for "close consultations" between the Defence Force and the private sector to ensure that the new defence policy could be implemented smoothly.

The main message from the Bill is

that the SADF suffers an acute manpower and leadership problem which it hopes to solve by reorganising the machinery of its part-time forces — national service, Citizen Force and Commandos.

Part of the solution will be to target on an estimated 800 000-strong pool of untrained men under the age of 60 who have never done military service. The SADF wants them drafted to the Commandos, which will form the backbone of SA's defence system.

To meet the challenge of a growing internal and external security threat, the SADF proposes to extend Citizen Force service from 240 days and eight years to 720 days and 12 years.

Reliance will also be placed on the training of black homeland forces to assist with the defence effort.

The Defence Force believes SA's enemies will choose a period of widespread internal unrest to launch a conventional attack from one or more of the neighbouring states.

As evidence of the growing threat to SA from her neighbouring states, defence authorities point to an "alarming" military build-up in these states.

● See Page 10



# Black market gives whites the blues

30  
Stan 24/3/82

Problems that crop up in the marketer's mind when dealing with the "black market" could be caused by a form of myopia, which is tightly woven into the country's racial-colour consciousness.

This was said by a black marketing executive at the 1982 Marketing Convention in Johannesburg yesterday.

Mr M. Mphahlele of Lintha's Advertising said: "It is probably understandable for the marketer, who is invariably white, to feel totally out of his depth when dealing with the 72 per cent of the population which is black.

"Too many marketers the black community is literally beyond the pale, because marketing is essentially a creative

process, one can appreciate the unenviable position in which the marketer finds himself."

Utter irrationality often took over, leading to some esoteric mumbo jumbo being spouted about the black market. It was neither easy nor mysterious. Yet the tried and tested tools which were the stock-in-trade of modern marketing were somehow ignored or jettisoned when dealing with this "ogre," he said.

"More is the pity. The professional approach, the hallmark of modern marketing adopted in getting to grips with the white-market, gets dropped when confronting the black market," said Mr Mphahlele. — Stan Kennedy.

ROM (722) 25/3/84 (244) (30)

# Building price controls lifted

Mail Reporter

PRICE-controls will be lifted tomorrow on most building materials, Dr Dawie de Villiers, the Minister of Industry, Commerce and Tourism, announced in Cape Town yesterday.

But in the short term building costs are not likely to escalate wildly.

South Africa's largest brick producer, Corobrick, has already agreed to hold the price controller's previously granted 17% increase for at least six months.

"After that period, some prices will of course rise," said Mr K Nurcombe, group marketing manager for Toncoro.

"The products which are

expensive to make, like face bricks, will be most affected. Other prices should stay constant, and we may even be able to drop the prices of materials used in low-cost housing."

Mr G Taylor, executive director of the SA Cement Producers' Association, said cement prices would rise soon, to compensate for the rail price increases due to come into effect on April 1.

But the cement producers are due to meet Dr De Villiers on Friday to discuss the increase.

Mr Lou Davis, executive director of the Building Industries' Federation of SA, was jubilant.

Mercury  
25/3/54

# Blacks 'reject capitalist system'

Mercury Reporter

THE attitude of the Nationalist Party was responsible for the rejection of the capitalist system by blacks.

This was said by Mr P G Gumede, president of the Inyanda Chamber of Commerce and Industry and deputy president of Nafcoc, in his presidential address delivered at the chamber's 18th annual conference in Durban yesterday.

Warning on the dangers of the Nationalist Party putting party interests above the country's interests, Mr Gumede asked how long the private sector was prepared to sit back and watch the destruction of all that the capitalist system had produced in the country.

Basing his argument on the Nationalist Party's rejection of the findings of the Buthelezi commission, Mr Gumede said that just as the Nationalists prefer to die rather than sacrifice their policies, the blacks too prefer to die mercilessly at the hands of the Nationalists rather than subject themselves to Nationalist policies ad infinitum.

Mr Gumede said the Buthelezi commission acknowledged that both blacks

and whites were permanent and interdependent in this country, and that the logical conclusion was that we would either survive or perish together.

'We can only reject the findings of the commission at our own peril', he said.

Mr Gumede added that he continued to believe that the private sector in Natal had something to offer the rest of the Republic. 'I still believe that the coming forward of so many associate-member companies is an expression of the goodwill that only exists in Natal,' he said.

Mr Ian Hetherington of the Small Business Advisory Services (Pty) Ltd in Johannesburg addressed the conference on the subject of supporting small business.

Mr Hetherington said one of the obstacles facing small businesses was the numerous laws governing them. The laws often fell under the same Companies Act and had to comply with the same returns to the Registrar of Companies and audit procedures, that were applicable to companies such as Anglo American.

A recent study at Pretoria University, he said, has so far unearthed more than 500 laws, regulations and proce-

dures which in one way or another impinge on small businessmen. It is not surprising that the civil service finds itself understaffed.

Mr Hetherington said the situation was even worse for the small black businessman.

## Licence

In one self-governing State where I am familiar with the situation, a licence is required if you employ 10 or less people. To get a licence, there are 37 required steps through the bureaucracy which have been known to take five years to accomplish.

Mr Hetherington urged associate members to support small businessmen by purchasing a portion of their requirements from small suppliers and manufactures. This would aid Nafcoc's efforts to move South Africa towards free enterprise, he said.

foundation logo on their products, they are expected to donate a cent for each litre, kilo or R1-value of their merchandise.

But sponsoring company Action Products SA, which hopes to end up with 1% of the takings, could find it a hard sell. Most major companies approached by the FM are worried that the plan could backfire in the growing black market.

AP hopes to raise R10m over the next five years to help finance rest and recreation camps for all race groups in the Defence Force. None will go towards armaments.

A Unilever spokesman explains: "The company fully subscribes to efforts to ensure the security of all population groups. However, we question the apparent commerciality of the scheme and believe it to be inflationary.

"Also, there could be negative connotations among some consumers as well as in export markets."

Langeberg Cooperative has also declined the offer because it did not consider it a marketing proposition.

Grocery Manufacturers Association's (GMA) Jeremy Hele says, "It is not good marketing to appeal to one market at the expense of another — especially if the sector which you alienate is a large and fast growing one.

"There are also negative implications for multinationals operating in international markets."

FCI vice-president Rod Ironside says that while the intent of the campaign is worthy there are potential points of difficulty for multinationals with international associations.

He also believes that the additional costs are tacked on to the product and therefore inflationary.

But Premier Group has joined the

scheme and launched an Action dog food. "If there is a consumer demand we will fill it," asserts chairman Tony Bloom.

Most retailers echo manufacturers' reservations. Checkers' Rex Glanville says it is contrary to sound commercial practice. "The scheme brings in a middle man which suggests it is likely to be inflationary.

"Besides, there are numerous ways in which you can raise money for good causes. Why confuse donations with marketing strategies" he asks?

Pick n Pay's Raymond Ackerman says his stores stock the products but adds, "While we consider it meritorious to aid soldiers, we also see it as potentially dangerous."

OK Bazaars stocks two action products but a spokesman says, "Our shelves are not made of elastic and we have to look at all additions to our range on merit."

Soweto Chamber of Commerce and Industry (SCCI) opposes the scheme. "Manufacturers should not be involved in what does not concern them," says president Vela Kraai.

Action Products' Dennis Van Gendingen claims that the scheme has 100 products and almost 30 participating companies. "I have been working on the idea for the last five years and launched — Action Oil — as a pilot product. I was happy with the response and expect other participants to do as well."

MARKETING FM 26/3/82

Action packed?

30

SA manufacturers are being invited in the name of patriotism to give a leg up to the Army Foundation. In exchange for being allowed to use the word "Action" and the

**HARDWARE** (30)

## **Group therapy**

FM 26/3/82

Chemists have done it, grocers have done it — now hardware stores are doing it. They have formed a group to do battle with the giant discount chains.

Activities will be co-ordinated by a newly-formed company which hopes to trade under the name of Score Hardware. It will place orders with suppliers on behalf of its participating retailers and take a 2.5% settlement discount.

It is getting advice from the Link pharmaceutical chain which works on similar lines.

Wholesaler Martin Cohen says, "If the smaller operations do not get together, they will be pushed out of business by the large retail hardware chains. We are aiming to rationalise costs, mainly through bulk buying.

"Our other advantage is the convenience factor offered by the small hardware shop."

Cohen anticipates a price benefit at retail level of at least 10% for the consumer.

Around 30 hardware stores are participating in the scheme but Cohen expects this to increase to 100 by the end of the year.

He estimates combined turnover of the present 30-member group to be about R1.2m/year.

Each store will contribute R60 a month towards advertising, which will concentrate on newspapers and knock-and-drop leaflets.

20 Sowetan 27/3/82

## Scandal in the chamber

THE infighting within the Tembisa African Chamber of Commerce Executive Committee (Tacoc), one of Nafcoc's strongest units, is now an "open secret".

Last week's suspension of Mr V Mathabathe as secretary of the organisation, pending elections due on March 31, marked the climax of the division within Tacoc.

Mr Mathabathe was accused by Tacoc's membership of convening clandestine meetings without the knowledge

of his chairman, Mr Jerry Morakele.

A commission of inquiry to look into the methods adopted in advertising business sites in the area was appointed after members had expressed some disquiet about the criteria used in allocating two business sites to Mr Mathabathe.

Site numbers 232 and 233 in Igqagga Section in Tembisa were contested by both Mr Mathabathe and another member Mr B Shabangu.

Mr Shabangu reportedly met all financial prerequisites while Mr Mathabathe could not do so.

Members failed to understand how Mr Mathabathe was granted both sites when he actually applied for one.

The chairman told the meeting that Mr Mathabathe had produced a letter from a financial institution which promised to consider his request for a loan in the event of his being granted the site on a 99-year lease scheme.

Mr J.P. Maphanga, life president and founder of Tacoc, told the meeting that he was embarrassed by revelations of this nature which discredited one of Nafcoc's strongest units.

# Pick 'n Pay sales rise R230m to R973,7m

Cape Times 2/4/82

## Plain store sales soar

By PAUL DOLD  
Financial Editor

**PICK 'N PAY** raised sales by R230m in the past year to R973,7m and is budgetting for a minimum 20 percent rise in sales and profits this year in spite of the expected downturn in the economy.

Pre-tax profits rose by 37 percent to R35,6m in the past year on a 30 percent sales rise and attributable profits were R23,6m (R16,8m).

A final dividend of 37,43c is being paid making a total of 49c for the year (36,6c) after a drop in cover from 2,8 to 2,5 times. Earnings per share were 123c (102,4c).

Pikwik — the recently formed holding company which has 52,1 percent of Pick 'n Pay has declared a maiden dividend of 18,40c from earnings of 18,45c. This represents the second half-year dividend flow from Pick 'n Pay.

At a press conference in

Cape Town last night chairman Raymond Ackerman described the past year as "tough" and far different from the previous 12 months when the economy was booming.

Underscoring the strong internal growth in the group the increased profits were achieved on around an effective 10 percent increase in trading area which brought total trading to 147 000m<sup>2</sup>.

Margins rose to 3,65 percent of sales as against 3,53 percent last year due mainly to the increased hard — softs mix. Food margins were maintained. Shrinkage was slightly up but in line with group targets.

Cover was increased to allow for the impact of the conversion of 400 000 pref shares and is still high allowing for the R24m cash in hand.

Ackerman said that no sign of a downswing in food spending had been seen but consumer spending on big ticket items, such as appliances, had definitely taken a knock from October and the trend was continuing.

He also disclosed that his holding in Pikwik had been slightly increased since the formation of the company through market purchases and now stood at 56 percent.

The increase in sales in the past year was spread throughout the group but the Western Cape region had shown the best increase of more than 30 percent, while the Boksburg hyper remained the most profitable, hyper followed by Norwood, (Johannesburg) and Brackenfell, Cape.

Investment income — the dividend from the meat division as well as property revenue — increased by R1m during the year. The division had an excellent year and had held the rise in its selling prices down to some 7 percent, well below the inflation rate.

Last year one hypermarket (Klerksdorp) was opened and a super store in Witbank. There were four new supermarkets, Kimberley, Claremont, Queensburgh, Natal and Brandwag in the Free State.

This year there will be a new hypermarket to be built between Vereeniging and Vanderbijlpark in the Vaal triangle — the group's 9th — and three supermarkets. The hyper site is rated by the group as its best yet and will serve a consumer area bigger than Port Elizabeth.

Apart from the new Nelspruit branch, supermarkets will be opened at Roodepoort and Stellenbosch by the middle of the year.

The Australian venture is moving steadily towards a launch date. Ackerman says the go-ahead is awaited from the Australian Government and he confidently expects to start operations in 18 — 24 months' time.

Meetings have recently been held in South Africa with the Australian partners and financiers.

The group will have a 33 percent stake in the operation and the first store will be opened in Brisbane followed

The new Mitchells Plain store in which the group has a 49 percent stake traded exceptionally well. The store — a partnership project with the coloured community — will announce its profits and dividend in a few days.

by Sydney and Melbourne.

He also disclosed that the group would trade in Australia under the Pick 'n Pay name.

Comment: Another excellent batch of profits which strongly emphasizes the ability of the group to generate steadily increasing profits and presumably add to market share without a huge addition of space.

The emphasis now being placed on Pick 'n Pay's role as a hard and softs food retailing specialist in strong contrast to the diffused retail interests of competitors will ensure growth again this year.

The group is forecasting "at least" a 20 percent improvement in sales and profits for the coming year. The increase in dividends is likely to match the percentage rise in net profits.

TRADE UNION PARTIES		EMPLOYER PARTIES	
Variations in Scope	Name	Variations in Scope	Name

APR 31 MAY 1981  
TAL COUNCILS IN SOUTH AFRICA

SOUTHERN AFRICA LABOUR AND DEVELOPMENT RESEARCH UNIT

# Nation honours Indian shops

By TICKS CHETTY

TWO previously Indian-owned shops — which fell victims to the Group Areas Act and lay vacant for several years — have been declared national monuments.

The shops, in Retief Street, Weenen, in Northern Natal, built in the early 1900s, are regarded by experts as two of the best examples of a typical Indian shop of that period still in existence in Natal.

In the National Monuments Council's annual report the shops are described as "predominantly Edwardian shops which date from the beginning of the 20th Century and form an impressive architectural entity".

## Mosque

According to a local resident, Mr. Ebrahim Abdool, the shops were originally built by the late Mr. Abdool Goolam Goolam Sahib and he named the one built in 1910 the "Arabian Merchant".

The Riverside mosque and mausoleum in Umgeni Road, Durban, have also been added to the list of South Africa's 1,500 national monuments.



of price?

# Bold <sup>(30)</sup> backing for new mixed areas

names  
4/4/82

By TICKS CHETTY and CAS ST LEGER

THE Kimberley City Council has made three bold recommendations which could go a long way towards altering the racial face of South Africa if implemented.

The most sweeping of the recommendations — made to the Strydom Commission of Inquiry into the Group Areas Act — calls for the establishment of new residential townships for Indians, coloureds and whites (but excluding blacks).

The Kimberley council is believed to be the first to have advocated new residential areas within the city limits where the Group Areas Act would not apply.

Other recommendations, which received the majority backing of the council this week were:

- That Indians, whites and coloureds be allowed to own land and trade in any area set aside for business or industrial purposes.

## 'Scrap permits'

- That the permit system now applying to places of entertainment, hotels and restaurants be scrapped and that owners be given the right to decide whether or not they want to admit people of colour to their premises.

While welcoming the move, the Leader of the Opposition, Dr Frederik van Zyl Slabbert, gave a warning.

"I welcome the fact," he said, "that city councils like the one in Kimberley are prepared to experiment with residential areas which are not exclusively segregated on a racial basis, but I find it a pity that they are not prepared to do so on a completely non-racial basis."

"It would be unfortunate if, in their attempts to desegregate, the city council appeared to do so in favour of some race groups at the expense of others."

Kimberley's Mayor, Mr. L. J. Botha, who initiated the suggestions, said there was provision under Section 19 of the Group Areas Act for demarcation of areas where mixed trading could be allowed.

## A shortcoming

Mr. Botha said his council had regarded the limitation on individuals to choose their own place of residence as a shortcoming in the existing legislation.

The council had no intention of propagating mixed ownership and occupation in existing established areas.

New residential areas of a high standard could be set aside to give ratepayers the right to exercise their choice.

"One should always regard this proposal as a means of experimenting with a concept of mixed occupancy on a very limited scale and on a controlled basis," Mr. Botha said.

Mr. Riaan Pienaar, the town clerk, did not see his councillors as trail-blazers.

"The council has always had a frank and open relationship with the Indian and coloured communities here."

He said that if the Kimberley council differed from others, it was in that it gave the Indian and coloured management committees a real say in decision-making.

Blacks had not been included in the suggestion as they were outside the province of the city council.

## Significant

Kimberley's Indian and coloured leaders said they saw the suggestions as significant because they pointed to an "emerging new thinking" in the country.

Mr. Isaak Jarodien, chairman of the coloured management committee, said: "We back the city council to the hilt on this latest move."

Mr. Hoosain Mookrey, chairman of the Indian management committee, said that by adopting the recommendations the Kimberley council had set an example he hoped others would follow.

Mr. G. W. Barnes, secretary of the Kimberley Chamber of Commerce, said: "I support by 100 percent the recommendations of the municipality. But, without a referendum, I cannot speak for the chamber."

IN YOUR

April 5, 1982

# Trader body <sup>to</sup> to meet <sup>conclude</sup>

THE Diepmeadow Traders' Association, a newly formed body for traders in the Diepkloof and Meadowlands townships has called a meeting to be held at the Diepkloof Hall on Wednesday.

The purpose of the meeting, the chairman of the association says, is to encourage traders to have a 'sort of union' to assist each other wherever possible and exchange ideas as regard trading.

All traders in the Meadowlands and Diepkloof townships are invited to the meeting so that we can exchange views," Mr J.H.Z. Madisha, the chairman said.

Mr Madisha said the formation of such an association has been long overdue. Other fields have their own associations.

# Nafcoc slams <sup>30</sup> white pressure

Sonetan 8/4/82

**THE National African Federated Chamber of Commerce (Nafcoc), views the growing pressure from white businesses to move into black urban areas as "most discomforting."**

This view is expressed by Nafcoc's president, Mr Sam Motsuenyane, in the latest edition of African Business and Chamber of Commerce Magazine, an official journal of the chamber.

He was commenting on the planned R34-million Jabulani shopping complex in Soweto, the building contract for which has been awarded to a totally unknown and untried "black" organisation known as the Soweto Development Corporation (SDC).

## SCEPTICISM

In the article Mr Motsuenyane says, according to Nafcoc's policy, no white/black partnerships were considered necessary in the retailing sector where there was sufficient capital and expertise available within the black business sector.

"If the black SDC lacks neither capital nor expertise for the Jabulani project, then it should not need to consider a 49 to 51 percent partnership with whites.

Mr Motsuenyane also expressed his scepticism on the viability and credibility of the project.

The SDC was formed as a result of the initiative of five people: Mr J Mavuso, Mr Jack Sello, Mr Joseph Seakatsie, Mr Edward Dube and Mr Lucas Molete.

In the article Mr Motsuenyane says that when he told Mr Mavuso that Nafcoc will "strongly oppose white participation in business projects in black areas until blacks were entitled to participate freely in white areas", Mr Mavuso replied that the Jabulani project would be by "blacks for blacks."

Pressed further, he said that, if white companies were ever to be involved, it would be on a 49 to 51 percent basis in favour of blacks.

Mr Motsuenyane says Nafcoc does not wholly

By JOSHUA RABOROKO



**SCEPTICISM: Mr. S Motsuenyane.**

support the 49 to 51 share option ideals being promoted, largely by the white authorities and sections of the white public sector, at present.

"People should be clear in their minds that to hold 51 percent of the shares in a company does not necessarily mean controlling the company.

"If the owners of the 49 percent were more affluent and provided finance and management services, it is unlikely that they will insist on making decisions. Where is the black ownership in that?" Mr Motsuenyane asks in the article.

Referring to the rumour that five chain stores are to be tenants of the complex, he says Nafcoc "sees such a move as unwise."

"It is clear that such stores would inhibit and impede the development of the black entrepreneur. If Blackchain is not allowed to open branches in white trading areas, why should a white chain be allowed to trade in black areas?"

"Why should they be able to increase their profit at the expense of black businessmen?"

## QUESTIONS

Referring to the Jabulani project, Mr Motsuenyane asks several questions about the SDC, ranging from whether the corporation can seriously claim to have the interest of the black community as their motive, can guarantee the survival of the black businessman if he has to compete with the more powerful and experienced white owned stores, and whether they will see to the protection of the black man's interests?

He also wanted to know if any of the SDC directors were members of the chamber of commerce.

Mr Motsuenyane also says it is well known that many black businessmen do not approve of the project and he warns that acceptance by the black community of any project or enterprise was a prerequisite for its existence and success.

"Handled with foresight, a project such as Jabulani could be the beginning of a major breakthrough for black businessmen. Handled wrongly it could be a catastrophe for him.

"The deciding factor is whether the Jabulani complex will truly be developed by blacks for the benefit of blacks or a black front for the benefit of whites."

Mr Motsuenyane concludes the article by asking if the protection, which Dr Koorhof promised the black business community, still holds good today.

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# No job opportunities for course students

By CLIFF FOSTER

IN a North End typing school, between 200 and 400 girls, mostly Africans, are pounding away every week at four-month courses which will give them, if all goes well, a diploma and a typing speed of around 35 words a minute.

Few, if any, will stand any hope of landing a job.

"It's such a shame," says the owner of the centre, Mrs Wilma McLachlan.

"But we tell them right at the start we don't find them jobs and jobs are hard to get."

The girls — and often boys — pay R40 for the course which consists of a two-hour lesson every week.

(One African girl interviewed by Weekend Post had spent R310 — taking lessons two or three hours a day, five days a week, for five months.)

Although the price of the basic course is not expensive it involves a large sacrifice of the part of many of the participants who, according to Mrs McLachlan, have full-time jobs during

the day as domestics, office workers, canteen or snack bar assistants, or machinists.

These people make their way to North End to pound the typewriters for two hours in the evening.

And it illustrates very clearly the lengths to which some Africans will go to better themselves, be their chances of advancement ever so slim.

Between 80% and 90% of the trainees are Africans, says Mrs McLachlan.

"They are always smart — we teach them to come to the class as they would come to the office. Some have matric. But it's darned hard to get them jobs.

"We have all races here and we always find it difficult to get jobs for the Africans.

"It's difficult because a lot don't speak Afrikaans and with some their English is not too good, either.

"We don't promise them

jobs. We tell them how difficult it is to find jobs — and this is getting worse all the time, even for whites.

"It might seem unfair ever to take them on, but they want to do typing and very few get it at school.

A lot are brought along by their parents.

Boys also take typing, and switchboard operating.

"Sometimes we advertise for appointments and occasionally we get replies for coloureds or whites.

Some Africans have been lucky, and I feel if we can even get one a job it's one less scrubbing floors.

"They know it's difficult to find jobs but they still come along. They feel it's a little bit of education.

"They are very keen to advance themselves."

The school also teaches shorthand and so keen are the Africans to match the white standards they frequently ask for tuition in computer programming.

"I get a lot of enquiries for that," says Mrs McLachlan.

"It's such a shame seeing these girls trying so hard and when they leave I know their chances are so small.

"I stress to them all 'If you see a vacancy, try for it. It doesn't matter what colour you are.' But it doesn't always work out like that, I know."

Driving schools sometimes face the same problem — but, in this instance, trainees pay as much as R25 an hour and some transport managers in Port Elizabeth feel some trainees are being taken for a ride.

Asked for an impartial comment, Mr Dieter Kusell, director of the Emthonjeni In-Service Training Centre, to whom several of the successful drivers are sent by their employers for further training, said:

"What we have found from time to time is that

people come to us who have been to these driving schools and have learnt very little.

"It's unfortunate that in many respects there are institutions whose training is not very effective yet they are making money out of it.

"There are many people who have been to driving schools — and in many cases have received licences — but whose standard of driving is not such that we would be prepared to let them loose on the road.

"Some cannot even change gear correctly. They are changing up too early, or grating the gears.

"Some cannot handle the vehicle using their mirrors correctly.

"And they have little road sense to enable them to take appropriate action in an emergency.

"We are not here in opposition to driving schools.

"We generally refer new drivers to the driving schools, but if this is the sort of thing that is going to happen we might have to start training from scratch

# Pepkor chain

● From Page 1  
ers with more than 12 000 employees.

The new stores would be established by the group's Hotline subsidiary.

30 11 4/82  
Chains established in the past few years — Clicks, Savemor and Lucky Seven — have been designed with an eye to hugely successful chains long established overseas, examples being the Aldi stores in West Germany and others in the United States.

Not all have prospered. Probably the most successful so far has been the relatively larger Clicks Stores, which deals in non-perishable goods and by late last year was carrying out its latest phase of expansion to bring the total number of stores up to 46.

Clicks has become well-established in the Cape but there is clearly large unrealised potential for its operations in the Orange Free State, Natal and Southern Transvaal.

Another group, Score, headed by former Metro executives, last year claimed to be the country's largest limited assortment chain with about 40 stores planned for the end of 1981, their growth spurred by the takeover of Save Cave from OK Bazaars and Fontana's Taki Zenopoulos.

This market has also been unsettled by the restructuring of the OK Bazaars group, which involved closure of certain smaller superettes.

# New Pepkor chain:

# more retail

30 Times

# fireworks

11/4/82

A NEW national chain of hundreds of stores could result from plans on the drawing boards at the Pepkor group, which has sales now probably well over R200-million.

The plans call for a new type of small store, with traditional neighbourhood cafes — and other new chains — as the main competitors.

This new offensive into the small store market will increase ballooning competi-

By Andrew McNulty

tion in a sector that has been contested in the past few years by groups such as Clicks, Score, Lucky Seven, and Savemor as well as the established giants such as OK Bazaars, Dions, Checkers and Pick 'n Pay.

All the new entrants aim to offer convenience, a wider range of goods than the items normally offered by the cafe and lower prices achieved by bulk buying — while at the same time being easier to shop in than a large super-

market or Hypermarket.

A major feature of the Pep idea is that the stores would be in suburban neighbourhoods, "on the housewife's doorstep".

Probably to be launched under the name of Hyperette, the stores will be essentially "souped-up neighbourhood cafes", carrying a wider range of both perishable and non-perishable items, says Christo Wiese, chairman of the Cape-based Pepkor.

He says the aim is to

launch the first three stores in the Cape Peninsula during the current financial year as a pilot scheme, and their success will determine the rate of future growth.

"This is still experimental, all very early days yet. But if the concept is accepted the chain could literally go to hundreds of stores," he says.

Each store, requiring an initial investment of about R130 000, would carry about 3 000 items compared with the range of 10 000 to 12 000 items carried by a normal supermarket.

Mr Wiese says these would be designed to trap the growing spending power of the C, B and lower A income groups.

It would cover a floor area of 325 square metres to 372 square metres compared with the average cafe's size of about 140 square metres.

Plans also include longer trading hours, probably from 7.30am to 8.30pm.

These stores further boost other recent expansions in Pepkor.

Earlier this year, the group announced a major restructuring following its takeover of I. L. Back as a result of which Pepkor becomes one of the country's biggest clothing manufactur-

● To Page 3

# Ackerman won't take 'Jew' smear lying down

By BENNIE VAN DELFT

**SOUTH AFRICAN** supermarket Raymond Ackerman has become involved in a fierce "religious war" over his plan to establish Australia's first hypermarket.

Australian competitors, it was reported this week, fearing a drastic cut in their profits, are now stirring up anti-semitic feelings in a desperate attempt to torpedo Mr. Ackerman's first business venture outside South Africa.

A spokesman for one group has publicly slammed Pick 'n Pay as a corporation which is "backed by Jewish money".

In reply, a disgusted Mr Ackerman said this week he was incensed that his religion had been drawn into the matter, and threatened to fly to Australia to confront his opponents.

"This comment is absolutely disgraceful and smacks of blatant racialism. "And to think that this comes from people who pride themselves

on being bitterly opposed to any form of discrimination. "I am not taking that insult lying down — and I'll take the matter further. I don't believe that all Australian businessmen are like that.

"I am considering flying over there to personally expose those people who made the anti-semitic remarks."

Mr Ackerman said his company was planning to start a hypermarket at Aspley, a northern suburb of Brisbane, as part of a joint venture with a group of Australian supermarkets.

"We will have only a one-third share in the venture. The other two-thirds will be held by the supermarket group," he said.

The newly-formed company has already bought 11ha for its proposed hypermarket which is expected to serve a community of 390,000 shoppers.



MR ACKERMAN  
Racialism

# Pick 'n Pay Aussie hyper bid runs into insults



30  
S. Times  
11/4/82

## The Pick 'n Pay logo

He said: "We expected opposition to our venture, but not that it would develop into an anti-semitic campaign."

"I thrive on opposition, but one thing I cannot tolerate is if somebody makes racialistic remarks.

"What has my religion got to do with business?"

"I have no doubt that only a few disgruntled businessmen are responsible for those anti-semitic remarks, and I want to nip it in the bud as soon as possible.

"It's the sort of comment that reminds one of the early 1930s when Adolf Hitler came on to the German scene.

"Even in South Africa I have not heard these remarks for the last 30 or 40 years.

## Ironic

"It's ironic to think that these same businessmen who showed up the ugly face of anti-semitism might well support a government which hits out at South Africa's policies at every possible chance."

Mr Ackerman's new overseas venture comes at a time when Pick 'n Pay is riding on the crest of success in South Africa with a rise of 37 percent in pre-tax profits to R38,5-million in its last trading year to the end of February.

Despite the Australian project, which Mr Ackerman describes as an "experiment", his company does not plan to slow down its growth in South Africa.

Mr Ackerman said: "We will continue to expand here in fact, our goal for the next decade, is to open even more hypermarkets and supermarkets in South Africa."

## Fury

At least six other hypermarkets, spread across Australia, are also on Mr Ackerman's drawing board.

They will compete with the much smaller K-mart, which is Australia's nearest approach to a hypermarket.

Pick 'n Pay's entry into the Australian market is subject to approval by the Foreign Investment Review Board which is part of the Treasury Department.

The Treasurer has given local concerns until Wednesday to submit their objections.

Local Australian retail groups and small traders are organising a major delegation to put their case before the Treasurer.

They are fighting the establishment of a hypermarket on the grounds of the social and economical impact of allowing such a large foreign-based venture on the local scene.

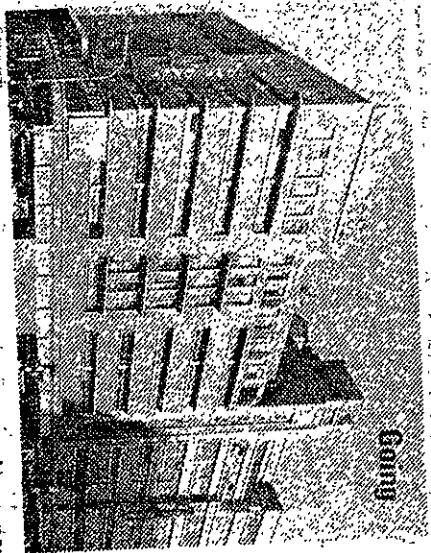
It was the remark of a Brisbane retailers' association spokesman, who described the South African company as a "Jewish-backed corporation" that sparked Mr Ackerman's fury this week.

The comment, made to a newspaper correspondent, was reported in the business section of a Cape Town newspaper on Monday and read by Mr Ackerman.



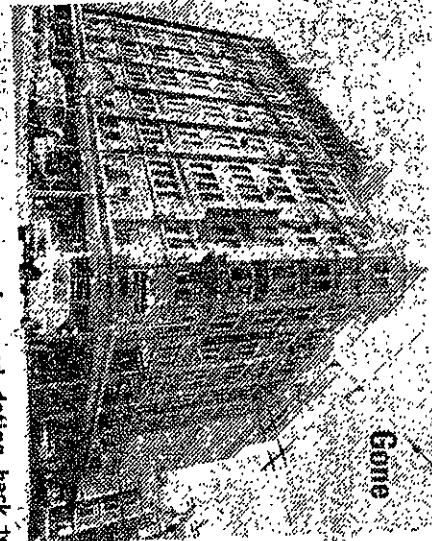
Going

● Greatermans — a household name about to disappear from the city.



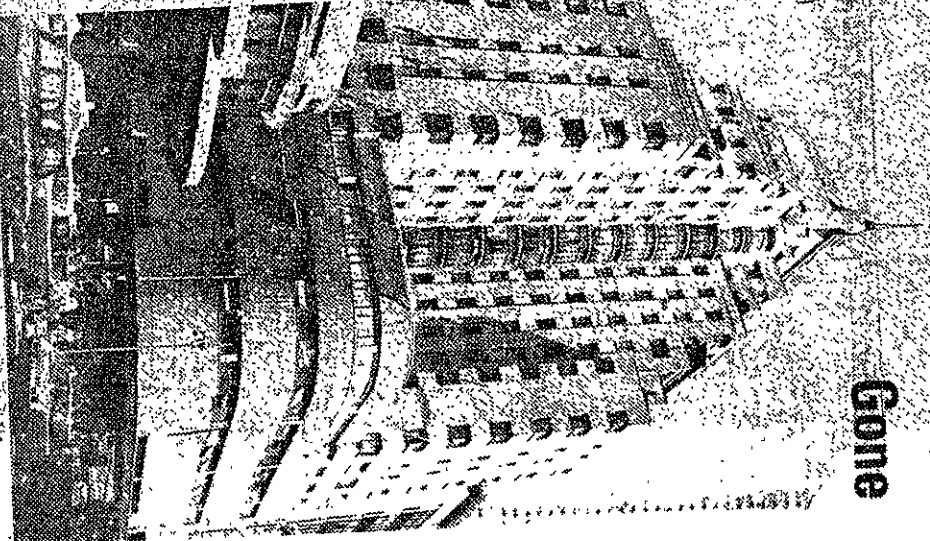
Going

● John Orr's — department store for the upper crust shopper is closing down.



Gone

● Stutafords — upmarket and dating back to the old days, it suddenly moved to the suburbs.



Gone

● Anstey's — it was, for a time, the city's tallest building. The company closed down in the 1970s.

# What's in store for the shopper?

30 Star 13 p/ks

Where have all the city's department stores gone? The retreat from central Johannesburg began 20 years ago when the old-established Henwoods closed.

Since then the Belfast has gone. Stutafords has moved out of town. Anstey's where, even just after the war, doormen would park customers' cars for them, has gone. Shepherd and Barkers, went John Orr's — which decentralised half its store a few years ago — is going.

And now Greatermans is closing down after its take-over last month by Kirsh Industries. As a further indication of the decentralisation trend Mr Kirsh said today that Greatermans' East-gate store was a profitable concern and would be retained.

Negotiations are under way for the reletting of the city centre building.

Of the traditional "anchor tenants" only the OK has survived, but it never pretended to be in the style of the plush-carpeted department store. Is there a retail crisis in Johannesburg's downtown? Or is this the normal evolution of a city centre battered by competition from the new suburban shopping centres? In fact the city centre dying — as Detroit did?

The truth is no city centre has ever really died. But they get heart attacks and Johannesburg is having one now. The numbing of the department stores has been the result of a change in people's shopping habits: the high income population of Johannesburg's northern suburbs abandoned the city's shops. They found all they wanted, including easy parking, in the suburbs. Today the city's 3 000 highly competitive retail

shops get most of their custom from downtown office workers. That is how the central core's 70 jewellery shops, have survived — and the 500 clothes and shoe shops, and the 250 furniture and appliance shops.

The biggest change to hit the city centre is that today, Soweto's million inhabitants see it as their shopping area. And they want bargains, rather than plushness.

But there is, among black shoppers, a growing number of sophisticated and relatively wealthy people who buy only the best and who want personal service. In time, Johannesburg's newest and only surviving department stores, Edgars and Garlicks, will have company again.

● But what is the crisis in shopping in South Africa? For a hard look at the sector see Retailing Africa? For a hard look at the sector see Retailing the new wave, Page 25.



# Retailing: A new wave — 1

Cash tills are fuller than ever. National spending has soared from about R1 000 million a month only three years ago to much more than R1 500 million a month so far into 1982. Yet the retail trade has been galvanised by a succession of takeovers and mergers and closures. Has the retail business run into a crisis? DAVID BRAUN investigates.

In the heart of Johannesburg, facing each other without expression across the Oppenheimer Fountains, stand the towering flagship stores of two of the biggest retailing names in the country.

To the south is Edgars. To the north is Greatermans, each building a monument to the retail trade — but nothing could be more stark than the difference in their future prospects.

Edgars, with no fewer than 448 stores in its empire and aim set on boosting annual sales to a phenomenal R1 500 million by 1986, is regarded as such a treasure chest that South African Breweries moved heaven and earth — and rands by the tens of millions — to secure a takeover two months ago.

## Contrast

In sharp contrast, Greatermans, sucked into the growing Natie Kirsh conglomerate a little earlier, confirmed last week that its city-centre flagship will be closed down about June. The Greatermans store in Durban has already been given the last rites and other stores in the group may also be closed.

Even more so...

matrons had been the announcement of the closure of the John Orr's store — little more than a stone's throw away — which had been a shopping haven for generations.

Why the chasm between success and failure? Have shopping habits and attitudes changed? Have the retailers matched the changes?

To find answers several of the best brains in the business were interviewed. It was found that retailing has become a new science, demanding highly skilled and motivated management teams and, above all, a deeper knowledge of subtle shifts in the shape of the market and what today's customer wants and insists on getting, if not here then next door.

Retailing is being revolutionised. For those companies, big or small, who fail to adapt and learn the new rules, the outlook is bleak.

## Remarkable

Mr Carl Jansen, managing director of Morkels, the furniture and appliance chain that has experienced remarkable growth in recent years, warns that retailers in the modern world must

change tactics — or face extinction.

"Moving to the suburbs will not help," he believes. "That is simply changing the battlefield."

"What is important is pinpointing what the customer needs and wants. Once you have identified that correctly you must home in on the market."

"Our store in President Street has grown fivefold in a year or so. That is not just because we revamped the store. After all, Greatermans did that too."

## Identical

Mr Adrian Belamy, chairman and chief executive of Edgars, which, significantly, is moving into the John Orr's site, says there is nothing wrong with the department store as a retail concept.

"When things go wrong this usually happens when the management in competitor companies does a better job in merchandising."

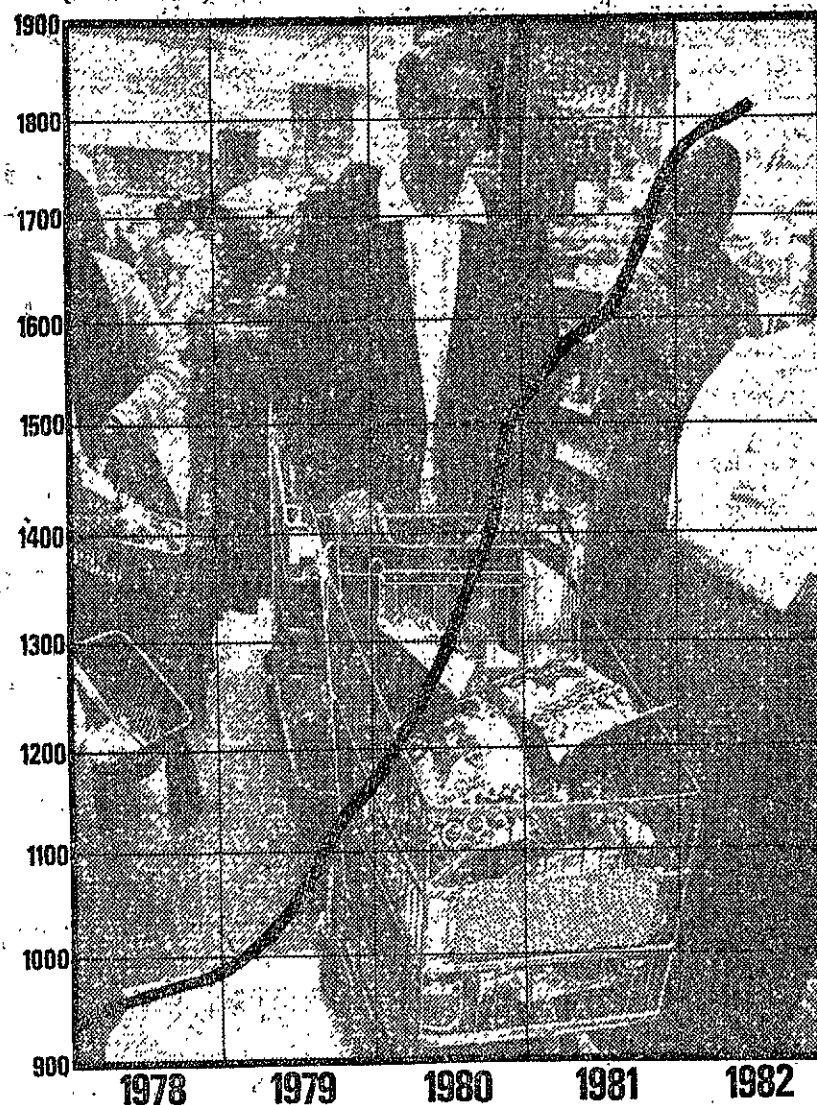
"Families are probably smaller and the interests of the consumer are wiser. This represents a fundamental change from 20 years ago — and the change over the next 20 years will be even more fundamental."

"Because of their wealth and broader education, brought about through the media and travel and so on, they are more aware of what the world is doing, wearing, eating."

"We decided a decade ago that our big chance for success was to take a precision rifle rather than a shotgun to meet these

## Total value of sales RETAIL TRADE

(in R million)



new merchandise demands of the exciting new kind of consumer emerging in the market place."

Edgars had appointed a larger team of buyers and merchandisers to improve specialisation by product category.

Department stores go wrong, he is con-

vinced, when they neglect to put enough effort into merchandising, merchandising, merchandising.

## Critical

Mr Gerald Manne, head of the OK Hyperamas, puts down the success of his operations to the "total service" offered the cus-

tommer. "We believe that more than anything else, time is critical to the shopper. Our customers are able to do their entire shopping by coming to use once or twice a month."

● Tomorrow:

"The new wave" — how retailers plan to pull in future customers.

# Retailing: A new wave—2

30 Star 14/4/87  
A flurry of takeovers and mergers and closures in the retail trade has riveted interest on an apparent upheaval in shopping trends. DAVID BRAUN investigates in a second article.

The whole retail trade has been forced to re-examine its battlelines by the succession of takeover and closures of big stores that accelerated in recent weeks and may not be over yet.

The executive suites of most of the retail companies are bustling as managements reshape their thinking about coping with the changing profile of the average shopper. For the brisk and talented the stakes are bigger slices of total spending now running at more than R1 500 million a month. For the rest the stakes are sheer survival.

Each is hunting for a new business philosophy to tackle the 1980s.



Mr Gerald Manne

Mr Gerald Manne, head of the OK Hyperamas, believes an important discovery is the need to supply "complete shopping".

It has been put to the test at the new House and Home

store opened by OK Hyperamas in Durban — a layout of nearly 5 000 square metres of trading areas offering an entire range of furniture and appliances, but rather than standing in rows all is displayed in 50-odd separate rooms with eye-appeal designed by professional interior decorators.

The idea is to give the potential buyer a vision of the furniture or appliances in an appropriate room fully fitted with matching carpet, curtains, pictures — even crockery, cutlery and glassware.

Sigh. It could be home. Only better.

"This is what the modern customers expects — and this is what we give him or her", says Mr Manne.

He believes that customers expect quality merchandise in every brand of goods, and at realistic prices. People are no longer prepared to foot the bill for excessive profit margins.

"Our hypes are upgrading every year as our market becomes more sophisticated", he goes on. But at the same time you can increase your business only if margins drop. To do this you have to increase productivity and pull down expenses.

"Expenses in particular have to be controlled with an iron fist. We critically monitor every



expense code. If the stock isn't paying for itself on the shelves, we get rid of it and put in something else.

In the long run what is important is the merchandise. People don't buy the store, the environment, or the ser-

A symptom of the shopping revolution in downtown Johannesburg. The closing down of the city-centre John Orr's store sent shock waves through the retail trade.

vice. They buy the merchandise. If that's wrong, everything's wrong."

Stores that offer merchandise, continuity and image will go from strength to strength. To meet these criteria, retailers are aiming to provide a "total shopping experience."

all food is eaten out of the home. In this country it is still only about 8 percent. Eating out is an example of a whole new growth industry.

"The customer is going to win the battle for longer shopping hours. I don't say that that is a good thing for our business, but if customers want longer hours, they are going to get them.

"Electronics is going to have a revolutionary impact on retailing. What has been named the Electronic Funds Transfer Systems (EFTS) will inevitably come to retailers. The stores will have an immediate claim on the customer's bank account following a sale.

"Electronics will also have a dramatic impact on stock analysis and replenishment behind the scenes.

"The environment of stores is going to change. We recently opened a third-generation Edgars store in Germiston. This store is different to the others in important respects, particularly in the more specialised merchandise assortments which are presented according to the lifestyle of customers.

"We can make shopping exciting for you if we work on it. And if we make it exciting in terms of being pleasant and better, and having what you want, we'll get you as a customer."

It is a theme being conceded in



# Retailing: A new wave—3

The shock closure of the huge Greatermans store in Johannesburg's city centre is the latest in a string of dramatic changes sweeping across the retail trade. MICHAEL CHESTER, Financial Editor, tracks the causes with a former chief executive of the group.

Even with an economic slowdown, the retail trade expects overall spending by shoppers to climb to about R20 000 million this year — almost double the level of

only three or four years ago.

In a forecast released today by Morkels, the furniture and appliance trade, the prediction is made that total spending will be running at a phenomenal R40 000 million and more a year a little beyond the mid-1980s.

The retail trade sounds like a huge treasure chest from which all should make a fortune.

Yet casualties are still jumping out of the race to win bigger and bigger shares of the shopper's purse.

## CONFIRMATION

The latest shock to send nervous retailers through the retail business was confirmation that Greatermans plans to close down its flagship store in Johannesburg city centre and its major store in Bloemfontein. Other closures may follow.

How can failure hit a chain that has been a shopping paradise?



Mr Lawrence Herber, former chief executive of Greatermans: "The writing was on the wall long ago..."

We asked Mr Lawrence Herber, who ran the Greatermans empire from the middle 1970s until he quit in early 1979 on the surprise takeover by a consortium headed by the Federale group which in turn was superseded by the recent takeover by the reverend Nabile Kirsh conglomerate.

"The benefit of hindsight makes analysis easy", says Mr Herber, now a partner in John von Ahlefeldt and Associates, a new business consultancy firm fast making its mark.

"In the case of Greatermans

department-store division, the key elements which today have brought about its demise were developing about 15 years ago.

"In essence the success of full-line department stores lies in four areas — fashionability, range, credit facilities, and service. These aspects, when successfully merged, enable department stores to dominate the markets in which they operate.

"The formula has and continues to be successfully applied. Famous stores around the world come to mind — Harrods and Selfridges in London, Au Printemps and Galeries Lafayette in Paris, Bloomingdale and Abraham and Strauss in New York.

"In the 1960s, Greatermans developed and refined this concept of full-line department stores and set in motion the implementation of its plans.

"However, it failed to recognise just how effectively the fashion chains — such as Edgars, Foschini and Truworthing — were spreading their wings.

"The chains were

offering the same merchandise in ranges nearly as wide as in department stores, they located much smaller fashion stores closer to the customer, and they offered better credit facilities.

"The last major factor was provided when the authorities temporarily restricted the building of major stores and centres in the late 1960s. The writing was on the wall."

Mr Herber recalls that the department store next came under threat in durable goods when the retail discounters emerged. In came chains such as Dions and Game — success guaranteed from the outset by the use of classic discounting tools: brand cost-cutting, low-cost locations, low-cost operations.

"The same developments can be traced in the retail-food industry," he notes. "In the late 1950s, OK dominated the retailing of food along with a large number of rather small chains and many independents.

## INCREDIBLE

"At that time, Greatermans launched its division of Checkers supermarkets, offering

better and more modern facilities and sharper pricing.

"Again hindsight shows that if OK had met this new competition head-on by cutting prices across the board, Checkers would not have grown as fast or as successfully as it has done to become the nation's largest food retailer. In fact it might not have survived."

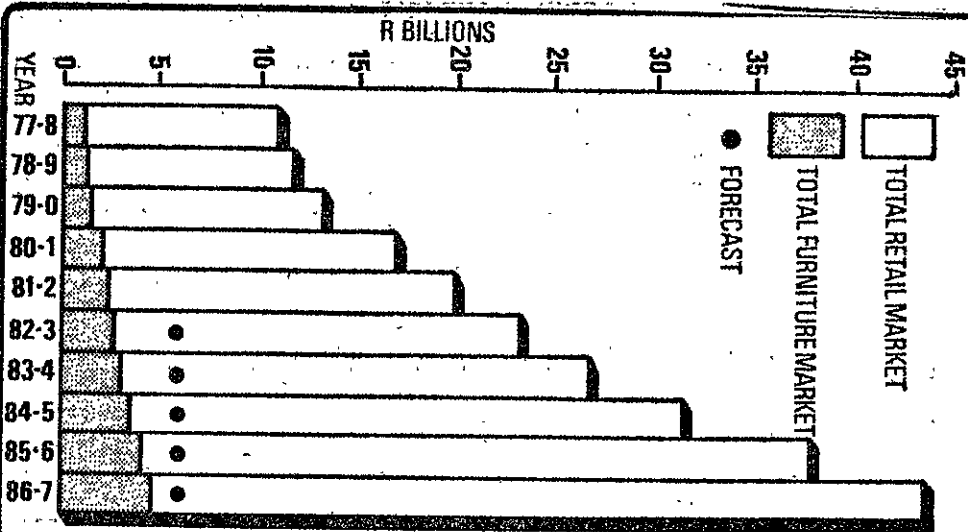
Next, the incredible growth of Pick n Pay, which Mr Herber ascribes to two factors: "On the one hand, OK's reduced interest in the 1970s in food retailing, and their development as mass retailers, and on the other hand Greatermans struggle in its department-store division resulting in Checkers not having the capital available to meet the new challenge."

## UNDAUNTED

At the heart of the transformations inside the retail trade in recent years, Mr Herber is undaunted by the current upheaval of takeovers and mergers and closures.

"Retailing is not in crisis," he says, "but it is exhibiting the workings of the market place with all its intricacies in quite dramatic fashion."

Retail Market Projections



Morkels, the furniture and appliance chain, charts its projections of the growth in the size of total retail sales from the 1970s into the 1980s.

"As more and more of the major retailers move into the camps of the institutions and conglomerates, with the growth of the black market, and as access to capital is made easier, it is likely that those retailers whose management is sound and whose forward planning is well done will succeed to an extent not yet seen."

● Tomorrow: The new wave of shoppers and where they take their custom.

# Retailing: A new wave—4

The closing-down notices outside the huge Gretermans and John Orr's stores in Johannesburg city centre hang like funeral drapes. How radical are the changes in shopping habits to cause the upheaval in the retail trade? MICHAEL CHESTER investigates.

The startling decline in the number of white shoppers using the Johannesburg city centre has now been tracked by market researchers — and the findings explain the shock waves that have run across the retail trade.

Since the research did not cover black shopping patterns it falls short of painting the entire picture, but the analyses makes clear the reasons behind the current run of takeovers and mergers and closures as retailers have to re-think their strategies.

The research was carried out by Marplan and analysis is handled by The Star research services department. The Star Retail Data Library was started in 1980 as a service to major retail clients. Surveys carried out in 1980 and again in 1982 each covered more than 1600 interviews which represented about 130 000 households in Greater Johannesburg.

### DRAMATIC

The findings are dramatic. Among them:

● The number of white shoppers coming into the Central Business District to buy clothing items has tumbled in less than two years from 23 percent to 13 percent.

● White shoppers making the trek to the city centre to shop around for big-ticket items — such as cookers and refrigerators and furniture — shrank from 20 percent to 10 percent.

● The CBD attracted only 0,8 percent of white shoppers — down from 1,3 percent in 1980 — when it came to groceries.

### TREKKERS

The city centre was even weaker as

a shopping attraction for the younger generation looking for clothing. Of the total whites coming to town to buy new gear only 31 percent of the under 34 year olds were among the trekkers.

Also interesting to note is that the richer shoppers are keenest of all to shop nearer to home in the suburbs.

The survey found that the average disposable income in each household in the Greater Johannesburg region — cash left over when such basics as rates, house bonds, telephone and electricity bills had been paid, but with food still to buy — stands at R596 a month.

Yet the spending money in the pockets of city centre shoppers buying big-ticket items was down to an average of R453.

### FRONTRUNNER

A closer look at shopping habits when it comes to buying women's clothing — always



Mr Natie Kirsh: "The magic — big volumes and low prices."

regarded as a front-runner for the city centre stores — shows the business implications.

Every three months shoppers for women's clothing come to town about twice. Shoppers go out to shop in the



suburbs almost three times.

On the theoretical basis that each shopping expedition involved spending an average of R20, the researchers looked deeper into the business turnover side. The finding:

● Suburban shops pull in nearly R24 million a year in women's clothing sales.

● The slice going to city centre shops slides to little more than R4,5 million a year.

### PROPORTION

More to ponder: a mere 15 percent of top-income bracket households do their clothing shopping in the CBD. The proportion of low-income bracket shoppers coming to town for clothes climbs to 60 percent.

These are the sort of trends playing mayhem to the pattern of the whole

Shoppers descend on Johannesburg city centre for the sales — but more and more appear to prefer the suburbs for their shopping.

retail trade in the battle between the city centre and the suburbs.

They also provide the clues to the decision to close down the big John Orr's store in Eloff Street and why Mr Natie Kirsh is taking a long, hard look at the Gretermans chain that he took over only weeks ago.

What looks fairly certain now is that Mr Kirsh is going to put all his concentration into other wings of his empire — Checkers, Dion, Metcash, Russells and Union Wine.

### SPECULATION

My own guess is that he will not abandon the city centre. His huge Gretermans store on President Street has started its closing down sale but the hottest speculation is that he will convert it into a

vast new Dion operation.

"The magic formula, if there is one, is to find the key to domination in a particular segment of a particular market and in a particular area — like Dion has managed to do," says Mr Kirsh. "The magic: big volumes and low prices."

### SATURDAYS

"On the whole, though, success comes less from magic formulae than from good management, efficiency, knowledge of the market — and sheer guts.

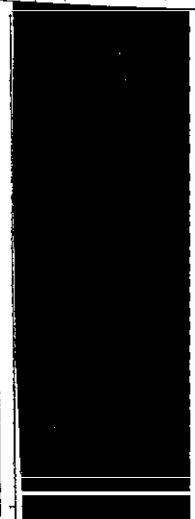
"But it is almost impossible to select a fixed formula for Johannesburg city centre over the next five or 10 years.

"How far will multiracial shopping go? What happens if white retailers move into Soweto

— remembering the potential made obvious by the enormous black shopping crowds in the CBD on Saturdays?

"There are so many imponderables that a crystal ball is useless."

● For more information about retail-trade trends contact The Star Research Services Department, PO Box 1014, Johannesburg 2000.



# 3 COLOURED MEN BACK R3.5-m CENTRE

Tom Hood  
Property Editor

A R3.5-million shopping centre planned for the Cape Flats by three coloured businessmen is the first major centre to be financed by a coloured investment group of private individuals.

Until now all shopping centres in coloured areas have been developed either by the local authority, the Small Business Development Corporation (previously the Coloured

Development Corporation) or the Government.

The three men decline to be identified for security reasons.

The Airport Shopping Centre, as it will be known, is in Charlesville on a two-hectare site.

The major tenant is Pick 'n Pay with a 3 800 sq m supermarket. Most of the other 3 000 sq m for retail shops and offices is already let.

Many national chains have applied for space, say the leasing consultants.

The planning and financing of the project

has reached an advanced stage, they said today. Valhalla, Heideveld and Vanguard.

A petrol service station has already been built at the site. Only a fifth of the shopping needs of these people are presently met and the centre will go only part of the way to fill the gap.

Eventually the centre will be extended to give another 1 000 sq m for smaller shops.

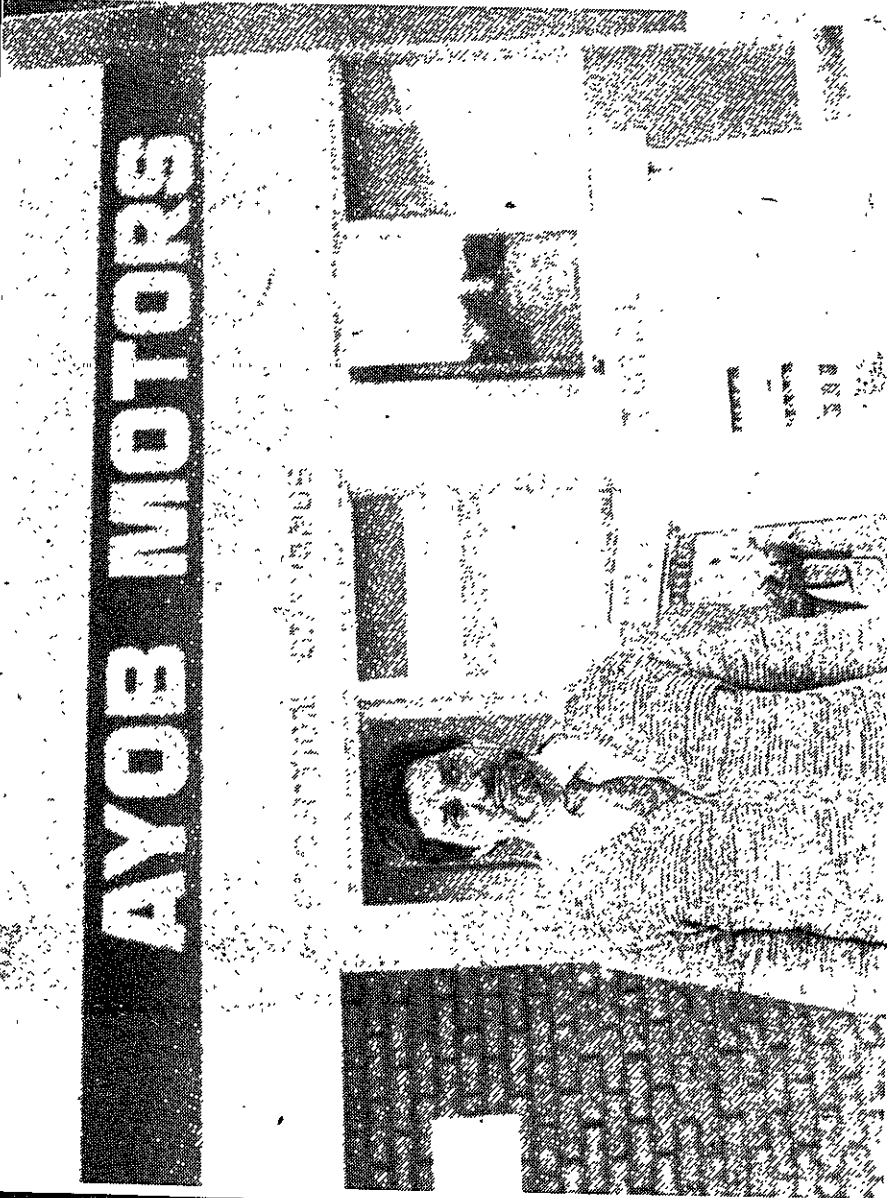
## PARKING

Parking for 270 cars will be provided although another 50 or more bays can be provided later.

Well over 300 000 people live within a 5 km radius, estimate market analysts. Areas covered include Bonteheuwel, Bishop Lavis, Montana,

CHARLESVILLE  
PROPERTY AREA 5  
17/4/82  
30

# Charlie's patience hit pay dirt after apartheid eviction



Mr CHARLIE AYOB outside the prosperous filling station he was able to establish after the Group Areas Act evicted him from the town limits of Louis Trichardt.

By ALLISTER SPARKS

**LOUIS TRICHARDT** — Yassin Husain Ayob, better known as Charlie to everyone in this small Northern Transvaal town, has an inscription from the Koran in the office of his filling station which reads: "Allah is with those who are patient."

It is an exhortation which has served him well, for patience and what may be a divine providence have enabled Charlie Ayob to prosper from the Group Areas Act which has ruined the lives of thousands.

For many small-town Indians like Charlie, the Act has meant being thrown out of town altogether, into an "Indian area", a few kilometres away.

It usually spells ruin for the Indian traders, who are thus cut off from the white customers on whom they depend.

This is what happened to Charlie in 1972 in the small town of Louis Trichardt (population 8 500), 109 kilometres south of Kipling's great grey-green, greasy Limpopo River which forms South Africa's border with Zimbabwe.

Charlie had run a second-hand car lot in town, doing modestly well. When the Group Areas proclamation came he and the town's other 465 Indians had to move out into the bush. They feared the worst.

But Charlie was patient and Allah was with him. In 1978, the National Roads Board built a new highway bypassing Louis Trichardt. It just so happened that it went right past Charlie's new second-hand car lot.

Charlie immediately applied for a licence to put in petrol pumps and, because he is now in his own group area where restrictions are not supposed to apply to him because of his race, the Government could not refuse.

Louis Trichardt's white filling station proprietors were furious. Having the traffic bypass town was bad enough, having all that business go to Charlie the Indian was intolerable.

The case was taken up by the Northern Transvaal Division of the Motor Industries Federation and by the

Louis Trichardt's Sakekammer. They went to see their Member of Parliament, the Minister of Community Development. Even the Prime Minister.

But to no avail. Apartheid is an inflexible doctrine and the decision stood. Charlie says the delays nearly doubled the cost of his filling station but he duly opened it two months ago and is doing a roaring trade.

Back in town, Mr Johan Gilfillan, chairman of the Sakekammer and owner of Louis Trichardt's biggest filling station, says his sales have dropped from 7 200 litres a month to 3 700.

He admits to trying to stop Charlie from opening up, but denies it was for racialist reasons.

He says he was against Charlie and the other Indians being moved in the first place. "It was our ancestors who wanted that. We see it differently. We see it as splitting the money as well as the community."

The fact is Louis Trichardt's white traders have all lost out as a result of the Indians being moved out of town and not only because of the highway. The Indians have drawn a lot of customers out of the town, too.

"We were the first discounters in South Africa," says Charlie with a smile. "The prices in the Indian shops are always better."

"We want them back," says Mr Gilfillan ruefully. "This has been very bad for Louis Trichardt."

Louis Trichardt's experience has got through to other Transvaal towns. The incongruous result is that many of South Africa's most conservative white town councils, in areas where Dr Andries Treurnicht's new far-Right Conservative Party has its main support, are now campaigning to stop the eviction of their Indians.

In the biggest of them, Pietersburg, the site for the new out-of-town "Indian area" was laid out two years ago and is now becoming overgrown with no sign of anyone being sent to live there.

But elsewhere in South Africa, more than 35 000 Indian families have been moved since the Group Areas Act came into effect in 1953.

# KRAAI SLAMS BID TO SPLIT CHAMBER

20  
Sowetan  
20/4/82

**SOWETO TRADERS** doing business in the Diepmeadow area who are trying to cause a split within the Soweto Chamber of Commerce and Industry (SCCI) have come under heavy attack from Mr Veli Kraai, the chamber's chairman.

At the SCCI meeting in Dube last week, the faction was also slammed by other members who accused them of delaying the economic liberation of blacks by following trends set by the authorities to divide blacks.

He warned members of the chamber to watch for these people with ulterior motives. He said behind their minds there was nothing but greed and hatred to disorganise the chamber which had strived to better their situation.

"The economy of South Africa is one, just as much as that of Soweto. At this time and point we cannot allow ourselves to be split — the very thing the Government is aiming at.

"We have fought hard to thwart the authorities' attempt to divide us ethnically and now we cannot allow that we divide ourselves economically and commercially. If we speak with one voice we shall succeed, but divided we will not

**By NKOPANE MAKOBANE**

reach anywhere," said Mr Kraai.

Another speaker moved that if there was a feeling among those in the faction that they were in a separate council area, the chamber's name could be changed to Greater Soweto Chamber of Commerce and Industry as the word "Greater" did appear in their constitution.

During the meeting, it was suggested that the chamber explore whether all traders in Soweto could not be compelled to be members, as was the case in some overseas countries.

Among other matters, the meeting also discussed the chamber's annual beauty contest to be held on May 22 at Blackchain.

# R86-million lent to the little men

Argus Correspondent

DURBAN. — Though the newly formed Small Business Development Corporation would aid small businessmen of all races, it was clear the greatest need was among blacks, coloured and Indians, Dr Willem Vosloo, managing director of the corporation, said at the week-end.

Addressing the Natal and Free State chartered accountants' autumn school at Hilton College, Dr Vosloo said that up to the end of January 1982 loans had been granted, worth R86-million.

Because the corporation had only three main offices — in Johannesburg, Cape Town and Durban — it had entered into an agreement with the banks who would act as its agent under a 'financial guarantees system.'

Under the system the corporation would give private guarantees for bank loans to small businessmen who otherwise would not have been able to obtain finance.

Dr Vosloo said R25-million had already been lent by the banks under this system.

Basically the corporation applied the following flexible guidelines:

- Businesses it helped had to be small — with gross assets of less than R500 000.
- Loans were for a maximum of R150 000, except in a few unusual cases.
- Applicant businessmen would have some experience in their fields.
- The businesses had to

## IBM tells of billions in losses

THE IBM Corporation estimates that it lost more than two billion dollars (R2,06-billion) in gross income as a result of the rapid fall of major

- A reasonable capital contribution had to be made by the businessman himself.
- Some security for the loans was usually required.

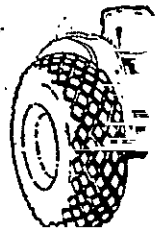
## Rio Tinto may lose

SALISBURY. — A second major mining group in Zimbabwe, Rio Tinto Mining, says it 'may well' make a loss in 1982.

Chairman Mr W. Rickards says in his annual report that 1981 proved to be one of the group's worst years for profit, with attributable earnings falling from R4,9-million dollars to R1,4-million dollars.

'I am not optimistic that there will be a significant change for the better in 1982. In the circumstances the group may well incur a loss during the year,' he says.

Tr  
Industria



IMF STAND-BY ARRANGEMENTS AND ARRANGEMENTS UNDER THE EXTENDED FUND FACILITY IN AFRICA*				
(SDRm)				
	Date of agreement	Programme years	Total commitment	Undrawn balance
<b>STAND-BY ARRANGEMENTS</b>				
Cent. African Republic	April 10, 1981	1	30.40	2.40
Ethiopia	May 8, 1981	1	67.50	23.50
Kenya	Oct 15, 1980	2	241.50	151.50
Liberia	Aug 26, 1981	1	55.00	22.00
Madagascar	April 13, 1981	1	109.00	70.00
Malawi	May 9, 1980	2	49.88	9.88
Mauritania	June 1, 1981	2	25.80	15.50
Mauritius	June 21, 1981	1	30.00	47.36
Senegal	Sept 11, 1981	1	63.00	17.25
Sierra Leone	Sept 15, 1981	1	43.13	154.60
Somalia	July 15, 1981	2	179.60	40.25
Tanzania	Sept 15, 1980	2	47.50	35.00
Togo	Feb 13, 1981	1	112.50	37.50
Uganda	June 5, 1981	1	37.50	—
Zimbabwe	April 8, 1981	1	1,072.31	611.64
<b>TOTAL</b>				
<b>EXTENDED FUND FACILITY</b>				
Gabon	June 27, 1980	3	34.00	34.00
Ivory Coast	Feb 27, 1981	3	484.50	307.78
Morocco	March 9, 1981	3	817.05	680.55
Sierra Leone	March 30, 1981	3	186.00	152.50
Sudan	March 30, 1981	3	427.00	176.00
Zaire	May 4, 1979	3	912.00	737.00
Zambia	June 21, 1981	3	800.00	500.00
<b>TOTAL</b>			3,660.55	2,587.83

\* As at December 31, 1981

Source: IMF

# 'S ET 'S DEMANDS

Bank told a recent IMF seminar in Nairobi, that cuts in subsidies impose tremendous adverse affects.

Mr Ndegwa could have cited two cases. Several hundred people died during food riots in Morocco (which signed an SRD 819m agreement in March 1981) last June, while protesters took to the streets in Sudan in January after price rises for basic commodities followed agreement on an SDR 198 m programme in October. Both governments were attempting to meet targets agreed with the fund.

Yet the non-oil producing countries are in a bind. They have few other sources of large-scale financial aid at a time when their predicament has never been worse.

Two recent meetings in Nairobi released some disturbing statistics. The annual increase in GDP of non-oil producing African countries fell to 2.5 percent between 1978 and 1980, compared with 3.8 percent in 1973-1977. Since the annual average population increase is 2.5 percent, per capita in-

come has been stagnant. The annual rate of inflation tripled in 1973-77 to nearly 17 percent, rising to about 20 percent in 1978-80. Medium and long term external debt of the non-oil African group more than quadrupled, reaching \$47,800 at the end of 1980.

Also in Nairobi last month, African delegates to the United Nations World Food Council heard an alarming assessment of the continent's food position. The forecast is that food imports of 18.5-million tons in 1980-81 will triple by the mid-1980s. Overall agricultural and food production grew by only 1.7 percent in 1981 — well behind the growth rate of the population.

## Extended

As balance of payments deficit rose and commodity prices fell, so the Fund's role has increased. Commitments under the upper credit tranche standby and extended arrangements rose from two in 1978 to nine in 1979 and 12 in 1980. Last year the board approved 14 such arrangements with African countries for periods of one to four years, and seven others negotiated three-year programmes.

Yet African resentment of the fund seems to have risen in proportion to its role. One of the world's poorest countries has taken the toughest stance: Tanzania has conducted a running battle, with President Julius Nyerere and Mr Amir Jamal, Finance Minister, taking up the

economic policies' — including poor agricultural pricing policies, burgeoning and inefficient state-owned companies, and 'overly expansionist' fiscal and monetary policies.

Among the many cases which bear out his criticisms, Zambia is one example, less tobacco is produced today than at independence in 1964.

Treasury officials throughout Africa however can point to the impact of world price fluctuations over which they have no control. In Zambia, for instance, the copper mines provided over 50 percent of government revenue in 1974. For the past five years it has ranged from nil to negligible.

One analysis which carries disquieting implications has been carried out by Professor Tony Killick, of the Overseas Development Institute.

## Broken down

In a paper looking at the fund's relationship with Kenya, Professor Killick points out that three higher conditional agreements have all been broken down. Yet the Government is 'rather conservative, pragmatic and generally market orientated.' Further, there is 'no great ideological divide' the Treasury does not disagree with the thrust of the IMF policies (and) the principle of conditionality is not contested.

He does not put all the blame for the difficulties on the IMF, but one

of the rapid fall of major



# RETAILERS FORECAST DROP IN SALES

ARGUS

20/4/82

30

Financial Editor

**PEOPLE** are beginning to tighten their belts and are no longer spending freely, retail sales figures issued by the Department of Statistics show.

The department reports that retailers are expecting sales to rise by only 12 percent in April. This is one of the smallest increases forecast for some years and is below the inflation rate.

It compares with an estimated increase in retail sales last month of 17.9 percent, and increases of 18.1 percent in February and 19.1 percent in January.

If the retailers' forecast for April are realised, it means that the actual physical volume of goods sold will be less than in April last year.

## WILL DROP

On the figures it has received from the retail trade, the Department estimates that physical sales this month will drop by about 2 percent.

Retail sales in physical terms rose by 3.2 percent last month, by 4.8 percent in February and by 6.3 percent in January, the department calculates.

If the retailers' forecast for April proves correct, this will be the first month since mid-1979 that physical sales had not shown an increase on a year ago, and would mean that the retail trade is entering a recession.

## PAY RISE

Although most workers probably received a substantial pay rise at the start of the year, they have been hit since then by increased personal taxation, by continued inflation, the increase in the general sales tax from 4 to 5 percent, and by a sharp rise in interest rates.

Meanwhile, other evidence that conditions in the South African economy are less buoyant are contained in the latest general sales tax receipts reported by the Treasury.

The figures, which appear in the Treasury's February statement, actually relate to January. They are of interest because they show that collections at R132,6-million were R1,9-million down on January 1981.

## FIRST TIME

This is also the first time for a number of years that GST receipts have failed to exceed their year-ago figure.

As the GST is applied to all goods sold, including those going to the mining and industrial sectors, GST receipts are a better economic indicator of the state of the economy than the retail sales figures.

The GST figures suggest that though the consumer may be increasing his spending in cash, if not in real terms, other sectors of the economy are cutting back.

**GENERAL EXPLANATORY NOTE:**

- [             ]** Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with solid line indicate insertions in existing enactments.

**ACT**

To amend the Group Areas Act, 1966, so as to provide that the Small Business Development Corporation, Limited, and certain companies shall not, in relation to immovable property, land or premises in any area to which the said Act applies, be considered to be disqualified persons or disqualified companies; to exclude certain persons from the application of certain provisions of that Act or of certain proclamations issued thereunder; and to provide for matters connected therewith.

*(Afrikaans text signed by the State President.)  
(Assented to 26 March 1982.)*

**BE IT ENACTED** by the State President and the House of Assembly of the Republic of South Africa, as follows:—

1. Section 1 of the Group Areas Act, 1966, is hereby amended—
- 5 (a) by the substitution for subsection (5) of the following subsection:
    - "(5) **[A company of the shares of which the majority is held by—**
    - 10 (a) the Coloured Development Corporation, Limited, established by section 2 of the Coloured Development Corporation Act, 1962 (Act No. 4 of 1962)]
    - (a) The Small Business Development Corporation, Limited, contemplated in the Small Business Development Act, 1981 (Act No. 112 of 1981); or
    - 15 (b) a company **[all the shares of which are]** wherein a controlling interest is held by—
      - (i) the said Corporation;
      - (ii) another company all the shares of which are held by the said Corporation;
      - 20 **[(c)](iii)** the said Corporation and any such other company;
      - [(d)](iv)** the said Corporation and any such other company and [members of the coloured group] any person (including a company) who is not a disqualified person or a disqualified company in relation to the immovable property, land or premises concerned;
      - 25 **[(e)] (v)** the said Corporation and [such members] any such person; or
      - 30 **[(f)](vi)** any such other company and [such members] any such person,

Amendment of section 1 of Act 36 of 1966, as amended by section 1 of Act 69 of 1969, section 1 of Act 83 of 1972, section 1 of Act 72 of 1974, section 1 of Act 22 of 1975 and section 1 of Act 43 of 1978.

*See full text see Areas Box*

# Poll shows many want longer shopping hours

30 E. Post 22/4/82

IN a public opinion poll recently conducted by Market Research Africa, nearly two-thirds of a national urban white sample of 500 men and 500 women are definitely in favour of extended shopping hours in South Africa.

The upper income bracket is decidedly more in favour than the lower bracket respondent (67% and 72% of the A and B groups respectively as against 61% and 46% of C and D groups).

Younger people opt for extra hours rather than the older citizens (79% of 16-24 years in favour and only 37% of the 50-plus age group who feel the same way).

The percentages for English and Afrikaans-speaking people is almost equal, although a higher percentage of men (67%) is in favour of the extension than the women (59%).

Enthusiasm for this suggestion seems to come

mainly from the Orange Free State and Transvaal (72% and 67% respectively). Only 54% of Natal residents and 58% of Cape residents voted in favour.

Understandably, those who have to contend with the hectic city life and the resultant restricted shopping hours, are more in favour than town and village dwellers. A total of 67% was registered for city dwellers as against 58% and 41% for country customers.

o/c

## CAR SALES (30)

### Boom before bust

FM 23, 4, 82

Car dealers are enjoying sales which are R85m higher than expected for the first three months this year. But most believe that the longer this boom lasts, the deeper will be the trough which must, inevitably, follow.

Sales for January to March this year hit 74 704 units — 6% up on the record figures in the same period last year and nearly 20% up on the original projections of most manufacturers for this period. And most report that they will sell more this April than last.

Calculations show that if past seasonal trends are anything to go by, this year's car sales should top 325 000 units, 8% higher than the all-time record in 1981. No manufacturer accepts this conclusion, but many have upped their estimates of total 1982 sales from around 271 000 to 288 000 cars.

If this bullish prediction is correct, the present rate of sales will have to drop in the coming months.

The longer the downturn is delayed, the sharper it will be when it happens. It is bound to be accompanied by fierce retail price competition, as dealers' inventories mount.

"It is no longer a sellers' market as it was last year when we could produce blind and sell everything we made," says one motor manufacturer. "Dealers were then selling from empty shelves, but if manufacturers and dealers do not carefully plan production runs and inventories, there is a big danger of overstocking."

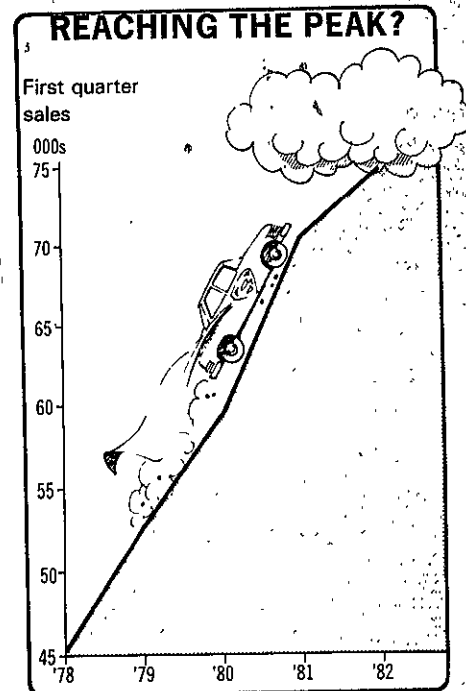
With hindsight, the present boom is not difficult to explain. There are many new

models on the market, something which always attracts buyers and no doubt explains the drop in used car sales.

A record number of immigrants also entered the country, most of whom are in the market for cars.

Many of the sales merely filled orders placed by customers last year when there were no stocks.

There was also a rush to buy before the



expected increase in gst — and another before the Budget when more stringent HP regulations, higher gst and perks tax were thought possible.

Sales surged again on the strength of the "happy" Budget. And the increases in company tax effectively reduced the cost of buying a company car by 10%. Sales of luxury cars last month were very buoyant.

The high inflation rate is another cause. In South America, where inflation is even higher, car sales have tended to rise with the inflation rate.

Government probably took a conscious decision to keep the industry on the boil, in view of its recent pressures on manufacturers to invest more for higher local content.

It also needs to curb unemployment and potential labour unrest in the main vehicle-producing areas, in the eastern and western Cape and Rosslyn, which borders Bophuthatswana.

However, industry sources agree the only issue in dispute is not if sales will drop, but when.

# MARCH VEHICLE SALES

30

## CARS

FM 23.4.81

	1982 March	% of Market	1982 Jan to Mar	% of Market	1981 Jan to Mar	% of Market
Toyota .....	5 179	19,20	13 423	17,97	9 045	12,80
Ford .....	4 822	17,88	12 678	16,97	9 908	14,02
Sigma .....	4 167	15,45	13 057	17,47	14 112	19,97
VW .....	3 877	14,37	12 360	16,55	14 293	20,22
Datsun .....	2 214	8,21	6 688	8,95	7 021	9,94
GM .....	2 158	8,00	5 864	7,85	8 044	11,38
BMW .....	1 766	6,55	3 418	4,58	3 026	4,28
UCDD .....	1 303	4,83	3 246	4,35	1 620	2,29
Alfa .....	753	2,79	2 177	2,91	2 273	3,22
Leyland .....	708	2,62	1 732	2,32	1 244	1,76
Other .....	26	0,10	67	0,09	86	0,12
March total .....	26 973 (3,77% up on 25 993 last year)					
Jan-Mar total .....	74 704 (5,71% up on 70 672 last year)					
Feb total .....	26 253					

## COMMERCIALS

	1982 Mar	% of Market	1982 Jan to Mar	% of Market	1981 Jan to Mar	% of Market
Datsun .....	3 971	26,54	10 395	25,93	6 931	20,53
Toyota .....	3 823	25,55	9 847	24,56	10 592	31,37
Ford .....	2 020	13,50	5 244	13,08	4 316	12,78
GM .....	1 393	9,31	3 856	9,62	4 294	12,72
VW .....	1 207	8,07	3 283	8,19	1 716	5,08
Sigma .....	1 113	7,44	3 689	9,20	2 715	8,04
UCDD .....	581	3,88	1 374	3,43	1 154	3,42
Leyland .....	332	2,22	827	2,06	840	2,49
Int Harvester .....	144	0,96	346	0,86	265	0,78
Alfa .....	138	0,92	521	1,30	322	0,95
MAN .....	101	0,67	289	0,72	251	0,74
Vetsak .....	55	0,37	92	0,23	94	0,28
ERF .....	30	0,20	96	0,24	63	0,19
Oshkosh .....	23	0,15	88	0,22	99	0,29
Fodens .....	16	0,11	41	0,10	31	0,09
Malcomess-Scania .....	13	0,09	75	0,19	55	0,16
Magirus-Deutz .....	3	0,02	20	0,05	25	0,07
VSA .....	2	0,01	3	0,01	3	0,01
Mar total .....	14 965 (16,66% up on 12 828 last year)					
Jan-Mar total .....	40 086 (18,72% up on 33 766 last year)					
Feb total .....	13 959					

(30) S. Times  
25/4/82

# Amrel aims for R500-m sales by '84

By John Spira

IN spite of clear signs that the growth in consumer spending is levelling off, Amrel has launched a major expansion programme which is expected to boost its turnover to R500-million by the end of 1984.

The projected sales figure excludes the possibility of further acquisitions and compares with a figure of R175-million for the year to March 31 1981.

Ronnie Cohen, managing director of the SA Breweries subsidiary, tells Business Times that the main thrust of Amrel's expansion programme will be by way of vigorous extensions to the Furniture City chain, the group's warehouse discounting operation.

In addition to the Furniture City bases in Pretoria and Durban, Amrel has just opened a new outlet in Alberton and plans to hit Vanderbijlpark at the end of May, Roodepoort in October and Randburg early next year. Amrel has options on several other sites.

Furniture City, adds Mr Cohen, will be chalking up annual sales of R50-million by the end of 1984, at which time it will account for 20% of Amrel's total furniture turnover.

Amrel's market share will by then, he forecasts, be well in excess of the current 7% of the country's total R2 100-million retail furniture sales.

By the end of 1984, Mr Cohen predicts, 50% of Amrel's turnover will come from furniture, with the remainder emanating from clothing and shoes.

Amrel is now South Africa's largest shoe retailer following the Scotts acquisition and the recent purchase of 15 Dodo stores.

According to Mr Cohen: "The retail shoe market is currently worth R790-million a year, of which we control 12%. Our nearest competitors have a market share of between 7% and 8%."

Amrel's results for the year to March 31 1982 are scheduled for release next week.

The figures will, reveals Mr Cohen, be "satisfactory" in spite of the economic

## sales by '84

downturn and in spite of the rapid increase in interest rates over the past 12 months.

The latter has impacted particularly severely on Amrel because the spread between borrowing and lending rates has narrowed considerably.

Traditionally, this spread (the difference between the company's borrowing costs and the interest which it earns on its hire-purchase paper) has been in the region of 10 percentage points.

With borrowing now costing 20% and the maximum financing rate restricted to 24%, the spread has shrunk from 10 to four percentage points.

Mr Cohen is strongly positive on Amrel's outlook.

"Although I anticipate a marginal decline in our furniture operations in the year ahead, this will be more than compensated for by continued growth in our shoe and clothing divisions.

"By September next year, I expect a new boom to emerge in the furniture sector — a development which we shall be well placed to take full advantage of, especially in view of our expansion plans.

"We aim to prove to investors that Amrel's per-share earnings will not, barring unforeseen events, decline — in spite of the widely held, and probably accurate, view that the furniture sector is among the worst hit by economic recession."

office custody

(30)  
Mercury  
27/4/82

# Two-day management course for leaders

Mercury Reporter

THE president of the Inyanda Chamber of Commerce, Mr P G Gumede, opened the first two-day session of a management course yesterday.

This was for executive members and office bearers of the chamber, and was organised by the Old Mutual at the Athlone Hotel, Durban North.

Mr Gumede said the course supplied the tools needed by everyone to be better equipped to meet the challenges of their leadership roles.

'Our chambers, like the rest of the chambers of commerce, are expected to serve as agents to ensure a wider and deeper community involvement in the business life of the country,' Mr Gumede said.

He said that the chamber was called upon to play an active role by organising new companies and providing essential management training.

They also had to initiate desirable and worthwhile agricultural, commercial and industrial projects.

To achieve this they had to acquire the art of communication offered by the course.

The two-part course finishes on Thursday and Mr Gumede and Mr Lionel Hartmann, manager public affairs, will present certificates to the participants on completion of the course.



MR P G Gumede

S.A.

UNION

# Model office for tech

28/4/82

A LARGE insurance firm has presented a cheque for R10 000 to the Mabopane Technikon, Pretoria, to equip a model office for the training of secretaries and administrative managers.

Mr Mike Greunen, general manager of Old Mutual, said the room will be known as The Old Mutual Secretarial Practicum Room and will actually consist of two rooms.

Year	A	Ship	
		White	Total
1970			200
1971			200
1972			200
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1977			
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Terminated membership of TUCSA in 1973 as about to fold.



gal exclusions: To eradicate any uncertainties, it requested the authorities to re-regulate the matter.

The privileges make provision for a more streamlined way of financing its clients. A longer loan makes for easier repayment while a smaller deposit adds to an easing of the cash flow difficulties that new or expanding businesses might experience. These concessions are from an Act intended to control the creation of credit agreements. The exemptions are, therefore, a trade-off between the desire to encourage new private enterprise and the need to control credit transactions.

The amendment relates only to a small area of the SBDC's business which handles loans for the purchase of plant and vehicles under credit sale and leasing arrangements. It means that borrowers, in certain circumstances, will be able to obtain loans with low deposits and payments spread over longer periods than the legal maximum of 42 months.

From its inception in February 1981 to the end of March 1982, the SBDC approved 188 loans amounting to R11,2m, while a further 259 applications, valued at R8,6m were referred to the banks for consideration under the bank guarantee scheme. In these instances, the SBDC will guarantee 80% of the loan in approved cases. The banks have full discretion in agreeing to loans of R25 000 and under. But requests for loans over R25 000 to a maximum of R150 000, must also receive SBDC sanction to obtain the security of a guarantee.

The banks' lending to small business (80% guaranteed), amounts to R3,5m, all still regulated by the full provisions of the Credit Sale Agreement Act. The question of whether they might request similar exemptions for loans to small business has still to be raised.

Whereas previously, the privilege only related to the Development and Finance Corporation, the business of other related bodies that have been taken over by the SBDC may now benefit. This comprises the whole operation of the Indian Industrial Development Corporation (IIDC), and certain small business assets of both the Industrial Development Corporation (IDC) and the Corporation for Economic Development (CED).

Union of S.A. and the South African Electrical Trades Union - a body - the Federation of

Industrial Council for the Iron, Steel, Electrical Industry

1980 - Forms with African Electrical Trades U

Industrial Council

Registration:

Founded: 1979

Area of Operation:

Officials: Secre

2000

Joha:

P.O.

Address:

**SMALL BUSINESS (30)**

**Big privileges**

FM 30.4.82

The Small Business Development Corporation (SBDC) has been exempted from certain provisions of the Credit Agreement Act of 1980. It is now allowed an indeterminate loan period with no minimum stipulation as to deposit requirements for instalment sales business and leasing transactions.

This amounts to no more than rubber stamping the practice followed by the SBDC since it took over the business of the Development and Finance Corporation last year. The DFC had similar exemption when its operations were independent. Existing legislation permitted the exemption to be transferred. But the SBDC felt the situation was ambiguous, in view of the fact that it had also taken over the business of other corporations not subject to these le-

1980	2
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1970	
Year	Membership
African	Asian and Coloured
White	Total

Year	Membership
African	Asian and Coloured
White	Total
1970	
1971	
1972	
1973	
1974	
1975	
1976	
1977	
1978	
1979	
1980	2

ELECTRICAL AND ALLIED WORKERS UNION OF S.A.

# MANUFACTURING (30)

## Focus on Soweto

FM 30.4.82

The Small Business Development Corporation (SBDC) is to spend another R1,5m on factory flats in Soweto.

The new factories, which are under one roof, adjoin a similar complex, also financed by the SBDC. The latest project will provide 21 units on a 4 850 m<sup>2</sup> site.

The first phase of the industrial park at Orlando West cost just over R1m and provided 44 units. It has been occupied since February this year by 34 small businessmen including carpenters, furniture manufacturers, welders and panelbeaters. When all units have been occupied the complex should provide about 300 new jobs.

The SBDC has other factory-flat projects valued at R4,8m on the cards. Dobsonville will get a 24-unit scheme on 3 200 m<sup>2</sup> at a cost of around R900 000.

Emdeni is in line for 22 factory-flats on 3 000 m<sup>2</sup>. Cost will be nearly R800 000.

Expenditure on additional infrastructure for the three developments will be in the region of R900 000.

Brits and Rosslyn are also to benefit. Brits will receive similar factory facilities worth more than R700 000 on a 2 740 m<sup>2</sup> site. Close on R2m will be spent at Rosslyn. It will be provided with facilities spread over 7 100 m<sup>2</sup>. Units containing factory-flats in these two projects will vary from 400 m<sup>2</sup> to 800 m<sup>2</sup>.

The SBDC has also approved an industrial park for Atteridgeville/Saulsville worth around R400 000.

SBDC MD Ben Vosloo says the aim is to provide commercial and industrial facilities at reasonable rentals in areas where they are most needed. The developments, he adds, are to promote private ownership in the respective communities and areas.

(21) 678140

1981 - Receives permits

1981 Membership: 10 130

Registration: Yes

Founded:

Area of Operation:

Officials: Secretary:

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Athlone

P.O. Box 4

Address:

Year	Membership		
	African	Asian and Coloured	White
1980	..	..	..
1971	..	..	..
1972	..	..	..
1973	9 476	..	..
1974	9 664	..	..
1975	9 848	..	..
1976	9 486	..	..
1977	9 771	..	..
1978	9 966	..	..
1979	10 105	..	..
1980	9 834	..	..
Total			

CAPE TOWN MUNICIPAL WORKERS ASSOCIATION

# BLACK BUSINESS FM 30.4.82

## From the ground up

Black retailers are finding it increasingly difficult to compete with supermarkets and shopping facilities in white centres.

According to the National African Federated Chamber of Commerce (Nafcoc), the biggest problem is that black entrepreneurs have not kept pace with merchandising developments in white areas.

Nafcoc President Sam Motsuenyane tells the FM that blacks cannot establish bigger and viable businesses because of various bureaucratic hurdles they face. They operate within a limited region and also lack expertise and training.

The chamber has undertaken to train most of its members. Some Nafcoc members have been sent overseas to acquire ex-

1980 - Forms with Elect Workers Associati  
1975 - The Union terms Unions of South A

and the S.A. Electrical of Electrical Trades

the Iron, Steel Industry - Radio Manu-

the Iron, Steel Industry - Lift Engineers

the Iron, Steel Engineering

(4)

(3)

(2)

(1)

Industrial Council:

Registration: Yes

Founded:

Area of Operation:

Officials: Secreta

Johanne  
P.O. Bo  
2000

Address:

(011) 834 6781

... however, that ever if existing retail shops can be upgraded to the standards of those in white areas, the outflow of capital from black areas will continue. "For five days, blacks spend at least nine hours of their time in white areas. So they find it convenient to shop in such places. The provision of jobs in black areas will help in the retention of capital in townships.

"It is important for government to allow blacks to operate in the central business districts where they can acquire capital."

There are no supermarkets — except for the Soweto Blackchain outlet — in the townships, and most storekeepers trade on an over-the-counter basis with a limited choice of goods at inflated prices. Retailing is the mainstay of black enterprise, yet blacks spend only an estimated 20c out of the consumer rand in Soweto shops.

In a move to reverse this trend, Nafcoc suggests that black retailers follow the pattern set by supermarket chains and establish facilities comparable to those in city centres.

A survey has revealed that nearly 90% of blacks in Soweto would fully support local hypermarkets — if any were available. According to the survey, conducted by Market Research SA, about 57% do not use township facilities for grocery purchases.

The majority of young blacks (66% of those between 25 and 34) shop elsewhere. Those who tend to buy goods locally belong to the older generation.

Year	AF
1980	
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\$	5 400
\$	5 400
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*	1 692
*	1 692
∅	385
+	1 692
∅	385
∅	385
∅	385
Total	

# over Monis & Fattis

minority shareholders in Monis & Fattis by Premier. Full details will be published in about four weeks.

Shareholders of both Monis & Fattis and Jabula are advised to exercise caution in the meantime.

Monis & Fattis made an attributable profit of R1 624 000 in the year to January 31, 1982, from a turnover of R42m.

The directors forecast "a further satisfactory increase in profits" this year.

It was disclosed by the chairman, Mr J J Moni, at the end of last month that the company might have to sell some of its SA Breweries shares (worth about R5 500 000 in early April) to help liquidity.

# Pepkor pushes net profit up 38% to R19,4m

By ALEX PETERSEN

PEPKOR, the diversified retailing and manufacturing group, has increased net profit 38 percent from R14m to R19.4m in the year to February, in spite of a hefty R3,3m increase in its interest bill.

This follows the 78,9 percent increase in net profit Pepkor recorded in 1980. Over the past four years, the group has improved its net taxed profit by an average of 38 percent per annum.

Earnings per share amounted to 346,4c compared to 249,8c in 1980, although after life adjustment to which the group has switched, this is cut back 239,1c. The final dividend has been increased 10c to 65c, making 100c (80c) for the year.

Dividend cover has been increased from 3,1 to 3,46 times.

The Cape-based group's audited figures released today show that on a 39 percent turnover increase to R279,9m (R201,8m) operating profit rose from R22,98m to R31,1m.

The increase is, however, trimmed by Pepkor's more than doubled interest bill, which increased from R2,6m to almost R5,9m. Executive chairman, Mr Christo Wiese, says the increase is due to both the current record rates as well as significantly increased borrowings.

A side effect of the restructuring of the group is a lower tax rate and Mr Wiese expects that Pepkor's average tax rate will continue to be lower for the next few years.

Pepkor has now adopted the life method of stock valuation, so improving its cash flow position. The full impact of life amounts to R6m leaving a life adjusted profit figure of R13,4m, while the life adjustment on earnings a share cuts it back to 239,1c from 346,4c before life adjustment.

Departing from its usual pattern of writing off goodwill piecemeal, Pepkor has elected to write off the Back goodwill and

all the goodwill the group has accumulated in recent years in the period under review.

The goodwill from Back and that accumulated from other companies acquired over the years amounts to R4,2m.

"We believe that our decision is correct and that with this we have continued the process of tidying up the Pepkor balance sheet," Mr Wiese said.

Commenting on the restructuring of the group in recent months, he said that part of the cost of this was reflected in the extraordinary items, "but we believe this to have been a valuable investment."

The Pepkor group now consists of four main arms — the clothing retail division operating 485 outlets, the food retail which controls 15 outlets, the manufacturing operation with 12 factories around South Africa, making it the second largest manufacturer of clothing and footwear in the country.

There is also a property division with a portfolio which has a market value of R14,9-million, Mr Wiese said.

Commenting on the move to life, he said the decision was deemed prudent in times of rampant inflation.

He added that after the life adjustment, which reduced earnings a share to 239,1c, the 100c a share dividend was still covered 2,39 times — a comfortable margin by most standards.

# profits up 28%

There were increased profits in nearly every division of the group last year.

Total borrowings as a percentage of shareholders funds were 65,1% at the end of the year against an objective of 85%.

Total loans were 29,5% of total assets against an original objective of as much as 40%.

A surplus of R20m has been added to fixed assets arising from a revaluation of some land and buildings.

The return on ordinary shareholders funds eased fractionally from 22,8% to 22,6%, mainly because of the asset revaluation.

COMMENT: Premier

ran into problems for various reasons in the 1975-77 economic recession.

In the last few years, however, it has made a handsome recovery.

Earnings a share have risen steadily — 84c in 1977-78, 90c in 1978-79, 111c in 1979-80, 159c in 1980-81 and now 203c for 1981-82.

Over the same years the total dividend advanced solidly: 32,5c, 33c, 39c, 51c and 65c.

Excellent though that performance has been, however, it has mostly come in easy to boom times (although the second half of the past year was certainly a difficult time on interest rates).

Now the economy is heading back into recession, but Premier certainly looks to be preparing for it in better shape than last time round.

Even so Mr Bloom has revised his hope-cum-forecast of an annual earnings increase of 20% minimum from a net to a pre-tax basis for this year.

That is perfectly reasonable and, if achieved, will reflect well on Premier's ability to handle difficult times.

However, that could mean that attributable profits will be up by "only" about 12,5% this year, less than the likely rate of inflation.

Although Mr Bloom rightly points to the burden of interest rates Premier is partly protected by the group's foresight in securing R30m at medium-term facilities last year at the giveaway rate of 8,25% with an 0,75% escalation clause to mid-1983 when the rate will then reflect market levels.

Some overseas loans were also arranged.

The fact that profit last year was up by much the same amount whether calculated before or after interest charges is testimony to that foresight.

At 1175c Premier's shares are down 20% this year, largely in line with

**Two Free!**

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THIRTY

COMMENCE PRIOR

MONTH WILL APPLY

# Theron order final

THE Cape Supreme Court yesterday granted a final order restraining Theron Holdings from holding a

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## BLACK BUSINESS 30

### Counter arguments

FM 7/5/82

The retention of capital outflows from black areas into white centres is posing a serious threat to the viability of black traders (*Current Affairs* April 30).

At a recent Nafcoc inter-regional seminar in Pietersburg, members were urged to upgrade their existing businesses and do away with outdated counter services. Max Tlakula, a Nafcoc senior counsel member, told the symposium: "Consumers prefer to shop in self-service stores. But the majority of our stores are on an over-the-counter basis. To retain our clients, we have to provide attractive places for our customers to shop at."

Fitting and stocking a medium-sized supermarket is costly, "but the various development corporations and other private sector sources are willing to loan out capital to those who intend upgrading their operations," he said.

This is where the Small Business Development Corporation (SBDC), a partnership venture with government and the private sector, comes in. Assistance to small concerns includes direct loans and the underwriting of credit facilities to small business clients granted by the various banking institutions through a countrywide network, in terms of an agreed bank guarantee scheme.

Jan Van Rensburg, legal advisor and secretary of the SBDC, tells the FM: "We do not use the same interest rate policy as those of the commercial banks. The rates on loans of up to R150 000 is either 15% or 16%. Those in the region of R150 000 are between 16% and 18%." Furthermore, the corporation does not have a rigid policy as far as repayment is concerned.

SBDC MD, W B Vosloo, notes: "During the SBDC's first year of existence, until the end of February 1982, we provided commercial and industrial facilities in Orlando West, Soweto. This area has been occupied from February by 34 industrialists such as carpenters, furniture manufacturers, welders, printers and panelbeaters."

In the homelands, the Corporation for Economic Development (CED) is active in lending out capital to small businessmen.

Johannes Nieuwoudt, CED MD, told the symposium that government policy should be geared to promote small enterprises rather than larger firms. "The black buying public should be proud to support their own ventures. Basic economic activities must be established in order to create more jobs and generate incomes in these areas."

"To date the CED and private sector have invested funds amounting to R450m

and over 35 000 jobs have been created in over 350 factories in various national states."

David Poee, former Nafcoc executive member and now a businessman in Soweto tells the FM "I readily agree with the concept of the upgrading of our existing shops. It is also important that we do away with the over-the-counter service. But I candidly believe that blacks should make use of schemes such as tripartite partnerships and I do not know of any such partnership existing in Soweto."

He says this may be one way of acquiring capital outside Soweto for use in the black area.

Poee firmly believes that supermarkets may be an answer to the retention of capital in the township: "Blacks may not necessarily have to move to the white central business districts. We can easily challenge the white CBD's *modus operandi* by creating employment in the townships."

According to Poee, if Soweto has the same facilities as those offered to businessmen in cities, a reasonable percentage of "our consumers will doubtless support us."

# Reverberations in the JSE



Very little is clear following last week's Supreme Court judgment in the Greatermans case, but there can be little doubt that the implications for the Johannesburg Stock Exchange

change are serious. In setting aside the JSE committee's approval of Kirsh Industries' control bid for Greatermans because there is no offer to non-voting shareholders, the judgment amounts to a vote of no confidence in the JSE's ability to enforce its own regulations, particularly with regard to the rights of minority shareholders.

And to some observers, the inept disregard for the interests of the investing public adds further weight to the argument that JSE should be made accountable to some higher controlling body. The recent actions of the committee have made it extremely difficult for those who, with the FM, oppose any further government interference in the affairs of the JSE.

The Supreme Court hearings also exposed a curious ignorance and high handedness on the part of JSE president Richard Lurie who, together with his deputy, Paul Ferguson originally approved the takeover scheme, such as it was.

The failure of these senior office-bearers to adhere to the committee's plainly-stated regulations on equal treatment of all shareholders would seem to make, nonsense of JSE claims to be the protector of small investors' rights.

This raises the issue of whether the JSE



Kirsh's Kirsh ... what can he do now?

should be permitted to continue policing its own regulations. Furthermore there are now inevitable reservations concerning the composition and objectivity of the committee. At present all but one of the committee members — the Registrar of Financial Institutions — are brokers. Surely representatives from other disciplines could contribute usefully.

Given recent events it is not surprising that members of the investing public question the status quo. Perhaps it is time to seriously consider the appointment of an independent JSE president. It is, of course, essential that such an individual be highly qualified and knowledgeable in both general business practice and corporate law. Although stockbrokers may fill this role, it is essential, in the FM's view, that the president be not a practising broker.

Handing down his judgment last week, Justice Goldstone made it clear that the JSE is licensed to conduct its business on the basis that such business is in the public interest. Emphasising the point, he added that the rules of the JSE "should be designed to protect the public interest." Lurie, on the other hand, appears to have a completely different perception of the role of the JSE.

His reply to a statement by Dawnlaan director Johannes van Zyl was instructive. Van Zyl put it that as a non-voting "A" shareholder he had relied on the fact that the JSE would enforce its own regulations to "ensure that members of the public who invest in listed companies would be properly and duly protected." Lurie denied that the JSE was obliged to provide that protection. Instead, he said crisply: "The (JSE) rules are intended to regulate dealings between members and the stock exchange." He then added that "incidentally" the implementation and enforcement of the regulations extended some protection to investors.

That kind of declaration from a JSE president may explain why Justice Goldstone went so far as to reverse the approval of the takeover, rather than take the softer option of merely referring the decision back to the full committee. Criticising Lurie's handling of the issue, Justice Goldstone said that Lurie had "failed to recognise that minority shareholders had any rights at all." Were it not for the fact that the committee gave him retroactive support for his decision, this judicial indictment of Lurie's actions could provide sufficient grounds for him to resign.

For his part, Lurie has admitted that he "inadvertently overlooked" the relevant qualification in the committee's requirements with regard to offers to minority shareholders. This provides that "holders of share capital, whether they carry voting

rights or not, shall be entitled to a similar offer." In other words, Lurie confesses to an unacceptable degree of carelessness. The fact remains, of course, that Lurie was not alone when he originally approved the takeover scheme. Ferguson was party to the decision and must therefore share the blame.

In addition, the public is being asked to believe that neither of the senior officers party to the decision gave a thought to the committee's rules as they applied to the rights of minorities. And, if that seems difficult to swallow, one of the ironies of the situation is that two circulars (dated June 14 1978 and February 10 1981) clearly state that change of control cannot be approved unless the buyer agrees to extend the offer to minority shareholders, irrespective of whether they have voting rights or not. The circulars were issued by the Listings Committee. Clearly the decision was taken carelessly, rather than without knowledge.

What followed the original decision is even more confusing. Lurie reconsidered the matter in the light of the relevant regulations and concluded that his decision regarding the offer made only for the voting shares had been correct. His reasoning was that there were special circumstances in the Greatermans takeover which justified a departure from the JSE's general principle of equality of opportunity for all shareholders. Following the same line of reasoning, the full committee then sat and ratified the president's decision.

The "exceptional circumstances" were that Greatermans was in financial difficulties. This was something which Lurie re-



JSE's Lurie ... inadvertent oversights

# Transkei may act to curb shopping in SA

~~33~~ (30) D. Diphatla 8/7/82

UMTATA — Transkei may clamp down on people crossing the borders to shop in South Africa.

This emerged during the second reading of the Appropriation Bill in the National Assembly, when concern was expressed about the flow of cash out of the country.

Last year the Minister of Commerce, Industry and Tourism, Mr Mtuzeli Lujabe, estimated the outflow at more than R300 million.

During debate yesterday, the Deputy Minister of Health, Mr G. Nota, asked why the projected R131 million share of excise and custom duty for Transkei was only R98 million.

He said people should be made to declare goods at the border posts and asked for checkpoints to be considered.

The Deputy Minister of Education, Mr S. P. Kakudi, had also expressed concern and suggested people were buying goods in South Africa because of exorbitant prices in places like Umtata.

"Umtata prices are very high and you pay

through your nose," Mr Kakudi said.

Earlier Mr Nota expressed concern that not all taxes due to the government were reaching the state coffers.

He said general sales tax owed to the state was being undermined by the existence of un-

licensed traders and because some traders paid a set amount every month.

He said economists had a formula to assess the minimum income of a viable business and in this way a minimum could be set for a trader. — DDR.

Finance

# PICK 'N PAY MAY OFFSET TAX ON DIVIDENDS

ARLUS  
10/5/82 (30)



MR. D.H. Zinn, regional manager (Western Cape), of the Allied Building Society, has retired after 41 years service. He is succeeded by Mr. E.C. (Bunny) Baker (below).



PICK 'N PAY would probably offset the effect of the increase in company tax on its dividends by reducing the dividend cover, the chairman, Mr Raymond Ackerman, said in his annual report to shareholders.

The higher tax rate would reduce the growth rate in earnings, he said.

To compensate for this the possibility of the dividend cover being reduced further from the current level of 2.5 times had not been ruled out. However, this would depend on the company's need for finance.

Mr Ackerman said he was confident that the company would increase its turnover this year by 25 percent, with pre-tax

profits following the same pattern.

Although 1982-83 would be a tough year, he did not expect it to produce the gloom and doom that many people predicted.

However, it did not hold the same promise for business as recent years.

Inflation showed no sign of abating and taxation and high interest rates would remove much of the average man's spending power for con-

sumer goods.

"Nevertheless, our company is well placed in terms of its structure, management skills and product range to remain competitively successful during the expected downturn."

He also expected Pick 'n Pay to take quick advantage of any upturn in the economy.

## Australia

He reported that the company had finished the documentation with its Australian partners in terms of which it had acquired a one-third interest in a joint venture which would develop hypermarkets in Australia.

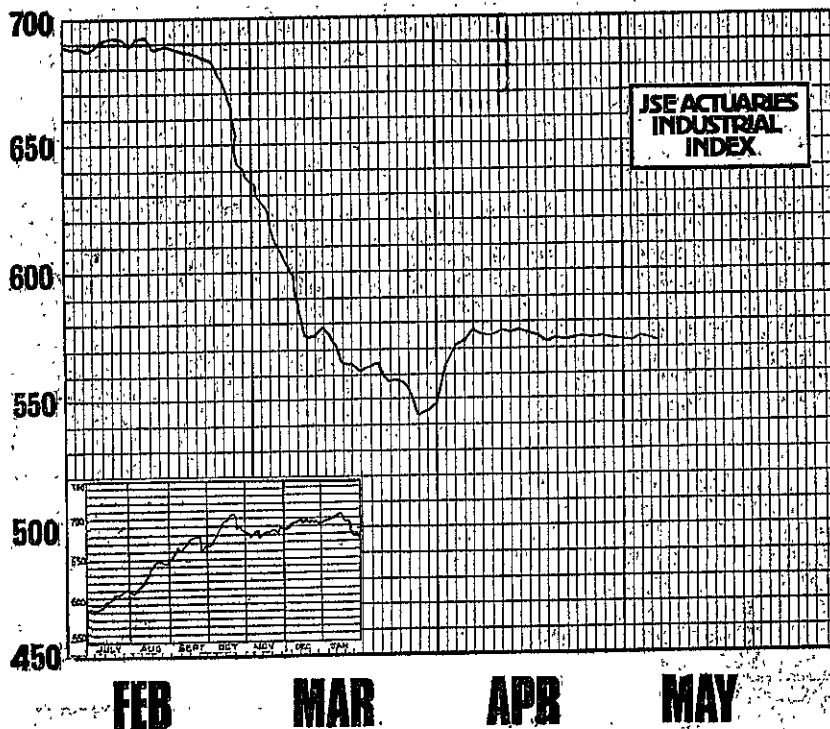
Land had been secured in Brisbane for the first store. As soon as the Australian Government approved Pick 'n Pay's application for investment status, it would complete its plans for obtaining development finance.

The first store should be ready for trading early in 1984.

During 1982-83 the company would have opened six supermarkets and one hypermarket. This would increase its selling areas by 14 percent to 174 000 sq m.

By the end of the year the company would be operating 69 stores, would be employing about 17 000 people and expected to have a turnover of more than R1 000-million.

Derek Tommey



DOWN 0.6 point on Friday to close at 571.8



Terror Mathebula

narrowly missed his lungs.

Mathebula said the incident happened early on Laciari at Orlando Stadium last year.

# R75 000 theft: SA woman for trial

Argus Bureau

LONDON. — South African Miss Sonja Fortune, 42, has been ordered to stand trial at the Inner London Crown Court on charges of stealing silverware, jewellery and furs worth about R75 000.

Horseferry magistrates yesterday ordered the unemployed Miss Fortune to report daily to the police, surrender her passport and live only in Prince's Gate, South Kensington, pending her trial.

According to the charge sheet, Miss Fortune is accused of stealing:

- Silver, jewellery and clothes worth R60 000 from a Mr Sassoon of Chester Square, Belgravia, on December 12 last year.
- Silver cutlery worth more than R5 000 from Miss Margaret Szekley of Elm Park Gardens, Chelsea, on December 17, as well as jewellery, a fur and a radio worth about R3 800 from Miss Szekley on November 18.

## FUR JACKET

- A fur jacket, two pearl necklaces and a silver ashtray, together worth about R4 000, from Dr Maria Keppel, also of Elm Park Gardens, on November 18;
- Earrings worth R1 800 from a Mr Dresden of Chester Street, Belgravia, about April 16 1980;
- A driving licence from Miss Aldine Honey of Victoria on April 15 1980;
- Diamond earrings, a gold medallion and gold ring and other jewellery worth R1 800 from Miss Najwa Jafer.

A date for the trial is still to be fixed.

# Curb on colleges

Argus Africa News Service

NAIROBI. — The Technical Teachers' College is the third Kenyan higher-education institution closed indefinitely within a week.

Students boycotted classes and demanded

# Mixed reaction to petrol sales levy

AR6JS  
11/5/82  
(30)

Argus Correspondent

JOHANNESBURG. — There has been mixed reaction to the announcement by the Minister of Mineral and Energy Affairs, Mr F W de Klerk, that the permit system for obtaining petrol outside normal trading hours is to be scrapped.

Mr de Klerk told the Assembly during his Budget Vote yesterday that the permit was to be replaced by a levy of R5 for each after hours transaction from June this year.

The AA, some garage owners and Assocom have expressed reservations about the measure, but reaction from the Motor Industries Federation and the tourist industry has been favourable.

## HIGH PRICE

All parties approached believed that the inbuilt deterrents — the R5 levy and the already high price of petrol — would prevent a dramatic rise in the nation's fuel consumption.

The Minister said the permit system had not resulted in the cancellation of trips, only in their postponement. The regulations had not been applied uniformly, there had been malpractices and motorists had been inconvenienced and subjected to time wastage.

The intake of fuel at oil company depots and the present selling hours would remain in force, Mr de Klerk said.

## RESERVATIONS

Some garage owners expressed reservations, and said the new system was open to abuse.

But Mr Jannie van Huyssteen, director of the Motor Industries Federation, said there would be sufficient control.

"A cash slip or receipt will be issued for each transaction, giving the date and time, the registration of the vehicle, and the quantity of fuel purchased."

Mr John Turner, proprietor of a suburban petrol station, said: "I don't think it would pay us. We would have to employ more staff — I don't think the extra sales would cover it."

● See page 14.

# Hard work at jobless centre

Argus Bureau

LONDON. — People waiting at a centre for the jobless in Grantham, Lincolnshire, were told by an official: "I am sorry you have got to queue, but we are short-staffed."

United Nations assistance group.

These moves have confirmed — to the Americans, at any rate — South Africa's genuine commitment to a reasonable settlement.

# Disco king Raseroka acquitted of car theft

Argus Correspondent

PRETORIA. — Godfrey Raseroka, the former world disco dancing champion, has been acquitted by a Pretoria Regional Court on charges of theft of a car, car licence, number plates and a Third Party disc.

Mr Raseroka, 20, of Gankuwa, Mr Fannie Kgabo, 21, of Atteridgeville, Pretoria, were

on the theft charges yesterday.

Mr Raseroka said he knew nothing about the stolen car licence, number plates and Third Party.

The magistrate, Mr C J Strydom, said there was proof that the four men had been in possession of the car and other stolen articles, but there was no proof that they had

# Seed

# price rise

Argus Correspondent DURBAN. — The Directorate of Economic

CANK TIMES 11/5/82

# After-hours petrol to be brought back

## Political Staff

THE government is to abolish the after-hours petrol permit system and will bring back 24-hour petrol — at a price.

Anybody buying petrol after hours will have to pay a R5 surcharge which will be pocketed by the service station owner.

The new scheme has been welcomed by the chief Opposition spokesman on energy, Mr John Malcomess, who described the old permit system as inefficient and wasteful.

"This is worth a try," said Mr Malcomess.

The abolition of a permit system will in effect bring back 24-hour petrol, provided service station owners are prepared to keep staff manning pumps. The system will probably come into effect late in June.

## 'Inefficiencies'

The Minister of Mineral and Energy Affairs, Mr F W de Klerk, making the announcement during debate on his department's budget yesterday, said the permit system was fraught with problems and inefficiencies.

The permit system had invited abuse and malpractice, had inconvenienced motorists, and had placed a strain on government manpower.

Often permits were arranged by people purely as precautionary measures and were never used.

The decision to withdraw the after-hours permit system was taken after consultation with the service station industry, motoring organizations, commerce, industry and oil companies.

"Some organizations were of the opinion that the size of the levy — or

in some cases any levy at all — was unjustified and that the usual market mechanisms should determine whether a service should remain open or not," said Mr De Klerk.

"Without attempting to reply to these arguments, I can say that the choice of using this after-hours service rests with the public.

## Increased costs

"The R5 levy is based purely on the increased operation costs of service stations which offer after-hours service, and to discourage greater petrol consumption — which will at the same time help avoid a general petrol price increase which would follow any dramatic increase in consumption."

Mr De Klerk said the repeal of the existing regulations would be done in mid-June. But until the new system was gazetted, the permit system would be kept in operation.

He emphasized that the aim of the government was not to deviate from present government policy governing petrol sales.

"This measure is an attempt to make available to the motoring public an effective system of getting petrol after hours in exceptional circumstances.

"If the new system is used to exploit the public, or if petrol consumption rises dramatically, we will obviously have to review the decision," said Mr De Klerk.

Mr Malcomess said he was glad the permit system was to go.

## BUSINESS BRIEF

Gold (close)	\$329,25
FT index (close)	590,50
RDM 100	595,20

Pretoriase Bakm  
Operative Baker  
National Union  
National Union  
National Union  
National Union  
National Union  
National Union  
Natal Sugar Ind  
Natal Baking In  
General Workers  
General Workers  
Food, Beverage  
Food and Canned  
East London Mea  
Cadbury In-Camp  
Brewery Employe  
Roland Inmaakwe  
Black Allied Wo  
Bakery Employee  
Amalgamated Eng  
African Food an  
Food & Beverage

## MANUFACTURING

Underground Offi  
S.A. Technical C  
S.A. Engine Driv  
S.A. Electrical  
S.A. Boilermaker  
Mine Workers Uni  
Mine Surface Off  
Mine Coloured St  
Iron Moulders So  
Federated Mining  
Black Mineworker  
Black Allied Wor  
Amalgamated Soci  
Amalgamated Unio  
Amalgamated Engl  
MINING AND QUARR

Trawler and Line  
Orange-Vaal Gene  
National certifi  
Food and Canning  
Farmworkers Unio  
Black Allied Wor  
AGRICULTURE, FOR

Unions have been classified according to the Standard Industrial Classification of All Economic Activities. The full extent of the operation of the following general workers unions has not been established:

Orange-Vaal General Workers Union  
National Federation of Workers

UNIONS OPERATING IN 1981 GROUPED ACCORDING TO INDUSTRIAL CLASSIFICATION

Financial Editor

**BEFORE** any further action is taken on Greatermans, some consideration should be given to its shareholders, who need up-to-date information about their company's affairs.

This is especially so in view of the disturbing reports that have been made recently about the company's financial situation. Greatermans shareholders have not fared well in the matter of official news of their company's affairs this year.

In January they were told that though earnings had dropped 14 percent before tax in the six months to December 26, the company had still made a taxed profit of R5.5-million, equal to 71.4c a share. It was also indicated that the adoption of LIFO and the sale of Ackermans had resulted in a healthy cash situation.

But on March 5, at the same time details of Kirsh Industries' new offer were announced, they were told these figures were incorrect.

It appeared that amounts had been included in the profits which should not have been there and that taxed earnings were only 47.1c a share.

Sweetening the bad news, however, was a

# Shareholders of Greatermans left in dark

30  
ARGAS 12/5/82

## Finance

statement that the balance sheet had been greatly understated as property revaluations had not been taken into account for some time.

If shareholders were a little perturbed about the company's affairs there still seemed no cause for serious concern.

### RESCUE BID

But last month, during the court hearing on the Johannesburg Stock Exchange's decision not to insist that Kirsh Industries should make an offer for the non-voting shares, the president of the JSE, Mr Richard Lurie, made several devastating remarks about Greatermans.

He said its financial affairs were "in a mess" and that the offer by Kirsh Industries was a

rescue bid.

A similar sentiment was expressed by the JSE committee in a statement this week in which it said that it believed its decision on the Kirsh offer was in the interests of all Greatermans shareholders.

From this it seems that Greatermans' affairs could be or were in a serious situation. That raises the question why the company's shareholders have not yet been told about it.

The last official news they received was on March 5 when the reduced earnings of 47.1c a share for the six months to December were announced.

Surely they deserve more news about the affairs of their company,

especially on court evidence has disclosed that as far back as March both Greatermans management and the JSE appeared to believe the company was in serious straits.

The saga has now taken another turn with Kirsh Industries announcing that it is to appeal against the Rand Supreme Court judgment that the JSE had ruled wrongly in deciding Kirsh did not have to make an offer to the holders of the non-voting shares.



# APRIL VEHICLE SALES

FM 14/5/82

30

## CARS

	1982 April	% of Market	1982 Jan to April	% of Market	1981 Jan to April	% of Market
Toyota .....	4 476	19,83	17 899	18,40	12 449	13,33
Ford .....	3 517	15,58	16 195	16,65	12 655	13,55
Sigma .....	3 459	15,32	16 510	16,97	17 760	19,02
VW .....	3 343	14,81	15 703	16,14	18 455	19,76
GM .....	2 072	9,18	7 936	8,16	10 818	11,59
Datsun .....	1 763	7,81	8 451	8,69	9 717	10,41
UCDD .....	1 420	6,29	4 666	4,80	2 627	2,81
BMW .....	1 355	6,00	4 773	4,91	4 064	4,35
Alfa .....	730	3,23	2 907	2,99	2 967	3,18
Leyland .....	422	1,87	2 154	2,21	1 753	1,88
Other .....	15	0,07	82	0,08	114	0,12
April total .....	22 572	(0,60% down on 22 707 last year)				
Jan-Apr total .....	97 276	(4,17% up on 93 379 last year)				
March total .....	26 973					

## COMMERCIALS

	1982 April	% of Market	1982 Jan to April	% of Market	1981 Jan to April	% of Market
Datsun .....	2 828	26,10	13 223	25,97	9 505	21,06
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GM .....	1 244	11,48	5 100	10,02	5 762	12,76
VW .....	1 014	9,36	4 297	8,44	2 252	4,99
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Alfa .....	105	0,97	626	1,23	461	1,02
Int Harvester .....	73	0,67	419	0,82	339	0,75
MAN .....	62	0,57	351	0,69	312	0,69
Vetsak .....	34	0,31	126	0,25	138	0,31
Malcomess-Scania .....	19	0,18	94	0,18	77	0,17
Oshkosh .....	18	0,17	106	0,21	122	0,27
ERF .....	17	0,16	113	0,22	88	0,19
Fodens .....	4	0,04	45	0,09	43	0,10
Magirus Deutz .....	3	0,03	23	0,05	32	0,07
VSA .....	3	0,03	6	0,01	3	0,01
April total .....	10 836	(4,73% down on 11 374 last year)				
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Port Elizabeth outlets on Saturday afternoons and Sunday mornings after charges that certain shops were dealing in goods restricted for "after-hour" sales by the Shopping Hours Ordinance of 1976.

The closure cuts Checkers' weekly trading hours from 70 to 61 — but it still stays open longer than any other chain store.

Checkers has been summonsed to appear in the Wynberg magistrate's court and is considering contesting the charges instead of paying admission of guilt, as this could affect its Transvaal stores as well.

Checkers' public affairs manager Peter Louwerg says a survey by the chain showed a majority consumer support for the longer hours.

"The Act has strange anomalies, and calls for different things from each province. For example, we can sell fresh but not tinned meat or fish after hours in the Cape," she says.

"There are so many odd food items we can't sell after hours in Cape Town that to screen off the relevant bits of the stores would create a maze and would cost far too much.

## CHECKERS Weekend trade cut

FM 14/5/82

A clampdown by the Cape Provincial authorities has forced Checkers Stores to cut trading by nine hours a week at 25 of its 169 stores.

It has closed its 20 western Cape and four

"As a result, when the authorities clamped down and charged several Cape stores we decided the only thing to do was to close the whole store after hours.

"In the Transvaal the restricted items, like toiletries, are easier to identify and separate so screening is easier to do."

The seemingly haphazard collection of restricted items, it appears, is related to the 144-year-old Sunday Observance Act.

As reported a year ago (FM May 15 1981). Escom's capacity problems have been compounded by the inability to transmit hydro-electric power from Cabora Bassa in Mozambique — which has caused a shortfall of no less than 1 400 MW — and by the rapid growth in demand for power.

In addition, the continued shortage of skilled manpower made it impossible to carry out all the required planned maintenance during the summer off-peak periods where feasible, shiftwork is now being introduced to meet this deficiency.

Still, the year was one of striking achievements for Escom. During 1981, it sold 93 844 kW at an increase of 7.2% on 1980. The maximum demand on the integrated Escom system was 14 674 MW, an increase of 7.4% on the previous year.

At the year end, installed capacity was 20 049 MW (up by 9.3%), representing an "assigned sent-out rating" of 18 989 MW. The difference represents consumption of power within the generating plants themselves — on requirements like pumping.

Escom's share of electricity distributed in SA and the national states was slightly up at 93.3% (93.0%).

Chairman Jan Smith observes that it has become apparent that SA is entering a period of slower economic growth and in turn slower growth in the demand for electricity.

This could be the pause that refreshes, though, and the power cuts experienced last winter due to lack of capacity may not be as frequent this winter.

As noted by Escom in previous years, it has "lost three to four years of generation expansion as the result of the cautious economic thinking" which prevailed during the 1970s and led to enforced cutbacks on its investment programme.

Voluntary load-shedding, which requires the co-operation of large consumers, has been used to avoid blackouts at peak load times. It is far better for all concerned than unscheduled blackouts, and is finding excellent acceptance, especially in the Transvaal.

The current year should see the full commissioning of the Drakensberg pumped storage scheme, rated at 1 000 MW, to provide peaking and stand-by power to Natal. A further 600 MW set at Duvha (in the Witbank area) will be commissioned, as will another 600 MW set at Matla, near Bethel. Construction is far advanced on the Koeberg nuclear generating plant, with the first 900 MW of power due early in 1983. Construction is under way at Tutuka (north of Standerton), Lethabo (near Denysville in the OFS), Matimba (near Ellisras in the northern Transvaal), and Khutala (near Kendall in the eastern Transvaal).

During 1981, plant with a sent-out capacity of 1 650 MW was commissioned. The balance still to be commissioned in power plants under construction exceeds 16 000 MW.

In the interests of environmental protec-

tion, new methods of continuous removal of ash from furnaces and dust from electrostatic precipitators were evolved to substitute for batch methods.

Another interesting point is that the Matimba power plant will use coal from Iscor's Grootgeluk Colliery from which a coking coal fraction has been extracted. Discussions on multiproduct coal mines progressed, with attention to the possible use of coal fractions discarded by exporting collieries.

Further research was done on the proposed 800 kV transmission network Escom at present uses a maximum transmission voltage of 400 kV.

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## THE STRIKES

# Fears of 'anarchy'

FM 7/5/82

152

1402

Many employers are feeling the effects of a growing sense of assertiveness among black workers in the wave of labour unrest which is hitting various parts of SA.

The reasons for the strikes in which more than 10 000 workers have been involved in the past two weeks, vary. Some have been over demands for pay increases. At Scaw Metals, for example, 4 500 black workers have struck over a demand for an immediate increase, independent of industrial negotiations which are deadlocked. At Edgars, about 700 workers have demanded a 50% pay rise.

Retrenchments have also sparked off some disputes, the most significant one being a strike at Volkswagen, where there were demands for the reinstatement of 316 workers. Conflicts have also arisen over disciplinary procedures adopted by managements. At National Spring, workers downed tools in protest against the sacking of a colleague.

There is no mistaking the grave concern felt by employers — especially those in the troubled East Rand metals industries — where several companies have had to deal with severe labour unrest. One experienced industrial relations practitioner expresses the fear that a state of "incipient anarchy" has developed in the region.

What troubles him and many employers is that much of the unrest has resulted from sudden mass action by workers acting independently of trade unions. This crowd-initiated action is extremely difficult for both managements and unions to control. Instead of having played their rightful negotiating/leadership role, unions have been forced into the role of mediators or messengers.

### Mass meetings

"We need to go beyond a situation in which demands are made through mass meetings of workers," says one industrial relations consultant. Most observers agree that this is probably a painful transition phase in industrial relations. But they also agree that it is not going to be easy for employers and their employees to find a mutually acceptable basis for resolving their differences.

One hopeful sign is that some employers are seemingly becoming less hostile towards the Metal and Allied Workers' Union (Mawu), which has been involved in many strikes and stoppages on the East Rand in the past year. An affiliate of the Federation of SA Trade Unions (Fosatu), Mawu refuses to take part in industry-level bargaining over wages and working conditions, preferring plant-level bargaining instead.

Some employers report that Mawu has played a helpful role in resolving recent disputes, where workers struck without consulting the union leadership. There are signs however, that Mawu is having difficulties in coping with its own rapid growth. Membership of the union's Transvaal branch has risen from 11 000 to about 26 000 in the past year. As a result, it appears that the union lacks a sufficient number of organisers to train shop stewards who play a crucial role in the handling of day-to-day labour issues at plant level.

# CALL TO CHANGE SHOPPING LAWS

**THE** chairman of a major supermarket chain, Mr Peter Swartz, has called for a change in the law so that black consumers can shop after hours because of their special circumstances.

The call by Mr Swartz, which came into operation last weekend, follows a Government decision to close five of his group's stores on Saturday afternoons and Sundays to comply with the provisions of the Shop Hours Ordinance.

Superama Limited trades as Checkers in "coloured" areas and the affected stores are in Mitchell's Plain, Atlantis, Tiervlei, Grassy Park, Athlone and Uitenhage.

Shoppers in Mitchell's Plain especially were upset at the forced early closure of the stores,

Ordinance in so far as it affects shopping in the black areas.

Checkers has decided to put an end to the practice of remaining open on a Saturday afternoon and trading on a Sunday, following legal action against one of the stores in terms of the Shop Hours Ordinance.

### CHICKEN

The ordinance only allows the sale of certain listed items after hours and has been described as outdated by executives of the chain store. They point out that it allows the sale of frozen chicken, but not fresh chicken. Fresh meat and fish can be sold but not the tinned kind. Sugar sales are even more confusing as only quantities of up to one kilogram can be sold.

Other supermarkets in the Cape, which in the past opened their doors on Sunday morning, have yet to decide whether or not to continue doing so.

The integrated stocking of products is, however, likely to present practical problems to shopkeepers who choose to continue operating on Saturday afternoons and Sundays.

The stores report that a brisk trade is done on Sundays as a lot of mothers work during the week.

WHOLESALE

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Steel, Engineering and  
S.A. Woodworkers  
S.A. Operative Masons  
Port Elizabeth Operative  
National Union of English  
Metal and Allied Workers  
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- Diamond Cutters Union of South Africa
- Jewellers and Goldsmiths Union
- Optical Workers Union
- S.A. Association of Dental Mechanicians
- S.A. Diamond Workers Union

Other



**BLACK HOUSING**  
**New society mooted**

30

FM 21/5/82

The National African Federated Chamber of Commerce (Nafcoc) has placed the establishment of a building society high on its priority list.

According to Nafcoc president, Sam Motsuenyane, "this is an absolute necessity." The idea of setting up a black building society has been considered by Nafcoc for the past two years. Now the idea is firming up.

Motsuenyane says that lengthy discussions on the matter were held between Nafcoc and the Registrar of Building Societies last year. "However, I would not like to be drawn into making elaborate statements. It is still in its embryonic stage."

Nafcoc needs the assistance of both blacks and whites in establishing such a society — money has become an expensive commodity. But Motsuenyane feels that "blacks who have been supporting white building societies now have the opportunity of supporting ventures of their own."

SA Perm MD, Boet Viljoen, says the Association of Building Societies has already assisted in creating such societies in Bophuthatswana and Transkei and intends offering the same assistance to SWA. "But before we can give a view on how the thoughts of Motsuenyane should be devel-

oped, we would like, in the spirit of assistance, to discuss the issue with him and to talk the matter out. We will tell him about the experiences we have gained and tell him how we can help him. He must feel invited."

# Stepping out

30 FM 21/5/82

To survive competition from the likes of the SA Breweries group in the fast-changing shoe business, family-owned Edworks has had to evolve a unique corporate strategy.

It now controls a steady 7,5% of the total retail market and a very respectable 13% for the types of shoes it makes and sells. Its manufacturing division produces 8% of all shoes.

Although the group is understandably tight-lipped about its profit levels, it has a managed turnover of about R100m and inter-company sales of R70m. It posted an encouraging 25% increase in turnover last year, although growth this year has slowed.

One of the two pillars of its strategy is a vertically integrated structure which embraces all stages of manufacture from the tanning of raw hides to up-market retailing. The other is a marketing policy of keeping pace with the emerging black market, says group executive and marketing strategist Martin Solomon.

The corporate strategy, which has developed over the last 30 years, has gelled in the last two years with the restructuring of the company's 300 retail outlets into four different classes, catering for their own distinct markets. This should make the group a more formidable competitor for SA Breweries' Amrel (retail) and Shoe Corporation (manufacturing).

Traditionally, says Solomon, Edworks has concentrated on the lower and middle segments of the highly fragmented shoe market. But, as urban blacks have increased their earning power, the group has found it necessary to move up the consumer scale with them.

This has meant a change from producing for a relatively unsophisticated and largely black clientele to producing for well-off blacks and whites at the upper end of the scale. But it has not forsaken its original customers and remains strong downmarket.

Here the group has set up its Pick-a-Pair self-service stores. This retailing concept has enabled the company to raise turnover on a given floor space. After some teething problems, the chain has taken off and Solomon sees great opportunities for expansion.

At the middle level, the group aims its Edworks stores at the entire middle-class family and has opened new outlets at urban shopping centres, such as the Greenacres complex in Port Elizabeth.

Over the past six months, its Dodo stores division has benefited similarly from major changes. More than 40 have been sold — 15

to Edworks' arch rival, Amrel — and the remaining outlets given a facelift to attract higher-income consumers. These stores now offer a total package with a complete range of high-quality apparel.

Edworks also rents floor space at several Checkers stores, where it offers its middle-range footwear under the Checkers brand name.

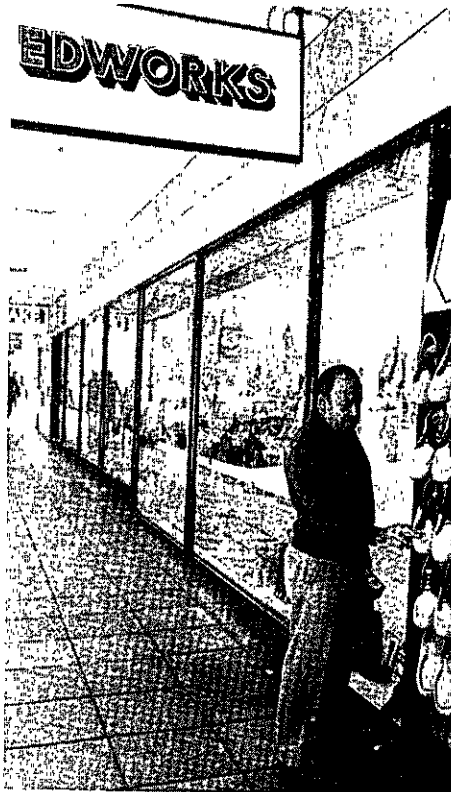
"And just to ensure we don't have all our eggs in one basket," says Solomon, "the group sells other shoe brands as well as our own and offers much of our own production to rival retailers and small independents."

Edworks's two factories manufacture more than 80 000 pairs of shoes a week and the group also produces its own "bottoming." Its access to raw materials, which are becoming harder to come by in the increasingly polarised local market, is guaranteed by a 50% share in the King Tanning Co, one of SA's largest. This vertical integration was acknowledged as a strength by other shoe companies at a recent footwear conference in Durban, says Solomon.

Edworks is wholly owned by the Dodo family, which has been in the shoe business, first as retailers and later as retailers and manufacturers, since the turn of the century. The positions of chairman and managing director are still in the family.

The Dodos moved into manufacturing in the late Forties when they took over the public company. Edworks 1936, complete with a mail order division. It became a private company in the late Seventies and is now one of the last major independent footwear companies in SA.

Is the group satisfied with its position and where would it like to be in the future? Solomon: "We're certainly not happy with our share of the market and are looking to increasing our share and penetration in all spheres. Within five years, we hope to have 8% or 9% of the total market."



Edworks shop ... designed to fit the customer

## NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.
1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

## 30 TAKEOVER WAIT

FM 21/5/82

The Group Areas Board has still to approve the takeover of Indian-owned City Metal Products by building and hardware supplier Boumat.

The R1,7m takeover is unusual in that it has given a white-owned company an 80% share in an Indian concern operating in an Indian area.

The company is located in Isipingo, Natal, and manufactures custom-built stainless steel items for the building trade as well as hollow-ware.

The Moodliar family and associates who are the principle shareholders in City Metal Products will retain a 20% share in the operation, and Vadivaloo Moodliar is to continue as managing director.



**City Metal's Moodliar ... still at the helm**

# Black income rises lessen support for township shops

E. Post 21/5/82

Municipal Reporter

FURTHER rises in the income levels of blacks in Port Elizabeth could result in township shops losing even more business, a survey on consumer behaviour and shopping patterns has revealed.

Conducted by the chief planner of the Institute for Planning Research at the University of Port Elizabeth, Dr J A Erwee, it also found that support for shops in North End had grown at the expense of those in the Central Business District.

Last year, shops in North End were the goal of 50,3% and 62,7% of all clothing and household appliance shopping trips. The Commercial Road/Kempston Road area significantly expanded its share in durables, accounting for 14,3% and 12,1% of all clothing and household appliance shopping trips.

By contrast, the CBD's share of clothing/footwear shopping trips dropped from 65,4% in 1972 to only 32,4% in 1981.

Apart from perishable goods, township shopping was shunned in favour of the Commercial Road/Kempston Road area, North End and the CBD.

A correlation was found between transport and income. The greater the distance from the city centre and the lower the income, the greater the patronage of township shops.

Dr Erwee's survey was conducted last year in New Brighton, Kwazakele and Zwide and involved 837 households.

He found that while black townships attracted 77,4% of all shopping trips for perishables (milk, bread, meat, vegetables and fruit), their share of grocery purchases was only 23,1%.

The Commercial Road/Kempston Road shopping area (36,3%) and North End (25%) together accounted for more than 60% of

grocery purchases.

Compared with a similar survey conducted by the institute in 1972, the results showed that the CBD had become less popular for grocery purchases — dropping from a 15,4% share in 1972 to 9% in 1981. During the same period, the Commercial Road/Kempston Road and North End shopping areas doubled their share.

High prices were cited by 45% of respondents for disinterest in township shopping, stale food (16,8%), and limited variety (10,7%).

Dr Erwee concluded that blacks avoided shopping in their own areas because of the absence of national chain supermarkets.

Asked what shop facilities they wanted, 20% wanted chain-supermarkets similar to those operating in white areas.

The tendency away from shopping in the townships could be countered by the development of large self-service supermarket complexes where merchandise, variety, quality, prices and service were on a par with those of national chains.

Compared with the 1972 survey, it was clear that a definite trend away from daily/weekly shopping had emerged. Daily/weekly food shopping trips had declined from 76% to 43% while the share of monthly trips had increased from 17,5% in 1972 to 53,2% in 1981.

This trend could be attributed to three factors:

- Increasing ownership of household appliances to store perishables.
- A relative increase in the number of monthly wage earners.
- Difficulties experienced when using public transport.

Concerning the purchase of durables, the survey revealed that shops in the townships attracted only 5% of all shopping trips.

# Mohair growers to meet in PE

Post Reporter

MOHAIR growers from all over the world will gather in Port Elizabeth next month for the International Mohair Association conference to be held at the Hotel Elizabeth from June 21 to 24.

The conference will be officially opened on the morning of June 21 by the Minister of Finance, Mr Owen Horwood, who will present two annual prizes, the Zegna and the Miyuki Trophies, to South African growers.

South Africa first hosted the conference in 1976 and this is the second time it will be held here. Last year's conference was in Japan.

Delegates from Japan, Turkey, America and Argentina will attend the conference. More than 100 people are expected.

While delegates are touring warehouses and attending meetings, their wives will be taken on sightseeing tours around Port Elizabeth, Alicedale and the Tsitsikama forest.

Delegates and wives will visit an angora farm on the last day of the conference.

The South African mohair growers' congress will also be held next month, at the Wool Exchange Building in Port Elizabeth on June 10 and 11.

## Weather

FORECAST for the coastal belt from Plettenberg Bay to Port Alfred for the period ending 6pm tomorrow.

CONDITIONS: Fine and warm. Cold overnight

WIND: Moderate west to north-westerly. Fresh south-westerly late this afternoon

EXPECTED TEMPERATURES  
Maximum 25C  
Minimum 10C

TODAY'S CONDITIONS (1pm)  
Sea temperature 17C  
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THE MOON  
New Moon May 23  
First Quarter May 29  
Full Moon June 6  
Last Quarter June 14

THE SUN  
Sets today 5.20pm  
Rises tomorrow 7.07am  
Daylight yesterday 10h 16min

THE TIDES  
High Water  
Today 2.18am 2.41pm  
Tomorrow 2.54am 3.18pm  
Low Water

## Entries pour in for R2 450 jackpot

Post Reporter

ENTRIES are pouring in for the Evening Post-Checkers-Checkers Hypermarket jackpot competition which now stands at R2 450.

All you have to do to pocket this sum is predict the outcome of races 3 to 8 at Fairview tomorrow.

There is no entry fee and you may submit as many entries as you wish — provided they are on an original entry form or a hand-written facsimile. No



## Jackpot now R2 450

Evening Post Checkers Evening Post

Evening Post - Checkers



## Jackpot

(Fairview, 22/5/82)

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the pulpit and sjambokked him. The incident was a result of an ongoing misunderstanding in the church over the leadership of the church.

## Smit case

INVESTIGATIONS into the murder of National Party candidate for Springs Dr Robert Smit and his wife in 1977 are continuing but without success.

Replying to a question asked in Parliament by Mr Graham McIntosh, MP (PFP, Pietermaritzburg North), Mr Louis le Grange, Minister of Law and Order, said that there had been no further developments in the investigation.

The investigation was being continued by a captain of the South African Police.

**Unbanned**  
THE five-year banning order on the former Ateridgeville branch chairman of the outlawed Black People's Convention, Mr Thabo Vincent Schume, has been lifted.

His banning order, which was due to expire on May 31, 1983, was lifted on Tuesday.

## Traffic

MAIN roads in the OFS were still very busy as traffic moved to and from the coast. Late yesterday about 900 cars an hour were moving past Harrismith, and at Villiers the figure was 400.

keting division of the ... ter of Industries, Commerce and Tourism has

# Black business needs incentive

By NKOPANE MAKOBANE

BLACK people must be given every possible incentive to become industrialists, Mr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc), said yesterday.

He was addressing about 200 people at the Milpark Holiday Inn when he officially opened the third Nafcoc industrial conference to examine current issues affecting the black manufacturer with a view to facilitating his progress.

The conference followed a successful two-day industrial exhibition which was attended by well over 1 000 people at the Milner Park Showgrounds.

### REPRESENTATIVES

Among those present were representatives from the South African Government, the Urban Foundation, community councils, national states, and the Small Business Development Corporation, as well as businessmen and small manufacturers.

Mr Motsuenyane said he welcomed the fact that during the past four years some positive changes had taken place in the realms of Government and private

sector involvement with regard to the development of black commerce and industry. However, he noted, much had still to be done.

He also said it was gratifying to point out that the black entrepreneur's attention nowadays is increasingly and quite markedly turning towards industry and agriculture.

On the other hand, he warned that the somewhat optimistic view that the black manufacturers' problems were now over should not be misinterpreted or misconstrued.

"We must be realistic and readily concede that although a noteworthy beginning has been made, there remain many problems on the path of the manufacturer still to be sorted out," he said.

### ENCOURAGEMENT

Referring to the two business conferences between the Prime Minister and businessmen, Mr Motsuenyane said they gave stimulation and encouragement to the private sector to practically involve themselves in the promotion of small business.

He said the establishment of the Small Business Development Cor-

poration and the proposed Development Bank of Southern Africa were an obvious demonstration of a new policy and commitment on the part of the South African Government and the private sector.

Turning to the problems of the black manufacturer, he said points which had been drawn to his attention were lack of capital, unavailability of industrial land, unsuitable working premises, bureaucratic problems, accounting and tax problems and a lack of marketing skills and opportunities.

These problems, he said, should be seriously looked into if the self-development of the black manufacturer was to progress. He warned that the neglect of these points would make the manufacturer stay in the backyard for a long time to come.



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To receive your FREE copy, write your name and address below, tick the Courses you like, and send this notice to our local Representatives. Each of our Courses includes 5 Instruction Books, Tests, Model Answers, Stationery, expert Tuition by airmail and a Certificate or Diploma in 6 months. The Fee for a Course may be paid in full on enrolment or by monthly instalments, in Rand through any branch of Barclays National Bank. Courses are available on -

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<input type="checkbox"/> BOOK KEEPING & ACCOUNTS	<input type="checkbox"/> ENGLISH (Practical/Everyday)	<input type="checkbox"/> OFFICE MANAGEMENT	<input type="checkbox"/> STOREKEEPING
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**TRANS-WORLD TUTORIAL COLLEGE**

Representatives: Name ..... Age ..... College Address: P.O. BOX 992 Address ..... P.O. BOX 42, FOURWAYS 2055 ..... JERSEY, 112KB BRITAIN

# Market 30

## move opposed

Mercury Reporter

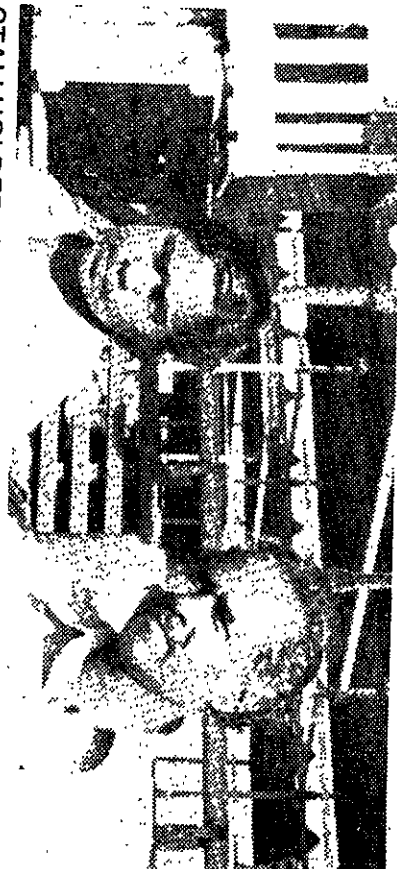
**INDIAN farmers trading at the Clairwood Market are adamant about not being moved to Chatsworth.**

And a deputation of farmers will meet the Durban City Council's Management Committee this week to discuss the move.

'We'll never budge. The city council is uprooting us for the second time. We are sick and tired of being pushed around,' was how one irate trader, Mr S Pillay, summed up the anger of the farmers.

The council planned to move the market to Chatsworth because business in the National Fresh Produce Bulk Sales Market was being affected, said Mr Sewsunker Ramphal, president of the Natal Indian Agricultural Union.

'According to Mr D J Willemse, Director of Markets, the Indian farm-



**STALLHOLDER S Pillay is worried at the thought of being moved again. With him is his sister, Miss Govindammah Pillay, who helps in the family-run business at the Clairwood market.**

ers and market gardeners attracted more clientele than the bulk sales market through competitive prices,' he pointed out yesterday.

A fresh produce trader for more than 30 years, Mr Pillay said the farmers had established themselves in the Clairwood market after being up-

rooted from the Warwick Avenue market more than three years ago.

'We fought all the odds against us when we moved to this place and managed to survive in the face of stiff competition. Right now we are being asked to move again — just when we are beginning to find our roots.

'This is most unfair,' he said, adding that the present market was centrally situated especially for farmers from the South Coast who used the market as an outlet for their produce.

Moving to Chatsworth would impose severe hardships on the farmers, and may result in some giving up their businesses.

'At present people of all race groups patronise the Clairwood market and if it were moved to Chatsworth it would mean depending solely on an Indian clientele in an area which already has a market,' said another stallholder, Mr Yunus Shaik.



• MR Yunus Shaik... not happy to move.

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A deputation of farmers headed by Mr Ramphal held urgent talks with Mr Willemse on Friday.

Mr Ramphal told the Mercury afterwards that a further meeting would be held with Durban's Management Committee at which Mr Willemse and the agricultural union officials would be present.

Mr Willemse declined to comment, except to confirm that a further meeting was being arranged with the Management Committee.

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# Black manager's lot



Eric Mafuna, 36, is president of the Black Management Forum (BMF) and a senior executive of the J Walter Thompson advertising agency. He spoke to the

*FM* about the challenges facing black managers.

**FM: Why did you form the BMF?**

Mafuna: Simple. It was created to assist blacks to develop and improve their management skills. We are here to give the manager cultural and social support. We feel a black dimension should be introduced in management development programmes.

**Is the BMF not simply a duplication of existing bodies such as businessmen's foundations and societies?**

The truth of the matter is that existing bodies were initially brought into being solely to advance and protect the career interests of white managers.

**What role, therefore, does the BMF expect white employers to play in the field of black management?**

The best the employer can do is to give him access to managerial skills. We of the BMF are here to provide him with the more practical aspects of meshing together the cultures of business and

black people.

**What about bureaucratic obstacles?**

Bureaucracy encourages the perpetuation of a management style that says blacks cannot supervise workers of other colours. It has encouraged the exclusion of black managers from participating in after-hours social activities that are vital to management development. **What obstacles do aspirant black executives find in their path?**

They are not readily employable. Some have unattractive track records as student activists. Some are not well-versed in the tricks of conducting job interviews. Their expectations are mixed up. There are even those who can hardly make themselves understood in the language of business — English.

**This suggests that they do not in fact qualify for senior and executive management posts?**

Their progress is held back. First, they must have necessary experience in order to qualify for an interview, and how do you obtain experience if you have never had an opportunity to work with management people before?

**So what is the general reaction of management?**

Management believes that a black is not fit to manage. If he is not fit to manage black people, how can he manage whites, who are likely to present more serious problems to him?

## BLACK BUSINESS

### The pressure is on

FM 4/6/82 (20)  
The Bophuthatswana Chamber of Commerce (Bococ) has written a memorandum to President Lucas Mangope requesting the formation of a council to promote and encourage small business.

According to the memo, the process of obtaining trading licences is elaborate and costly. Capital remains scarce and expensive, ownership of property needs to be investigated as a means of capitalising business and government tenders are out of the reach of the ordinary businessman.

Bococ, under the aegis of the National African Federated Chambers of Commerce (Nafcoc), holds its 12th annual meeting in Ga-Rankuwa, near Pretoria this week.

Nafcoc PRO, Gab Mokgoko, told the FM: "The theme of the conference will be 'Unity in Business.' In choosing this theme, Bococ was motivated by a desire to overcome entrepreneurial misfortunes in our country, generated principally by our disunity."

This theme was heard loud and clear at

Nafcoc's third annual conference, held recently. It was echoed by both government and Nafcoc speakers.

Simon Brand, economic advisor to the Prime Minister, announced that a Small Business Advisory Council has been set up by the Department of Industries, Commerce and Tourism to investigate unwarranted restrictions on small business development.

Brand said that although a system of industrial decentralisation incentives in the form of tax, interest rates and other concessions had been in operation for many years, it was felt that these did not compensate fully for the disadvantages of locating industries outside the metropolitan areas.

He also said that cash grants on wages and training costs had replaced the previous tax concessions on machinery and equipment. "The provision has also been made for involving private financial institutions to a greater extent than before, rather than having public development corporations bear the full financing burden."

But, besides bureaucracy, small manufacturers and industrialists face many other problems.

Sam Motsuenyane, Nafcoc president, told the conference that the capital markets and development corporations were willing to loan out capital to small manufacturers, "but financial assistance to black entrepreneurs appears to be limited by factors such as lack of security and prevailing shortage of development funds in SA."

Marketing skills and marketing possibilities provide another serious problem in the black communities. Motsuenyane expressed the feeling that the possibility of creating markets or suitable outlets in the white areas should be researched.

Chris Sweeney, of the Small Business Advisory Service, told the conference about the practical approaches to marketing by the small manufacturer. Said Sweeney: "The development of a marketing programme will ensure the establishment of a more successful business with more profit in the long term than any other approach."



# SA wine sellers <sup>(30)</sup> blowing their <sup>Times</sup> corks <sup>6/6/82</sup>

By BEVIS FAIRBROTHER

CORKS are flying among South African wine merchants, hoteliers and supermarkets.

Both forces have already spent hundreds of thousands of rands on legal fees in the bottle battle which was first declared when supermarkets added wine to their shelves.

Now hoteliers are turning the screws further.

Their controlling body, Fedhasa, has made representations to the Competitions Board claiming supermarkets are "unfair competition".

The board is expected to table its report in Parliament in two weeks' time.

Hoteliers hope it will recommend that wine be removed from grocery shelves or, at least, that the number of grocers' wine licences be reduced.

Supermarkets hope the board will recommend that they be given a freer hand in making South Africa "a greater wine drinking nation".

Dr Ernst Uken, executive director of Fedhasa, said in Pretoria this week that supermarkets were not selling wine responsibly.

## Fair

Fedhasa was also against the "wheeling and dealing" with supermarkets buying in bulk and pressurising distributors to reduce prices.

Fedhasa members could not compete.

"We are not against competition but it must be fair and it cannot be fair unless we work for a common base.

"We are against the formation of these power groups and we want restrictions on the amount of licences issued," he said.

Mr Arnold Brock, in a presidential address at a recent Fedhasa congress, said small hotels were now in jeopardy because of over-licensing in South Africa.

"And this is aggravated by the issuing of new licences to grocers.

"But we shall continue to press our point and hopefully stave off the catastrophe of South Africa losing hotels in areas where it is nationally vital for them to exist."

## Monopoly

Mr Vaughan Johnson, national merchandise manager (wine) for a large supermarket group, said Fedhasa members just wanted to retain a monopoly they had enjoyed for so long.

"We believe they have had long enough to stimulate wine sales in South Africa.

"They had 50 years to do it and they had little success.

"This is where we can help. Compared to overseas countries, like America and Europe, we don't drink enough wine.

"We are predominant beer and spirit drinkers.

"Since we've been selling wine our surveys have found we have increased the size of this cake and we haven't taken away the existing market from anybody."

Mr Johnson said he felt the feud was senseless.

"They've spent hundreds of thousands on legal fees to oppose us and we've spent just as much applying for licences.

"In rejected licences alone we've lost more than R500 000.

"They say we're taking away their livelihood. Yet wine sales are peanuts to them compared to what they make on other lines.

"All Fedhasa wants is to keep the monopoly and their representation to the Competitions Board is just a basic plea for protection."

On prices, he said he felt bottle stores marked up their prices far too much.

# Seminar to be held for black businessmen

Post Reporter

AN all-day business development seminar for blacks involved in small businesses will be held at a beachfront hotel tomorrow.

It aims at upgrading the management skills of small businessmen and has been arranged by Mr L B Mehlomakulu, the business development manager at the International Division of Barclays National Bank in Johannesburg.

Mr Mehlomakulu said that sponsorship accorded with the bank's belief that in addition to making profits for its shareholders, a business organisation should also contribute to the development of the community.

An array of specialists will lecture on a wide range of financial topics, followed by discussions.

Among them will be Mr A C Minkley, a chartered accountant of Port Elizabeth who will talk on "How to read a balance sheet", Mr E M Boy, regional bank manager, will lecture on "Instatement credit", Mr Mehlomakulu will talk on "The role of the Small Business Development Corporation in assisting small businesses".

Mr D Bell, manager of a shelving company in Port Elizabeth, will talk on "Store layout and effective merchandising techniques" and Mr A C Perold, regional marketing manager of the bank, will lecture on "What the bank looks for when considering applications for loans and overdrafts".

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# More complaints of body searches in shop

CUSTOMERS subjected to body or handbag searches could lay charges of criminal injuria, an attorney said today.

"A search of the body on parcels of a customer is an implied accusation of theft and an innocent person would definitely have grounds for charges of injuria", he said.

He was responding to questions from The Argus after more complaints from the public that visits to the Venus clothing shop in Lansdowne had been accompanied by body and bag searches and eviction.

Mrs Beryl Geere, of Newlands, said that on Friday she and her maid went to the Venus shop. While she was trying on clothes her maid asked the proprietress, Mrs Miriam Coovadia, where she could find children's tracksuits.

Mrs Geere said her maid was then thoroughly searched and told to leave the shop. She was made to stand in the rain until Mrs Geere went looking for her.

Last month eight school inspectors and the chief planner for education in Transkei were subjected to a body search in the

Venus store. They were made to lift their dresses and petticoats in the partially partitioned area in the front of the store.

Several other complaints have been received by The Argus.

Asked to comment, Mrs Coovadia said she remembered nothing about the incident involving Mrs Geere. She later said she did remember, but Mrs Geere's maid was not searched in the rain.

When told that nobody had claimed Mrs Geere's maid was searched in the rain, Mrs Coovadia refused to answer any more questions.

"This is my shop and I can do what I like here," she said. "I can search anybody I like because the Claremont police have given me permission."

## SHOPLIFTING

The station commander at the Claremont police station, Lieutenant J W Wessels, said the police neither could nor would give permission for body searches, confirming that only the police were authorised to do this after an arrest.

He said the police had received frequent calls about shoplifting at the Venus store.

Mr. Ephraim Tshabalala: lease for shopping complex 9/6/82  
~~21~~ (30) Howard Q. Col. 1022 - 1023

\*21. Prof. N. J. J. OLIVIER asked the Minister of Co-operation and Development:

- (1) Whether an application from Mr Ephraim Tshabalala for a 99-year lease for a shopping complex in Soweto was received by his Department; if so, when;
  - (2) whether the application has been granted; if so, when; if not.
  - (3) whether the matter is still under consideration; if so, when can a decision be expected?
- 

1023

WEDNESDAY

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) No, the Department of Co-operation and Development has not received an application as such in final form covering the whole shopping complex consisting of five adjacent stands but has received representations from Mr. Tshabalala about the leasehold price of the stands in question.
- (2) A right of leasehold has, however, already been registered in respect of one of the stands namely 918 Mofolo Central on 10 November 1980. A provisional right of leasehold in respect of sites numbers 1672, 1673 and 1674 was issued on 30 December 1981 by the West Rand Administration Board and on 4 June 1982 in respect of site number 1671 Mofolo Central.
- (3) As a result of the representations by Mr. Tshabalala the matter is under review and a strong endeavour is being made to arrive at an early decision.

# Move to break wine monopoly

## Political Staff

THE Competitions Board has recommended termination of restrictive practices which resulted in a massive upheaval in the wine industry when Cape Wine was formed in 1979.

Lashing out at monopolies in the manufacture and marketing of alcoholic beverages, the board said that while South African Breweries' 100 percent holding in beer manufacture was a restriction on competition, little could be done to re-establish the slight degree of competition which existed before SAB took over Intercontinental Breweries in 1979.

The government has accepted one recommendation, as an interim measure, abolishing the existing bar on ownership or control of more than five retail liquor outlets.

The relaxation will not apply to those with interests in the wholesale trade until the government has considered the other recommendations.

## Double standards

One member of the board, Mr A J Marais, refused to support their final recommendations, saying that the question would be asked why double standards were being applied through different approaches to the wine and beer industries.

In a minority report Mr Marais said that while no action was recommended to break the monopoly in the beer industry, where

SAB had a 100 percent holding, Cape Wine's 85 percent holding in the wine industry had led the board to assume that the company would abuse its power.

The board's recommendations to the government are apparently aimed at breaking the stranglehold achieved in the 1979 takeovers in the liquor industry. SAB had to give up its interests in Stellenbosch Farmers Winery (SFW) and Cape Wine was formed with SFW and Rembrandt as affiliated partners.

The board recommends that the restrictive practices resulting from the birth of Cape Wine should be terminated within a reasonable period.

It also recommends that the merger between the Oudemeester group and SFW as affiliates of the holding company, Cape Wine and Distillers Ltd, should be terminated.

In his minority recommendations Mr Marais said the government should accept that two monopolistic situations existed — in the beer and wine industries.

The board's call for a more realistic and simplified system of liquor licensing was welcomed last night by the KWV wine farmers' co-operative.

In a statement KWV said it was strongly opposed, however, to extension of grocers' licences to other alcoholic beverages such as beer.

"The justification for

the distribution of wine through grocers lies mainly in the strong connection between wine and food which no other alcoholic beverage can claim," the statement said.

The co-operative also supported the board's confirmation of the Cabinet decision of 1979 that there should be an "absolute separation" between the wholesale and retail trade.

However, it pointed out that to separate these two sectors without placing some form of restraint on the number of outlets in the hands of one party could be self defeating as a new power concentration at retail level could give rise to the "same and more severe malpractices" which the board would wish to eliminate.

The recommendation that Cape Wine be dissolved was rejected as "extreme".

KWV noted that in the case of SAB the board "obviously accepts a 100 percent monopoly, but in the case of the wine and spirit industry a 75 percent market share would appear to be sufficient to recommend dissolution".

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said Mr Hayward.

The pro forma com- sor H A Shapiro

# PE hypermarkets would sell beer 'with pleasure'

30  
10/6/82

**Post Reporter**  
TWO Port Elizabeth hypermarkets have welcomed the Competition Board's recommendation that beer be allowed to be sold in supermarkets.

Mr Mike Tarpey, the general manager of the Checkers Hypermarket, said: "We would sell it with pleasure."

And Mr R W Rendall, the acting general manager of the Pick 'n Pay Hypermarket, felt the same way.

The Competition Board has asked for sweeping changes to the structure of the liquor industry in South Africa. One change is that beer be sold in super-

markets. *S. Post*  
Some already sell wine.

The Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, said yesterday that the Government had accepted the main recommendation that the limit of five retail liquor licences a person should be lifted, and promised to investigate other recommendations.

Mr Rendall said he was not sure what the exact regulations would be if beer-selling was allowed, but he was sure "we would be heavily discounted" and the consumer would be offered "quite a saving".

Mr Tarpey said Checkers would definitely offer beer at a discount and said that shoppers buying wine at the hyper would welcome being able to buy beer there.

Both managers said wine-selling in supermarkets had proved "very successful".

"Wine has become part and parcel of the consumer's shopping list," said Mr Rendall.

But would bottle stores not suffer, with bulk-buying hypermarkets being able to offer giant discounts?

"Competition is good for the consumer," said Mr Tarpey.

## News briefs

### Freedom of town for Div

JOHANNESBURG — Villiersdorp is to confer the freedom of the town on a former leader of the Opposition, Sir De Villiers Graaff, the SABC reports. The town council had decided to honour him for the role the Graaff family had played in the development of Villiersdorp.

### Boat sinks — crew safe

JOHANNESBURG — The fishing vessel, Bloubok, sank eight nautical miles south of Toscanini in 14 fathoms of water early today, Walvis Bay Radio reported. The radio said it had received a message from the fishing vessel, Boetie Akie, that the Bloubok's crew of nine, including the skipper, were safe on board the Boetie Akie, which was heading for Walvis Bay.

### Pacemaker for man, 102

CAEN, France — A heart-stimulating pacemaker has been implanted in a man aged 102 at the university hospital in this western French city. Mr Henri Perignon had complained of feeling somewhat breathless when cycling and had asked for the pacemaker so that he could continue his favourite sport.

### Limits on US-SA trade

HARTFORD, Connecticut — A bill establishing stricter limits on Connecticut State Government investments in companies doing business in South Africa became law yesterday. Its supporters estimated the state would have to sell at least R70 million in stocks and bonds.

### Bus death toll up to 57

HARARE — Victims of the Dande River bus accident near Chipuriro yesterday reached a final count of 57 dead and 29 injured, 12 of them critically, police reported at the end of rescue operations. The bus, carrying small-scale commercial farmers from around Chinhoyi, smashed into a bridge marker, skidded 50 metres along the left hand parapet and then crashed over the bridge to the river bed five metres below.

### Kenya is one-party state

NAIROBI — Kenya has officially become a one-party state under the ruling Kenya African National Union (Kanu) after Parliament unanimously approved a Bill to amend the constitution to this end. The Bill, stating that there shall be in Kenya only one political party, the Kenya

## Call to hit the litterbugs harder

THE Eastern Cape division of the Keep South Africa Tidy Association wants stricter fines for Port Elizabeth litterbugs.

Mr R M Eppel, the association's East Cape president, says in a news release that last week's Main Street clean-up campaign was a great success.

Last Saturday, the World Day of the Environment, a group of schoolchildren cleaned up a section of Main Street after the Cleansing Department had allowed dirt to pile up for two days.

"We have proved that without municipal cleaning services, our streets would be unfit to walk in," said Mr Eppel.

There were 20 litter bins spaced at 30-metre intervals in Main Street, between Market Square and Russell Road, yet people still dumped their refuse in the street.

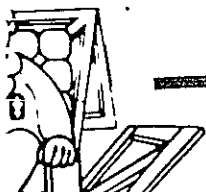
The bulk of the refuse was made up of cigarettess, food wrappers and tissues.

"The fines for littering in Port Elizabeth are probably the lowest in the country," he said.

Street littering could earn a R2 fine and picnic spot and beach littering, a R10 fine. The fine for throwing rubbish from a moving car is R10, and dumping garden refuse on open spaces could cost R20.

Mr Eppel pointed out that it was often cheaper for an offender to pay a fine

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TUCSA

11 000 leave ~~435~~

FM 11/6/82

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Two unions representing about 11 000 workers in the catering and distributive trades have withdrawn from the Trade Union Council of SA (Tucsa).

The National Union of Commercial, Catering and Allied Workers and the National Union of Distributive Workers say they recognise the work done by Tucsa in obtaining changes to labour laws. However, they are unhappy about some aspects of the council's policy. These include Tucsa's distancing itself from protests over the death in detention of Dr Neil Aggett and the council's "semantic quibbling" over the issue of detention without trial.

Veteran unionist Dulcie Hartwell, a founder member of Tucsa, is general secretary of both unions. She told the FM that the unions had no plans to join any other

trade union federation or grouping.

Tucsa president Anna Scheepers says she regrets the unions' decision to quit. "In an organisation representing about 460 000 people, it is impossible for everyone to agree on every issue. They should have discussed this with us." She does not expect any other unions to disaffiliate.

# Producer liquor outlets urged

Chief Reporter

MR JAN PICKARD, chairman of Union Wine, said yesterday that it was important that producers should be able to have their own outlets in the liquor market.

"It is difficult for the new producer to get on to the market," he said, "and for this reason small producers should be allowed to have a limited number of outlets."

## Disagreed

While agreeing with most of the recommendations of the Competition Board, the aim of which is to end restrictive practices in the liquor industry. Mr Pickard said he differed on this particular issue.

The proposals of the Competition Board are contained in its 78-page report tabled in Parliament this week.

Mr Pickard said if the proposals were to be

acted on, they must be acted on in total. "as a package".

If wholesalers were to be deprived of bottlestores, then KWV must give up its stake in Cape Wine, which controlled the two major wine manufacturers. Stellenbosch Farmers' Winery and Oude Meester.

He agreed with the Competition Board that Cape Wine's control over SFW and Oude Meester be ended and that the merger be broken between these two groups, which at present constituted an undesirably dominant force in the liquor industry.

● The KWV, in a statement yesterday, welcomed the recommendation of the Competition Board that there should be a more realistic and simplified system of liquor licensing.

The recommendation, it said, agreed in broad terms with the standpoint that KWV had advanced over many years. KWV was, however, strongly opposed to the extension of grocers' licences to other alcoholic beverages such as beer.

## 'Justification'

"The justification for the distribution of wine through grocers lies mainly in the strong connection between wine and food, which no other alcoholic beverage can claim. KWV believes that

it is in the public interest that this principle be upheld

"The Competition Board's confirmation of the cabinet decision of 1979 that there should be an absolute separation between the wholesale and retail trade accords with the principles that KWV and others have put forward for many years. KWV therefore supports this recommendation.

## 'Self-defeating'

"However, to separate these two sectors without placing some form of restraint on the number of outlets in the hands of one party could be self-defeating. A new power concentration at retail level could give rise to the same and more severe malpractices which the board would wish to eliminate by separating the wholesale and retail trades.

"The recommendation that Cape Wine and Distillers could be dissolved in spite of the fact that it came into being after being approved by the cabinet is extreme and is rejected.

"It is very clear that as stated in the minority report, double standards were applied here. In the case of the SA Breweries the board obviously accepts a 100 percent monopoly, but in the case of the wine and spirit industry a 75 percent market share would appear to be sufficient to recommend dissolution.

A \*\*\*\*\*  
From page 1

calling on the Syrian troops to leave. They appealed to the Syrian commander in Beirut to get out of the city before the Israelis moved in to take on the Palestinians in their final stronghold

## 'Not your war'

In effect the leaflets said: "This is not your war. We are after the Palestinian forces in the city which have led to a breakdown of security and which cause terrorism".

By last night there was no indication whether the Syrians would respond to this plea.

Reports from Beirut last night said there could be only one Israeli objective — to wipe out the PLO in the city, its heartland and headquarters.

Reports said residents in the city had reacted to the pamphlets with near-panic. The situation there had been growing tenser throughout the day and, one report said, by nightfall the latest Israeli moves had frightened some residents to the point of hysteria.

The pamphlets gave the Syrians "hours" to get out, but they did not say whether this was two or 10.

Reports from Beirut last night emphasized evidence that this time Israel intended to kill or capture the PLO commanders. All the best-known leaders — including Yasser Arafat — were said to be in Beirut.

## Few ways out

With Israeli troops in control of southern Lebanon, shells from Israeli artillery making the main Damascus road hazardous and Israeli patrol boats offshore, there were few ways out for the Palestinians.

Palestinian commandos and gunmen from the various militias fired on the attacking Israeli aircraft without success, eye-witnesses said.

The Israeli authorities have admitted 45 of their forces killed and six missing since the fighting started on Sunday, and more than 300 wounded.

The PLO said there have been as many as 10 000 casualties in the fighting

# Press up ov

JOHANNESBURG. Press leaders yesterday declared that they were proceeding with the establishment of a voluntary media council which would operate independently of any injunctive control by the State.

Members of the paper Press Union the Conference of Editors, founders of a council, said after a meeting yesterday to consider the Registration of Newspapers Amendment now before Parliament that they were strongly opposed to the principle of statutory power assumed by the government to cancel registration of newspapers.

"We are making our representations to the Minister of Internal Affairs (Mr J C Heunis) they said in their statement.

## Unwanted duties

The bill before Parliament sought to vest media council powers and duties which it did not want, and which by impaired its voluntary basis and independence, the statement said.

"To this we raise the strongest possible objection.

"We have not asked.

# Press to through

THE speed with which Amendment Bill was passed made any detailed debate and legislation, the Western Human Rights, said.

Lawyers for Human Rights, said if about 100 attorneys Western Cape, said if bill would receive the approval by the time Parliament meets.

The bill, which provides for the removal and restriction of the press towards the middle of the year.

"The issues raised by the future of the press are a trend in government policy.

"The speed with which the bill is being pushed through Parliament, an analysis of the bill in comment on the proposed changes.

"The bill itself appears to be a report of the Steyn Commission of Mass Media. A study by LHR questioned the need for such a measure in this field.

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*Mercy* Tyre companies ~~227~~  
14/6/88 combine interests ~~230~~

**Finance Reporter**

TWO major tyre companies in Natal are set to merge their interests from July 1.

While final details have not been disclosed, reliable sources said yesterday that Natyre, which deals with tyres, exhausts and shock-absorbers from its Jacobs head office, is combining interests with Pinetown-based Natal Bandag Tyres.

The new organisation would become a strong force in the competitive

business of tyre sales and retreading.

Apart from its head office and factory in Jacobs, Natyre has branches in the city, Jacobs, Rossburgh and Pinetown. Natal Bandag, which deals with hot/cold retreading, has depots in Durban, Pinetown, Jacobs and the Point.

Talks on the possibility of a merger have been held for about a year, but sources were not prepared to say how much cash was involved.

1982 30 225  
CAPE TIMES 15/6/82

# Cape Wine monopoly may be hard to break

Industrial Reporter

DISSOLUTION of the multi-million rand Cape Wine monopoly, as recommended by the Competitions Board, is likely to prove an extremely complicated and perhaps impossible task.

Industry sources yesterday noted that implementation of the board's findings released last week amounted to a virtual repudiation of moves considered by the wine industry to be vitally important to its survival.

In essence, Cape Wine was born out of a "fight-

fire-with-fire" approach aimed at ending the beer war between South African Breweries and Dr Anton Rupert's Intercontinental Breweries.

The new deal in the industry which established Cape Wine in November 1979 saw Dr Rupert dispose of Intercontinental to SAB in return for a merging of the latter's substantial SFW wine interests with Dr Rupert's Oude Meester in a new company managed by his Rembrandt group and the KWV.

Another aspect of the

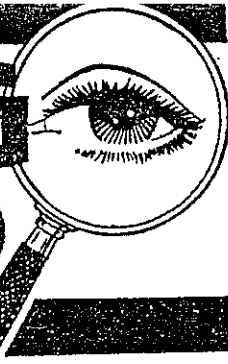
deal, which required cabinet approval, was a requirement that the liquor giants divest themselves of their bottle store holdings over a period of 12 years.

So far this has come to naught and now the Competitions Board has called for the period to be reduced to five years. It also appears to be tackling the problem from the other end with the accepted recommendation that restrictions on bottle store ownership by interests outside the industry be terminated.

Hardly anyone in the industry is perturbed by this aspect.

There is no real anxiety on the call to break up Cape Wine either, but this could be due to the general feeling that the government will find it as difficult to act against the wine combine as the board believed it would be to hit the beer monopoly, particularly since the very existence of the one is considered as being due to the other.

# SHOPPING AROUND



## Mark-up by some retailers worries Citrus Board

ARGUS

15/4/82

30

Consumer Reporter, Audrey d'Angelo

GOOD QUALITY oranges, lemons and grapefruit are now cheap and plentiful at Epping Market, but a spokesman for the Citrus Board tells me he is worried by the size of the mark-up put on by some retailers.

Last week choice grade extra large oranges were sold at Epping Market for between R2,20 and R2,30 a pocket and small for as little as R1,60 a pocket.

Lemons were sold at the market for from R1,80 to R2 a pocket and grapefruit from 55c to 65c a half-pocket.

Mr Martin Swanepoel, area sales manager of the Citrus Exchange, told me he was certain that the maximum price of oranges at the market would not rise above R2,50 a 10 kg pocket for extra large, R2,30 for large, R2,20 for medium and R1,80 for small before August or even September.

### BEAR IN MIND

Pointing out that this meant the price at Epping Market would work out at about 17c a kg for small oranges and 27c a kg for extra large, he said the consumer should bear this in mind when looking at retail prices.

Mr Swanepoel said that most grapefruit sold locally came from the Transvaal and the total cost to the producer of sending it to Epping Market worked out at 58,5 ket worked out at 58,5

He gave me the following break-down:

Railage from Transvaal to Cape Town 37,5 cents.  
Cost of the pocket and labour in filling 13 cents.  
Market commission and dues 6 cents.  
Citrus Exchange levy 2 cents.

### RECUP COSTS

He said that when the fruit fetched 60c a half-pocket on the market the grower earned only 1,5 cents out of which he had to recoup the costs of water, electricity, fertilizer and insecticides before taking any profit. "If it were not for the money made out of exporting grapefruit the grower would not sell on

the local market at all," he said.

Mr Swanepoel pointed out that the market price of lemons now worked out at about 22c a kg.

### SUBSTITUTES

"It still amazes me that people use substitutes for the real thing as seasoning on fish and salads when lemons are so cheap," he commented.

He said that shoppers working out from these figures how much retailers had added should remember that Woolworths paid more because they bought only export quality fruit, and this was naturally reflected in their prices.

# Liquor store status changes

30  
CAPL 15/6/82

Staff Reporter

DESEGREGATION of bottle stores is continuing, with at least one major chain expecting to attain total non-racial status by the end of the year.

The development director for the Solly Kramer's group, Mr Richard Dimitri, said a further 25 outlets had been desegregated, bringing the total to 68 since the process began in February. Only four applications to the Liquor Control Board had been refused.

Segregation of shopping facilities at liquor outlets was a condition of the trading licence until early this year when the authorities relented on the issue.

The Rebel group announced in February that it had scrapped separate entrances and segregated shopping areas at all its outlets, while others said they had effectively abandoned apartheid in their stores years ago by simply designating shopping areas as "counter service" and "self service" that were previously designated along racial lines.

By SHELAGH  
BLACKMAN

THERE has been positive reaction to a recommendation by the City Council's Policy and Resources Committee that the Group Areas Act should not apply to trading areas in the city.

The president of the Port Elizabeth Chamber of Commerce, Mr Denis Creighton, said he welcomed the recommendation.

"We hope it will be passed by council and be put into effect at an early date," he said.

The committee's recommendation came after a Technical Committee, appointed by the Minister of Community Development to investigate the Group Areas Act and related Acts, asked for comment.

The recommendation still has to be discussed by the City Council.

# Move to open trade area is welcomed

City councillor Mr Terry Herbst said that at a council meeting 18 months ago that he moved an amendment to the Act, calling for the whole of Port Elizabeth to be declared a free trade zone where permits would not be needed. He was supported at the time by Mr Elwyn Harlech-Jones.

"It's a great joy to me that this has finally happened. It means that Port Elizabeth councillors have been far-sighted enough to recognise the need for free

trading," he said.

Mr Creighton said the policy of the Chamber of Commerce had always been that business should be on a completely "normalised" basis.

"Businessmen, regardless of their race, should trade where they see an opportunity for their expertise," he said.

The chamber welcomed any move towards the lifting of restrictions on business, he said.

The Coloured and Indian Management Committees were supposed to attend yesterday's meeting to put forward their views, but they received notification of the meeting too late for them to attend.

The CMC chairman, Mr Charlie Green, said his committee would be discussing the Group Areas Act at a meeting later today.

The CMC had always advocated that the whole magisterial district of Port Elizabeth should be open, he said.

It is understood that the CMC is likely to decide to give oral evidence directly to the Technical Committee.

The IMC chairman, Mr R Bhana, could not be reached today.

(30) (ZLB) E. Post 18/6/82



# Plain's shopping centre too small

ARGUS

RA

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June 1982

WITH the opening late last month of the R2,7-million Rocklands Shopping Centre in Mitchell's Plain, the Small Business Development Corporation (SBDC) came of age in the Western Cape, and there has been only one criticism of its first venture — it is too small.

Specialist tenants — a crockery and glassware trader, a shoestore proprietor, the owner of the first exclusive dinner-dance club in Mitchell's Plain, a butcher — all have described the overwhelming need for a centre of this kind. Most felt, however, that it could have been bigger and could have catered for a furniture store, a gymnasium, restaurants, and offices.

## Pride

Their criticisms, are heavily tempered with pride in their own achievement and in the Rocklands Centre — much as SBDC chairman, Dr Anton Rupert's pride in the corporation is tempered with an awareness that without a substantial capital injection it will be limited to "acting as a catalyst in the development field."

"With the limited means at its disposal the SBDC cannot meet all the requirements of the small business sector in South Africa. It has no option but to take an overall view, and try to determine which needs, especially for business infrastructure, are the most urgent," Dr Rupert said in his opening speech.

## Projects

So from the steady flow, sometime as flood of applications, the SBDC has narrowed the development field to a shopping centre in Guguletu, a hotel and small factory complex 'called "factory flats, although the word flats does not refer to residential units) at Atlantis, a small shopping complex at Saldanha Bay and two in Belhar, a supermarket at Bonteheuwel.

Langa, Nyanga and several other areas are under investigation for development, and some small extensions are planned for the Westridge complex in Mitchell's Plain.

Mr C Penz Cape general manager of the SBDC, pointed out that the corporation did not just sit back and wait for applications from prospective business men. Loans and development personnel were active in the field at all times, looking for potential, for market under supply, for community need.

But, contrary to general belief, the SBDC does not finance new business ventures directly. Rather, it will guarantee up to 80 percent of a loan obtained through an ordinary commercial bank.

## Capital

Neither does it have "unlimited capital reserves" — a belief which has led to unrealistic expectations in the past, Dr Rupert explained. At March 31 this year the corporation had capital totalling R120-million comprising the absorbed assets of the defunct Coloured Development Corporation, the Development and Finance Corporation, the Indian Industrial Development Corporation and some from the Industrial Development Corporation.

At R29-million, the private sector has invested just under half the R64-million promised.

## Jobs

"One of the principal objectives of the SBDC is the creation of job opportunities — at a calculated cost which averages about R10 000. The need for more capital is illustrated by the fact that 1 500 new jobs will be needed daily by the turn of the century, and on its current holdings the SBDC could provide only ten days' job requirements.

The scenario is clear, according to Mr M du Toit, assistant property manager in charge of administration: "We are rapidly approaching the situation where the State, the open money market or shareholders will have to put in more money if we are to continue operations."

## Rents

That is the long term view. In the short term the favoured rentals enjoyed by SBDC tenants in centres such as that at Rocklands may have to be increased. The minimum interest rate on loans, now at 15 percent, may have to be raised.

30 182 1004 24/6/82

# Nafcoc: NBS move a shock to blacks

Pretoria Bureau

THE recent Natal Building Society decision to dispense with low-income accounts belonging to illiterate blacks in its Natal branches has shocked the black population, according to the National African Federated Chamber of Commerce (Nafcoc).

Nafcoc said in its monthly magazine, African Business, that even the subsequent explanation by the building society provoked strong reaction among blacks.

Chief Gatsha Buthelezi, the Chief Minister of Kwazulu, said the announcement was unbelievable and "callous".

Nafcoc asked whether NBS could really afford to antagonise the black market, the market of the future.

"It is evident that black savings are increasing and

that within a short period of time, these will reach astronomical figures."

"By taking such a rash decision, the Natal Building Society is going against the general policy of banks and other financial institutions, which are formulating various methods to attract the black market."

Nafcoc asked further whether it was not absurd for NBS to cut savings accounts when the national economic policy encouraged disciplined spending and proper budgeting and banks and financial institutions encouraged savings.

Nafcoc, which is the umbrella body of black traders in the country, said it was common knowledge throughout the world that small accounts meant money and provided stability.

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**Post Reporter**

STRONG differences of opinion were expected to emerge in today's Port Elizabeth City Council debate on whether the Group Areas Act should apply to trading areas in the city.

A recommendation to the council was made earlier this month by the Policy and Resources Committee that trading areas should be open, and it is likely to face stern opposition from conservative councillors.

The committee's recommendation came after a committee of inquiry appointed by the Minister of Community Development to investigate the Group Areas Act and related laws asked for comment.

The council was also to consider a recommendation that the comments of the Coloured and Indian

# Group Areas Act debated by council

800 300  
E. Post 26/6/82

Management Committees be forwarded to the committee of inquiry and that the word "occupation" as used in the Group Areas Act be more closely defined.

A note to the council from the Town Clerk, Mr P K Botha, says the CMC's Finance and Staff Committee had asked him to advise

the CMC that they "did not support the principle of improving the Group Areas Act and related legislation".

They were therefore "not in a position to submit comments or to give oral evidence to the committee of inquiry," Mr Botha said.

By contrast, the IMC had

resolved that Mr Botha be asked to arrange for them to give verbal evidence to the chairman of the committee of inquiry, Mr Justice J Strydom.

The council's recommendations to the committee of inquiry must be submitted by the end of July.

The city's Policy and Resources Committee is of the opinion that the views of both the IMC and the CMC should be sought for submission to Mr Justice Strydom's committee.

The terms of reference of the inquiry into the Group Areas Act and related legislation such as the Slums Act, the Separate Amenities Act and the Housing Act make it plain that the principles of the various Acts should be retained.

External
(3)

Date 31/10/79

Degree/Diploma/Certificate for which you are registered (e.g. B.A., B.Sc.) B. Com

Subject ECONOMICS II  
(to be copied from the heading on the Examination Paper)

Paper No. 1  
(to be copied from the heading on the Examination Paper)

Examiners' Initials		

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# OK Bazaars

## to open <sup>(30) stw</sup> six major stores <sup>24/6/82</sup>

By David Braun

OK Bazaars plans to open six major stores and replace two existing stores in the current financial year, says the executive chairman, Mr Meyer Kahn, in his latest annual report.

Two of the stores will be Hyperamas, one in Sandton and the other in Parow, Cape. In addition to these, the Menlyn Development (Pretoria) will be extended to provide

for a free-standing Hyperama House and Home operation.

Major conventional OK stores are planned to open in Krugersdorp, Empangeni and Thaba Nchu (Bophuthatswana), and existing stores in Ermelo and Potgietersrust will be replaced.

Existing stores in Secunda, Hillbrow, Nigel and Pinetown will be considerably extended and refurbished.

Mr Kahn said that

conventional OK trading operations concentrated marketing efforts on the middle and lower-income groups, while the Hyperama division had been developed to provide for the upper-income market.

### CONSUMER NEEDS

With this in mind, the size and type of any new development was dictated by the consumer profile in the specific area, the projected growth of consumer expenditure, the range of merchandise required to satisfy this market and competitive activity.

# Attracting blacks to capitalism

Chief Reporter

Mr. Mike Rosholt, executive chairman of Barlow Rand, yesterday proposed a programme to attract blacks to the free enterprise system, including a general increase in minimum wages.

Mr. Rosholt told the Free Market Foundation in Cape Town the majority of blacks did not support capitalism. "Very few blacks understand what free enterprise is and who really benefits from it," he said.

"Most can identify it only as part of the overall political system in the country which they completely reject."

Mr. Rosholt's proposals to "sell" free enterprise to blacks include a suggestion that it might be necessary to apply affirmative action. Among the most important changes needed were:

- Elimination of discriminatory legislation, which would lead to elimination of discrimination. As long as discrimination remained blacks could not accept the system.

- The basic lack of education and training must be removed. "It is now accepted that the educational system is discriminatory against blacks. Recent Government utterances have been encouraging but that is not enough," Mr. Rosholt said. "Although education had always been a Government responsibility, the private sector must now also play its part."

- Equal pay, opportunity and treatment for blacks was of fundamental importance. Equal pay for equal work was an immediate imperative.

"A general increase in minimum wages accompanied in due course by increased productivity is also necessary," Mr. Rosholt said. "Better take-home pay is the only short-term course we can follow to ensure a fairer distribution of the national economy and the fruits of the free enterprise system. Unfortunately this process will have to be phased in the current economic situation."

- The miniscule members of blacks in management positions had to be increased. "It has always been our group's philosophy that appointment should be based on merit," Mr. Rosholt said. "This has ensured that the few black managers we have been able to appoint have been accepted by fellow white employees."

30

# Chamber fears big rise in clothes prices

**Industrial Reporter**  
 RECENTLY imposed customs duty hikes on various clothing items will more than double landed costs and push up prices to the consumer by even greater amounts, according to calculations made by the Cape Town Chamber of Commerce.  
 In addition past experience had shown that when customs duties were increased, the price of locally produced equivalents invariably rose to

the higher levels of the imports, the chamber said in its latest weekly bulletin.  
 "Therefore, it is not a case of only imported clothing affected by the new duties going up in price, but locally produced clothing as well. The chamber believes the imposition of these new duties to be both ill-timed and unfortunate."  
 Examples of increases which would go up from a

landed cost of R8,05 to R19,00; men's T-shirts from R3,65 to R5,35; and brassieres from 97c to R2,07.  
 Some of the duties applied to items not even made in South Africa. The chamber believed the increases to be ill-timed because in addition to tariff protection which it already enjoyed, the industry was helped by natural protection and bonuses in the form of the depreciated rand (down

34 percent against the value of the United States dollar over the past 18 months), as well as the 10 percent import surcharge introduced earlier this year.  
 The chamber intended to recommend to Assocom that urgent representations be made to the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, to have the duties to reduced.

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Degree/Diploma/Certificate for which you are registered (e.g. B.A., B.Sc.) B. BUS. SC.

Subject ECONOMICS II  
 (to be copied from the heading on the Examination Paper)

Paper No. II MONEY  
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# Turnabout on PE free trade

26/6/82

Post

**Weekend Post Reporter**  
WITHOUT debate, Port Elizabeth City Council this week unanimously agreed that the Group Areas Act should not be applied to business areas. Yet some councillors are known to have been opposed to blanket free trade zones.

Mr Danie Dorfling, who only three weeks ago said he would totally oppose such a move, said today he had not opposed the recommendation in council because "as soon as I debate I am a dead duck."

"I believe we must give these people a chance," he said. "They know what they want. They will have to face stiff competition. We have big competition in the city now."

"I want to stress we must realise that the Indian, coloured and black traders in business and commerce are not fools."

"I admire them, the way they have come a long way. They are capable of thinking for themselves and don't need the Coloured Management Committee and Indian Management Committees to think for them."

"I don't know what the outcome is going to be. Last year we decided to open certain areas to allow Indian traders in the CBD. There were one or two requests," said Mr Dorfling.

At a council meeting in May last year, an amendment proposed by Mr Terry Herbst to declare the whole Port Elizabeth magisterial district a free trade area was defeated by 23 votes to two.

The council's recommendation that the whole magisterial district of Port Elizabeth be a free trade zone, without the need for permits, will be forwarded to the technical committee set up by the Minister of Community Development last year to inquire into the Group Areas Act and related legislation.

The Policy and Resources Committee's recommendation that the Government's technical committee be advised that the provisions of the Group Areas Act should not be applied to business areas went through this week's council meeting without a murmur of dissent.

Yet three weeks ago Mr Dorfling and Mr C C Meyer were reported as saying they would oppose such a move.

Interviewed in the Eastern Cape monthly news magazine, Viewpoint, Mr Dorfling is quoted as saying: "I will still totally oppose it."

Mr Meyer said: "I will vote against. I favour developing the coloured and black trading areas instead. It will certainly help them more."

Mr Herbst said the council had made a far-reaching and historic decision. "In accepting the recommendation without debate the council has now made a statement of intent that it wants to see the city become an open trade area."

The technical committee's terms of reference specifically exclude questioning the principle of separate areas for different race groups.

The council's comments have to be submitted to the technical committee by July 31.

disciplinary committee source

reached for comment today.

Mr Herbst said the council had made a far-reaching and historic decision.

"In accepting the recommendation without debate the council has now made a statement of intent that it wants to see the city become an open trade area."

# Row rages over customs duties

CAPE TIMES 2/1/82

30

By GORDON KLING

A MAJOR ROW has broken out between organized commerce and industry in Cape Town over the new customs duties imposed on imported clothing.

Local manufacturers, who want still higher duties, and retailers are blaming each other for the high prices facing the consumer and of disregard for the region's economy.

"You could certainly say we are at loggerheads," said the director of the 2 000 member Cape Town Chamber of Commerce (CTCC), Mr Brian MacLeod.

He disagreed with most of the arguments advanced by the 1 200-member Cape Chamber of Industries (CCI) in favour of the recently-increased duties, which have more than doubled the prices of some items.

He said a CTCC delegation would meet the Board of Trade in Pretoria today in an attempt to have the duties reduced.

## 'Worried'

The director of the CCI, Mr Jack Roos, said in a statement yesterday that his organization was following the controversy with concern.

"We who are worried about the economic future of the Western Cape, have a particularly important stake in this issue. It is a known fact that the economy of this region is lagging behind the rest of the country and that we may expect some very serious unemployment problems in the future if we do not expand industrially to create job opportunities for our growing population. How much more serious would our position be if something were to cause a permanent contraction in a major Cape industry?"



Mr Brian MacLeod



Mr Simon Jocum

"One wonders whether the critics realize how important it is for this region to ensure that the clothing and textile industries are adequately safeguarded against disruptive competition from abroad? These industries employ no less than one in every three of the employees working in Western Cape manufacturing industry."

## Total economy

Mr MacLeod replied that his Chamber was also concerned about the interests of the Western Cape, but said it was also important to consider the total economy, and this demanded keeping the cost structure and rate of inflation as low as possible.

He said the clothing industry had not been hard hit by the previous recession in the late seventies and had been unable to

meet demands, so he doubted whether it was on the verge of laying off workers.

"Our members simply could not get supplies at all, let alone on time."

He emphasized that the Chamber was not opposed to a measure of protection and protection against dumping, "but can they give us proof that dumping is taking place? They have 90 percent of the market."

## 'Protection'

He said the clothing industry already enjoyed substantial natural protection from its proximity to the market and the depreciated rand. The higher level of customs duties would simply be used as a reason to boost prices of the local goods.

A past president of the National Clothing Federation of South Africa, Mr Simon Jocum, disputes this.

"Intense competition by 1 200 factories has always helped to keep prices well below the cost of living index," he said yesterday.

"The recent devaluation of the rand does not give added protection to the local industry. The Chamber of Commerce is well aware of formula duties — the higher the f.o.b. price of clothing, the lower the duty."

## 'Cheaper'

Mr Jocum said it was still cheaper to import clothing, even with the new duties which were still not sufficient in many categories. "All that will happen is that importers will find it less attractive to import those items that are made in South Africa."

Mr MacLeod, however, maintained that some items protected by the new duties were not made in the Republic.

Said Mr Jocum: "The Chamber of Commerce and its spokesmen have selected a few items which have been hit rather harder and really do not affect the market as a whole. They have made a mountain out of a molehill and are misleading the consumer into believing that price hikes will take place because of protection for the clothing industry. These duties are totally inadequate and are merely a stop-gap."

Experience had shown that importation of low-priced clothing had not led to lower prices for consumers, he said, and there was plenty of low-priced clothing available in South Africa and the border areas.

# African Bank to sell 1,5 million shares

By SELLO RABOTHATA

THE AFRICAN Bank Limited, under the chairmanship of Mr Sam Motsuenyane, is offering 1 500 000 ordinary shares of R1 each.

According to the company's directors the purpose of the offer is to broaden its capital base and to facilitate its expansion deposit base as well as fund future expansion operations. In terms of the Banks Act 1965, the amount of deposits that may be accepted from the public is linked primarily to the level of the Company's capital and unimpaired reserves.

Application lists for the offer opened at 9am yesterday and will close on Monday, August 30 at 3pm or on such a date as the directors of the company may determine, but not later than September 22. The shares to be issued will be at R1 per share.

The prospectus issued by the company states that its directors have the right to refuse or accept any application either in whole or in part or accept some applications in full and others in part or to abate all or any applications in such

a manner as they determine. Applicants will be informed of the basis of allocation within nine days of the closing date.

Conditions for application for ordinary shares and issues are as follows:

- Applications are irrevocable and may not be withdrawn.
- They may only be made on the forms attached to the prospectus which is obtainable from the head office which is to be completed in accordance with the instructions and conditions of the prospectus.
- They must be for a minimum of 100 ordinary shares or multiples thereof;
- Acceptance of applications and the allotment and issue of ordinary shares pursuant thereto will be conditional on the minimum subscription received;
- All moneys received for this purpose will be held by the company's commercial bankers. Interest earned will be for the company's benefit;
- If the minimum number of subscriptions are not received, all moneys will be refunded to applicants by not later than nine days after closing date;

Copies of the prospectus can be obtained from the Ground floor, Afex House, 58 Marshall Street, Johannesburg, or from Barclays National Bank Limited, Sauer Street, Johannesburg.

CANDIDATE MUST enter in (1) the number of each question and (in the order in which it has answered); leave columns (2) and

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Examiners' Initials		

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SHOP HOURS <sup>30</sup>

## Chains think again

FM 27/82  
This weekend Checkers will discontinue Sunday trading in 30 of the 50 Transvaal stores that have been open for weekend business for the past three years.

Although the Sunday opening experiment has not been a great financial success, public affairs manager Peta Lomberg says the venture was not unprofitable.

"We have now rationalised which stores must be open when," she says. "We were not losing money, but we used schoolchildren and other casual staff and the discipline was not what we wanted. Longer hours also made unpacking of goods and store cleaning more difficult."

Five Johannesburg stores will stop opening on Sundays, but they are in areas already served by other after-hours Checkers branches.

Saturday afternoon trade has shown "very good results" says Lomberg and will continue. Checkers hopes that Sunday morning shoppers will now switch to Saturday afternoons.

Lomborg says turnover in the Cape Province has dropped since Checkers' recent decision to close its 20 western Cape and four Port Elizabeth outlets on Saturday

afternoons and Sunday mornings. This followed charges that certain shops were dealing in certain goods restricted by the Shopping Hours Ordinance.

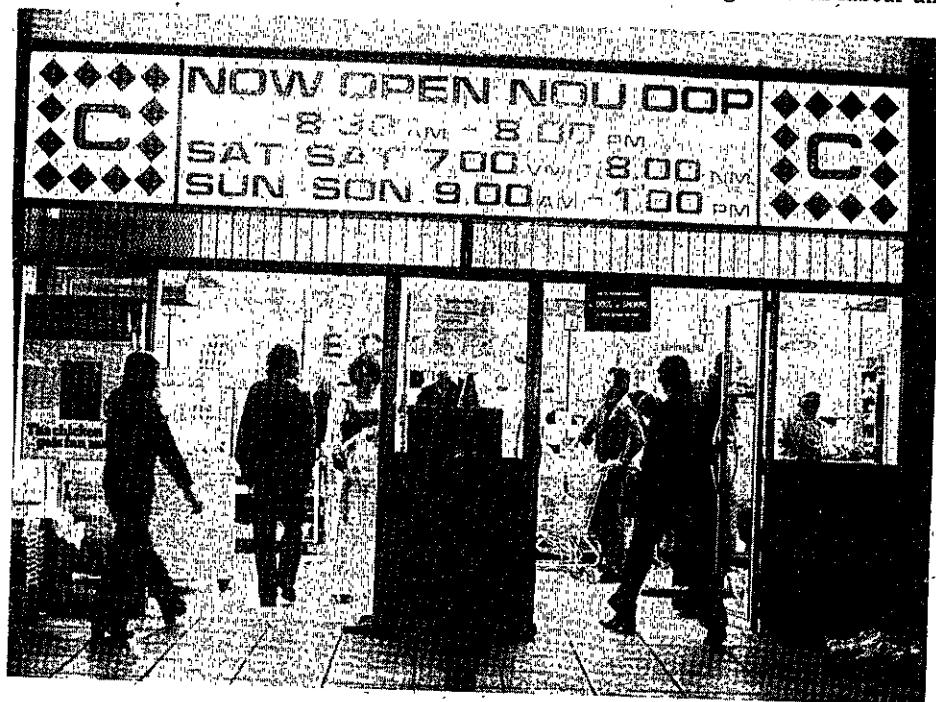
Each province has different regulations on what goods can be sold after hours. In the Cape, for example, fresh, but not tinned, meat or fish can be sold after hours. Transvaal regulations make it possible to screen off items affected, although new stores have had to be redesigned to make this easier.

Both Checkers and Pick 'n Pay have taken advantage of the extended trading hours. While Pick 'n Pay usually opens from 08h00 to 18h00, on Fridays Durban stores open until 20h00 and Cape Town stores close at 21h00.

However, there is little point to the exercise unless turnover covers increased overheads. But cutting down on labour and

management costs by using casual labour hasn't worked because shrinkage has increased.

Pick 'n Pay merchandise director Peter Dove believes SA shoppers want more flexible shopping hours and that they will eventually be allowed. This would enable stores to open longer during peak times like Friday night, and close on Monday mornings, for example, when trade is slack.



Checkers outlet ... sometimes on Sundays





SOUTH Africa's two largest private-sector, independent steel trading and exporting groups, with a combined (all-products) turnover recently near R1 500-million, have "reached agreement in principle" to a wedding with far-reaching domestic and international implications.

The directors of both groups told Business Times exclusively this week that the marriage will also involve Iscor and is expected to lead to "the combining of the steel-export activities" of the private-sector parties.

In a deal worth "deep into eight figures", Macsteel Holdings is poised to acquire control of Leo Raphaely and Sons.

The Macsteel group enjoys sales thought to be near R500-million and assets confirmed at "well over R100-million".

Turnover of all the companies and divisions in the Leo Raphaely group, including Raphaely International Holdings, was comfortably above R1 000-million before the recent contraction in world steel markets.

Macsteel will now be responsible for a much enlarged steel trading and exporting empire, for which still more expansion is expected to be announced soon.

Leo Raphaely has for some years enjoyed the lion's share of steel exports from South Africa via the private sector, primarily to the East.

Macsteel, on the other hand, has been expanding at a prodigious pace, concentrating especially on South American markets, and will now become by far the largest exporter of mild steels.

Iscor has served as the supplier of the basic steel for a number of the overseas markets.

Exports into the depressed world steel market are currently running at about 1,6-million tons, of which a relatively small 120 000 tons has been going to the US, according to Iscor's divisional GM for steel marketing, Nols Olivier.

A director of Macsteel, Jack Gerber, comments: "There are various options for packaging the deal. I can-

## By STEPHEN ORPEN

not reveal these, as each carries implications that still have to be weighed.

"However, I can say that our export sales will be boosted dramatically.

"Also, considering that we are making good profits despite the recession overseas, and that we are going ahead with multi-million expansion plans decided before the latest developments, prospects should be pleasing when the world steel market recovers."

Mr Gerber will not disclose Macsteel's profits. But

these are known to exceed R10-million a year — and a mooted further takeover could take them higher.

I asked Rudolf Raphaely, the remarkable septuagenarian entrepreneur who carried the family business (launched in 1913) into the big league, why he and his board had decided to go in with Macsteel.

"As you know, they have been talking to us for at least two years. They have strengths which complement ours.

● To Page 3

# Steel giants in takeover

● From Page 1

"Also, you will be hearing of further developments which will clarify our reasons for getting together. We want to move in certain new directions. . . .

"Raphaely International Holdings, falling under Leo Raphaely and Sons, will continue its export trade and investment activities under the existing management."

Raphaely's overseas operations are known to turn over several hundred million rands — with the London office an important foreign base.

Macsteel's inspirational chairman, Eric Samson, says he is delighted with the deal.

Raphaely's main steel activity is linked to its joint venture with Iscor for that

corporation's sales to the Far East.

It also sells on behalf of Tosa, Southern Cross, Brolo Africa and most other major SA integrated steel mills as well as Zisco in Zimbabwe.

Macsteel has been selling not only to the west coast of South America. The group's international activities have also involved North America, Britain, Africa and the Middle East.

Under the contemplated agreement, Rudi Raphaely will be president of Leo Raphaely and Sons, Eric Samson will be executive chairman and Jack Gerber deputy chairman.

Henry Kahn will remain a director and Allan Levin will become managing director for the company's steel-export operations.

# R1 500-m giants in merger takeover

S. Times 4/7/82

30

# African Bank is on cash trial

5-Express 30  
4/7/82

THE African Bank, founded in 1975 with a capital of R1-million as a result of the demands of the black business community, plans to raise R1 500 000 from black investors through a public offer of 1 500 000 ordinary shares of R1 each. Founder chairman Sam Motsuenyane says this could prove a "very difficult marketing exercise" in the current economic climate and in the light of the bank's limited exposure to the black community, but he sees the need to broadening the capital base to facilitate the expansion of the deposit base and to fund future growth.

In terms of the Banks Act the amount of deposits that may be accepted from the public is linked primarily to the level of capital and unimpaired reserves.

It follows that an increase in capital funds will enable the African Bank to accept substantially increased deposits which in turn means it will have the capacity to accept further funds, not only at its existing offices but also at other branches and the 'mini' branches it intends to establish under its five year development plan.

Mr Motsuenyane has no doubt the bank will hit its target.

In the past five years the bank's assets have grown from R4 929 000 to R17 475 000 with advances increasing from R1 447 000 to R8 834 000. On the liabilities side deposits and savings accounts have risen from R3 949 000 to R15 909 000.

Over the same period profits before tax have grown from a loss of R168 000 to a forecast profit to October 31 of R200 000.

Mr Motsuenyane says it may be three years before a dividend is declared though the books will be clean of the accumulated loss of R164 000 within six months.

# the face of Jo'burg forever

Noord Street bus terminus

and 400 000 people do daily, to work or to shop mostly black, the work- black and white nearing the heart of central Johan- Business District, in the white workers to every and cleaners. In the 1970s to two whites for every although the number of

white workers has actually increased, the figures could be nearing parity.

And of course the other races are no longer only cleaners and messengers. Retailing and industry are becoming predominantly black, while office jobs are still predominantly white. But that too is changing: a major bank says its clerical staff is now 75% white, 25% coloured, Indian and black. At the supervisory level there is a 5% to 7% increase in the appointment of other races.

Where 10 years ago the OK Bazaars employed roughly 300 whites, 300 blacks and 100

coloureds, it now has 30% more staff at its three city stores — Eloff Street, Kerk Street and Carlton Centre — totalling 600 blacks, 200 coloureds and 200 whites.

Of course it is not only happening to central Johannesburg. The Government itself says only 20% of the present workforce is white and by the year 2000 that will be down to 11%. By then there will only be 5-million urban whites as against 25-million urban blacks.

Meanwhile Johannesburg is the anvil on which the problems and implications of this huge racial imbalance are being hammered out daily.



Picture: DANIE COETZER

**S**TAND still in Noord or Wanderers streets, especially on a Saturday morning, and you run the risk of being flattened.

Not by muggers, although that also happens, but by the crush of blacks hellbent on catching either bargains, buses, taxis or trains.

A middle-aged white man was seized recently in that Saturday crowd, held down, robbed and left lying on the pavement. It upset him terribly that even then no-one helped him get to his feet. Perhaps many people didn't care, didn't want to get involved, feared they might be accused of knocking him down in the first place — but great numbers simply would not have seen him in a crush so tight you can't turn your head.

The blacks who flood the pavements are for the most part a purposeful mass of shoppers, workers and commuters who have become as much part of the rat-race as white Johannesburg. But you don't know that until you get on their streets and follow their trail.

Plein Street park is so full of blacks you can barely see the grass. But then it is break for the hundreds of students from the nearby Phonedefficiency Commercial College, who have no place to go between classes except the park.

It is the people the rat-race leaves behind that are the problem.

First there are the unemployed. The whites go in and out of old flat blocks or lounge in the parks. Some are dagga-dazed, others evil-smelling, drink-sodden bums. There are black tramps too, but the real menace is the teenage black loiterers in their knitted caps and threadbare tackies, working the streets in pairs and tied

# In the path of the flood

A Mail investigation by LIN MENGE



**TOMORROW: The white models with Afro wigs**

with a signal network to others on the next block. Some are bright-eyed, surely salvageable human material. Some are dull-eyed drifters. And others, vicious, brooding

Around Noord Street you see American-style gang-

sters. They prop up the walls silently, watching you, everyone, from under their lowered hat brims, eyes unseen behind reflecting glasses. Stare hard and they turn away to lean with the other shoulder. One young "cow-boy" sports a Stetson, but

maybe he's just a delivery man on his day off, living out a fantasy.

There are the aged whites, many of the half-crippled, clutching their small shops. A reporter and photographer rushed to help a woman who collapsed in the street with a sudden dizzy spell. That frail old thing was the superintendent of a block of flats.

Talk to ministers of the Central Methodist Church if you want to know about the unseen city life: the numerous pale children who answer the door in those pokey flat blocks; the overcrowding — four or more adults sharing a bachelor flat; the terrible emotional scarring of an elderly woman who finds her flat not only burgled but vandalised — the carpets urinated and defecated on.

You can be lucky and not be mugged, or see a single crime in three weeks of pounding pavements. Or more than two uniformed policemen. But then you left your handbag back at the office, just in case.

The wonder is not that there is so much crime, but that there is so little, given the cover provided for criminals by those huge crowds near the station and the barrenness of some blocks of banks and offices, with no shops underneath, no pavement traffic.

The old flat blocks are death traps. There are no guards, no lights on the stairs or outside the lifts above the first couple of floors. Climb the stairs quietly and an unexplained black man leaps out of a room combing his hair. Or you meet up with giggling, thuggish white teenagers or heavy-set unemployed adults. Peer round a groundfloor corner and you find a gate or door open to a dark alleyway lined with dustbins.

Dash for the lift and you could be punched silly in the time it takes the doors to close.

# The 750 000 people who've changed t

By LIN MENGE

THREE-quarters of a million people make sure, daily, that central Johannesburg can never be the same again.

They are the blacks who commute daily in and out of the city by bus and train.

Of the 600 000 suburban paying passengers carried daily by train between Johannesburg and the East and West Rand, the Vaal and Soweto, only 106 365 are first class passengers. Most of those, but certainly not all, are whites. The remaining 495 130 are third class passengers — blacks.

The black figure excludes the "ferry raiders" or "staffriders" who cling to the sides of the coaches to avoid paying fares.

SATS, the South African Transport Services, who provided these figures, did a 90-minute morning peak hour survey of 157 trains coming into Johannesburg Station. This is what they found:

From the West Rand: 9 000 whites, 8 000 blacks; the East Rand: 5 000 whites, 12 000 blacks; Pretoria: 3 000 whites, 4 000 blacks; Westonaria: 400 whites, 500 blacks; Vereeniging: 500 whites, 7 000 blacks; from Soweto, no

whites, 97 000 blacks.

Then there are the 250 000 black bus commuters — Putco runs 4 000 journeys in and out of Soweto daily to the city centre.

And that is without the thousands more who come from black, coloured and Indian townships by taxi, by shared kombi and by private car.

Of course not all the black commuters come into central Johannesburg — they go on to the industrial and suburban areas where they work, but this means huge numbers mill-

ing about between the taxi ranks and the taxi ranks.

Between 300 000 come into the city ... The shoppers are now ... force ratio between 1 ... 50-50. A survey of the ... nesburg, the Central ... 1960s showed six ... black worker in the ... mostly messengers and the ratio was down to one black. Today, a ...



... the white face in the home-going procession on Hoek Street ... yesterday afternoon's picture.

RED TAPE, GREY AREAS...

# Samoosas in Eloff Street

PH 30 ROOM 8/7/8

IT TAKES just three weeks for Chinese to get permits to trade in central Johannesburg. There's no problem — just the red-tape requirement. But Indians almost never get permits, so they no longer bother to ask.

The very law that has tried to confine Indians to their own over-traded ghettos has turned central Johannesburg, zoned a white Group Area for occupational and residential purposes, into a de facto "grey" trading area. The Mail counted fewer than 20 Chinese businesses in the central city, but more than 220 Indian shops in the area bounded by Sauer, Mooi, Commissioner and Noord Streets.

One Indian was refused a permit to take over his old father's shop in Marshalltown, so now he has a shop near Smal Street. Another man, who wasn't allowed to buy a shop with the money his shopkeeper father left him, found one anyway — in Pritchard Street. Another who was refused a permit, set up shop in Jeppe Street.

You can buy freshly made samoosas from a pretty, sari-clad Indian in Eloff Street. Or patronise Indian-run kiosks in the Sanlam and Kine centres. You can eat at a smart Indian restaurant in Hillbrow. Or rent a flat from an Indian who owns a block in the city. Or do business at discreetly Indian-occupied premises in a posh city office block.

You can have bought from the same Indian fruit shop since 1943 and the owner will still have no right to permanence, but his long sojourn in the city allows him to continue trading without being "bothered" by officialdom. A very few veteran fruiterers and the traders in lower Market Street enjoy such tolerance. But with the exception of a handful of permit holders, Indian shop-owners, professional men and store managers in central Johannesburg, east of Sauer Street, are illegal.

Advocates and lawyers (black and coloured as well as Indian) are the exception, because law offices must be positioned for the service of documents within a certain distance of the courts.

Indians who moved into the central city in the wake of the white exodus of 1976 did white landlords a favour occupying vacant premises. Since then it



A sign of the new times... where Madam once went for tea and cakes.



A MAIL INVESTIGATION by LIN MENGE and SOPHIE TEMA

TOMORROW: RIGHT AND WRONG ADDRESSES

has become an open market situation — the tenant who can pay, be he Indian or white, gets the premises.

But of course it has to be done through a white nominee — a system which has defied racist white restriction on Indian trading since the days of Paul Kruger. The business, very occasionally even the building, are bought in the name of a white person, the bond and the licence are taken out in the name of the white and he is rewarded with either a monthly salary or a cut of the annual profits. Occasionally a white, appalled at the racial injustice, will act as nominee for nothing.

When a qualified Indian pharmacist bought a city pharmacy from another Indian, the white nominee agreed to carry on. When a small dealer was given notice by the owners of a block pending renovation, he went himself to the City Council licensing authorities to ask for help in finding

new, again nominee-held premises. He said he'd promised one official a gift from his shop if he would put in a good word for him. And generally the licensing and revenue officials who deal daily with the Indian traders are helpful and sympathetic, say the Indians.

Some traders employ a white "manager" as a front. The manager opens the shop in the morning, pops back perhaps once again during the day and returns again to lock up at night. And he is paid for it. In other instances the Indian might purport to be the manager for a white owner, but again it could be the Indian who is the real owner. An Indian would have to get a permit to be a manager, and that kind of permit isn't given either.

Proving that a business is a nominee operation is extremely difficult but an Indian who buys a building could forfeit it to the State if it was shown to be nominee-owned.

## Fewer Miladys, graphed in Joubert

The Government contemplated a R1 000 fine for nominees but has not pursued the idea.

The Indian of course stands to lose his entire business to an unscrupulous nominee. This doesn't happen often, although one Indian did arrive at his shop to find the nominee had cleared out the contents the night before. Many Indians have traded trouble-free on nominees for the past 25 years in this city but, as an Indian lawyer noted sadly, nominees also die. Then the whole cycle of insecurity starts all over again.

# More for the people

*Sowetan 8/7/62*

By NKOPANE  
MAKOBANE

**THE Zimbabwean policy of socialism is aimed at improving the livelihood of the majority of the people who for ages have been living from hand to mouth.**

Mr H E Mapondera, a leading Zimbabwean businessman, said this yesterday when addressing the National African Federated Chamber of Commerce (Nafcoc) annual conference, being held at the Carlton Hotel.

Mr Mapondera, who is a director of a group of companies in his country, told the conference that socialism was misunderstood in the

told yesterday.

This was said by Mr Sam Motsuenyane in his presidential address to about 700 delegates.

He told the conference that centuries of black subordination and economic dependency had unquestionably done great harm to the black people's spirit of self-effort, self-pride and self-reliance.



**MR H MAPONDERA:**  
Redistributing wealth  
to the people.

world in that it was equated with authoritarianism while capitalism was equated with democracy and freedom.

We have just attained our political independence and the stage is now set for a new social and economic order which should clearly spell out a departure from the old system which was based on colour

"Our system is not designed to be punitive to the hardworking. If anything, it is designed to reward the hardworking and penalise the idle. We are not taking anything from the white man but only redistributing the wealth of the country to the masses, which have been deprived of it," he said.

• Blacks could have no future worth talking about until they could generate a momentum of their own, dependent not on charity and what others did or thought for them but much more on what they did and thought for themselves, the conference was also

Star 8/7/82

# Mutual backs OK expansion

By Frank Jeans

Old Mutual is to finance an OK Bazaars venture to the tune of R45,5 million. It involves a shopping block adjoining the Hyperama in Lynnwood Glen, Pretoria. In a joint announcement today, Old Mutual's property manager, Mr Martin Buss, and OK chairman Mr Meyer Kahn said that the

project would be started soon.

The block, comprising 24 000 sq m of shopping space, will be linked to the Hyperama by a shopping mall.

There will also be a six-storey Z-shaped office block in the development, providing 5 000 sq m of space in the heart of the thriving eastern suburbs of Pretoria.

The existing parking area will also be extended to take 3 500 cars.

The 25 000 sq m Hyperama, built three years ago and owned by Old Mutual, will be extended by 4 000 sq m for a new "House and Home" department store which will open for trading next November.

Completion of the over-

all project is due in November 1983, with OK Bazaars leasing and administering the shopping centre.

"Because of the size of the block, its ideal centralised location and with the Hyperama the major drawcard, the development is expected to become the predominant shopping area in the Pretoria region," says Mr Buss.



## BLACK BUSINESS (30)

### Nafcoc on the CBDs

FM 9/7/82

Concern that blacks spend most of their disposable income in "white" business areas surfaced again at the National African Federated Chambers of Commerce (Nafcoc) congress this week. The remedy

proposed was the old one, removal or amendment of the Group Areas Act — but this time it is just possible that Pretoria is beginning to listen.

Certainly more and more influential voices are dinning the message into government's ear.

According to Soweto Community Council chairman David Thebehali, Soweto's purchasing power is R1,5 billion — 92% of which is spent outside the township. Nafcoc itself has asked government to amend the law to allow black businessmen into white central business districts, so far without success.

Nigel Mandy, chairman of the Johannesburg Central Business District Association (CBDA), devoted his talk at the conference almost entirely to the future of blacks in the central areas.

Said Mandy: "The principles of the CBDA include a statement that the Johannesburg CBD should be developed as the office and commercial 'downtown' for the whole metropolitan area.

"This implies that its facilities must increasingly become available to all races."

He pointed out that the Riekert Commission (RC) had demonstrated the existence of a single economy in southern Africa and the pivotal importance of metropolitan areas and their CBDs as generators of prosperity and employment.

Mandy said statistics given in the report,

and confirmed in the report on the Pretoria-Witwatersrand-Vereeniging area by the Prime Minister's Office, exploded forever the myth that the black man was only temporarily in the cities.

The multiracial nature of commercial, professional and industrial employment was on record. Riekert had recognised that some protection might be required for black and coloured businessmen in their own areas but had recommended that the Group Areas Act be amended so that racial

restrictions on acquisition, ownership or occupation of premises in CBDs of cities and towns should not apply for professional purposes.

The *FM* has pointed out before that racial restrictions on the free market are, in their effect, no different from socialist ones. Government talks a good free market approach and many of its most prominent supporters, speaking privately, claim to favour lifting restrictions. It is past time for them to follow talk with action.

# Thebahali in scene at Nafcoc congress

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~~30~~

E. Post 9/7/82

### Post Correspondent

JOHANNESBURG — Angry delegates walked out of the conference of the National African Federated Chamber of Commerce (Nafcoc) at the Carlton Hotel, Johannesburg, this week when Mr David Thebahali, chairman of the Soweto Council, was asked to welcome delegates to the conference.

They accused the prestige black organisation of being "insensitive" to the feelings of the black community by inviting Mr Thebahali to the conference.

And, as a result, a scene developed in the corridors outside the conference hall, with Mr Lekgau Mathabathe, a Soweto Committee of 10 executive, and Mr Thebahali hurling insults at each

other.

A heated exchange of words followed:

Mr Thebahali: "There's nothing you can do for Soweto residents."

Mr Mathabathe: "I don't speak to sell-outs."

Mr Mathabathe then accused Nafcoc of "sacrificing principles for a few business sites in Soweto". He confronted a group of delegates, among them Mr S Moema, a Soweto trader, asking: "Why do you invite this man? Are you so insensitive?"

Someone said the regional branch, not Nafcoc, had invited Mr Thebahali.

"I know why," screamed Mr Mathabathe, "they want business sites in Soweto and they're prepared to do so at

the expense of the community."

Some delegates supported Mr Mathabathe. They also said they feared the Soweto "mayor's" presence would harm the image of Nafcoc.

But Mr Sam Motsuenyane, president of Nafcoc, had the final say: "This is Soweto politics. We don't want to be involved in Soweto politics. If Mr Thebahali says or does something wrong, we will always criticise him."

# The right and wrong addresses

827 30  
100M 9/7/82

YOU can hardly be more collar and tie than a chamber of commerce. That also goes for Nafcoc, national black equivalent of Assocom and the Afrikaanse Handelsinstituut.

Yet Nafcoc had a humiliating battle to acquire a Group Areas permit to occupy offices in white Johannesburg. In drafting Nafcoc's application, the Central Business District Association had to point out that owners and managers considered the applicant would be a responsible tenant, and that the landlord had strict lease conditions and regulations to ensure that no undesirable activities took place or nuisances were created on the premises.

The Government refused the application, saying Nafcoc would be better located in Soweto. The CBDA tried again, and Nafcoc is today legally ensconced in the Kine Centre.

The whole episode shows how totally out of touch the authorities are with what is happening in Johannesburg — while the Rieker Commission, the Johannesburg Chamber of Commerce and the CBDA all support, subject to local option, the opening of CBDs for trades and professions to persons of all races.

On the other hand TV2/3 has not been sited in Soweto but on Commissioner Street. The actual site is a "controlled" area, but TV2/3 still equals a large concentration of skilled blacks right in white Johannesburg.

Who's in offices in Town — whose business is essentially if not entirely black even if the control may be white? The National Professional Soccer League and Iwisa Kaizer Chiefs and Orlando Pirates clubs; the National Tavern Association (that's



A MAIL INVESTIGATION led by LIN MENGE

**TOMORROW:  
LIVING ON  
THE EDGE**

Soweto shebeeners), the SA Black Taxi Association; coloured, Asian and black divisions and training centres of numerous large organisations, black and coloured model and theatrical agencies and beauty queen promotions; driving schools, security training, sewing and dressmaking centres; the Black Allied Workers Union and other unions, language classes and typing schools and hawkers' supplies; a domestic servant agency, Indian professional men, the local office of the University of the Western Cape, the KwaZulu Development Corporation; black cosmetic consultants and beauty academies and photographic studios, the African Friend Benefit Association, African and Indian insurance managers, black and Indian tailors. And so on.

But not so the African Bank — although white banks operate in black townships, the African Bank may not follow its black customers into this white area.

Some of the organisations listed above are in cheap, fringe premises, others in the expensive white heart of the city. A motorcycle licence business moved from Alexandra Township to an office in a

prestige building.

"We've always had our buildings, says a black journalist. Even the African National Congress used to be in what is now Mazuma House in the lower end of Commissioner Street.

Cons and quacks — including whites who want to rip off blacks — need city offices. One "doctor", who previously sold watches at Park Station, offered medical treatment, traditional or modern, in premises on Plein Street.

An Indian doctor of academic distinction, who simply could not practise his speciality in Lenasia, was given a permit to occupy premises in the city after he was strongly sponsored by the CBDA and the landlord.

But while another Indian doctor runs a tiny surgery for blacks in a discreet corner of the city, a white "muti" man can freely operate his trade in traditional medicine in the path of that black flood from the station. White doctors and dentists have flourishing black practices in Plein and Bree Streets and in the Station Arcade.

And white doctors who have not left Jeppe Street receive patients of other races in their city waiting rooms.

White hairdressers are spotted doing the hair of black customers, black assistants wash white hair, some city salons dress only black hair. Record shops look largely to the black trade, and blacks dance to reggae music in a tiny black-run city record bar.

Blacks are invited to come to central Johannesburg to attend a slimming clinic in the In-town Centre or receive Madame Rose's famous skin treatment at Manners' Mansions; to buy leather coats or discount diamonds, to sell their old coins or buy racing guides — see the huge black crowds in the now "open" TAB offices — to have houses built in the townships, to rent TV sets, to hire wedding dresses and sort out their problems with the Legal Resources Centre or the Black Sash; to acquire taxi permits or buy imitation weapons or learn dancing or computing.

With just one chemist in Soweto, the growing number of black workers who belong to medical aid schemes take their prescriptions to city pharmacists.

And blacks come to study. Wits takes far more students of other races now than it did before it was "closed". Eden College, which renovated and moved into what was Jocelyn Residential Hotel in Claim Street, is virtually black on Saturdays. Turret College has been revived for blacks. Drake College takes coloureds and Indians sponsored by companies, Damelin has multiracial adult education classes, Phonefficiency is all black. Unisa's branch in the In-Town Centre seats a mixture of races.

Even the Witwatersrand Technikon is now accepting pilot groups of Indian and coloureds for its first-ever multiracial diploma course.

# Whites avoid city shopping 30

2001  
Mall Reporter 10/7/82  
A THIRD of Johannesburg's white residents never shop in the city centre while less than half shop there once a month, according to a Market Research Africa survey.

Better suburban shops, parking problems and overcrowding seemed to be the main reasons.

Survey results showed that the tendency to avoid the city centre was highest among the higher income groups and among people 35 years and over.

Women especially were averse to central business district shopping and 44% of the female respondents said they never shopped in the

city as opposed to the 20% males.

Of the respondents 13% said the suburban shops were better, 9% complained of inadequate parking facilities, 8% said the CBD was too crowded and 6% said it was too far away.

It was also found that extended shopping hours would not attract more shoppers.

# Fair pay pledge blacks

By Themba Masoko

About 600 members of the National African Federated Chamber of Commerce (Nafcoc) yesterday unanimously resolved to pay their workers "fair" wages and salaries.

The president, Mr Sam Motsuenyane, told delegates at a conference in Johannesburg that a concerted effort to do this would have to be made.

"We cannot tell whites to pay blacks fairly when we are doing the opposite. Fair wages for our workers should be a commitment rather than a resolution," he said.

The conference also passed a resolution that the Masikela-Mavimbela Scholarship Fund be changed to the Nafcoc Masikela-Mavimbela Scholarship Fund.

The number of students who enrolled under the fund at different universities and institutions rose from six in 1977 to 63 in 1982.

(20) 004 7/1/82

# Blacks to seek right to own land

By HARRY MASHABELA

THE National African Federated Chamber of Commerce, Nafcoc, is to negotiate with the Government for, among other things, the repeal of all laws under which blacks are denied the right to own land.

The six-day conference, which ended in Johannesburg at the weekend, felt the Land Tenure Acts of 1913 and 1936, which deny blacks the right to own land, should be scrapped to make the system of free enterprise meaningful.

The executive council was given authority to negotiate with the Government for the repeal of the two "offending" laws.

The executive was also urged to resume negotiations with the Government for the opening of the central business districts in major South African cities to all races through legislation and "not by a series of permits involving municipalities and government agencies."

In addition, the executive was asked

to convene a two-day agricultural conference during which problems experienced by black farmers could be examined.

Other resolutions were:

- The establishment of the proposed R3-million Nafcoc Centre or headquarters be speeded up.
- All universities and technikons in South Africa be opened to all races.
- More technikons be established to meet the demand, particularly among blacks.

# Laughing at the law

30  
AA

Mail Reporters

A LEADING Indian businessman was refused a permit for premises. "Please, just move in," said the estate agent. "We can fix it for you," offered several traders. So it goes, the laws which have no relevance to the reality of the central city are treated with contempt.

● Some white businessmen do not know they require permits to appoint managers of other races, and that they won't be granted a permit unless they can prove there is no suitable white available. According to Assocom, permits for other-race managers are virtually unobtainable.

The Mail found managers, trainee managers and revolving managers, all appointed by businessmen whose attitude was simply that their clientele was mostly black and where were they supposed to find white staff these days? Yet if a complaint is lodged, these firms face likely prosecution.

● One flat owner, faced with the low return on his rent-controlled building, told the agents certain flats were vacant when he was in fact letting them as higher-priced office space, without City Council and Community Development sanction. The agents, annoyed at losing their commission, have taken the block off their books.

● A coloured woman, attractive and beautifully groomed, has for several years run a small city greeting card shop with a virtually all-white custom. The owner is a white man who lives outside Johannesburg. When the row of shops in which it stands came on the market, he tried to help her acquire the premises. She was refused a permit and her boss was advised by friends to do it through a nominee. He hasn't done so — yet.

● More than 200 Indians trade illegally in central Johannesburg, not only on the fringes but on prime corners and in new complexes. Some don't even bother with nominees.

● The former three-star Golden City Hotel could not keep its white clientele because of the muggers on De Villiers Street. It tottered into bankruptcy. An international licence permitting it to be a much-needed all-black hotel was refused. Today it is discreetly operated as a black rooming house, with a respectable clientele and black staff who forbid liquor on the premises, even opening clients' luggage to enforce the rule.

Yet Fontana-Inn, in white flatland, accepts all races — "we don't mind where they come from" and qualified international hotels accept black residents even from local townships like Soweto. Such residents will soon become, for drinking and dancing purposes, "super blacks".

● A blind eye is turned to the occupation of flats by other races, in spite of constant official pressure on landlords to give coloured and Indian tenants notice. The Anglican Dean of Johannesburg was charged under the Group Areas Act for occupying a "white" flat. The charge was withdrawn, apparently because of the at-



## A MAIL INVESTIGATION led by LIN MENGE

tendant publicity. The Very Rev Simon Nkoane still occupies a flat in the same big, modern block, as do several other black priests.

Blacks are increasingly allowed into Wits, but not into its hostels. Soweto's dark and crowded homes are no place to study, so black students too move into city flats. So do black musicians, who work late.

The Government has threatened to clamp down on mixed occupation and introduce laws to overcome "time-consuming" legal procedures. So far they have not done so. They could, meanwhile, house 6 000 Indians in Pageview, but they won't do that either. And the Johannesburg City Council thanked them for it.

Meanwhile flats are being emptied, for demolition or conversion — leaving more and more aged whites, and young coloureds and Indians homeless.

● The coloured manager of the greeting card shop leaves her Eldorado Park home at 6.15am to get to work. Salesladies from Soweto leave at 7 am. Some black nurses at Hillbrow Hospital catch trains at 5 am to reach work from their homes on the East Rand and Sebokeng. They say they have been told they may not stay on in the nurses' home of the old Non-European Hospital because it is a white Group Area, while their luckier Indian and coloured colleagues are being moved into the previously white nurses' home at Hillbrow Hospital.

The councillor for Hospital is asked if there is any objection to a bus stop being sited there for the black nurses. (If there is, will they move the hospital?)

● The City Council has hang-ups about providing adequate toilets for the huge black mass entering the city. So passersby use the street corners, the service lanes and the entrances to white flats.

The madness of it all is never ending.

● Tomorrow: Beware the empty shell

Cape Times 15/7/82

# Chamber to hit at apartheid

## Industrial Reporter

A MOTION urging an end to the coloured labour preference policy in the Western Cape is among several hitting out against discrimination based on race and colour to be presented at the annual regional congress of chambers of commerce in Paarl next Thursday.

In a background document the Cape Town Chamber of Commerce said the policy discouraged blacks from acquiring skills therefore depriving the economy of skilled labour, while at the same time possibly depriving blacks of the right to jobs commensurate with their skills.

"Accordingly the chamber urges that the black labour regulations be amended to allow qualified blacks resident in the Western Cape to be employed without the restrictions presently applicable to them."

## Representations

The chamber said it had made representations to the Riekert Commission, the National Manpower Commission and the Minister of Co-operation and Development, Dr Piet Koornhof, urging the government to distinguish between migrant blacks and those with permanent residential rights.

"It is beyond all understanding that before be-

ing able to employ 'qualified' blacks, it should be obligatory in terms of the black labour regulations to have to first satisfy the labour officer that suitable non-black labour is not available."

Other motions by the Cape Town chamber call for a removal of apartheid in cinemas, theatres and restaurants and the dismantling of Group Areas restrictions in commercial centres.

## 'Frictions avoided'

"Freed of restrictive influences of statutory and administrative controls, as to whom they may cater for, businessmen would regulate their operations so as to best satisfy their own particular clientele, while at the same time avoiding situations likely to cause embarrassment to or friction among their customers," the chamber said in background documents to the motion.

The day-long conference at the Nedeburg Wine Estate will be opened by the mayor of Paarl, Mr S du Toit.

Speakers will include the manager of the Anglo American Corporation, Mr M C O'Dowd, the head of the University of Stellenbosch Department of Economics, Professor S J Terreblanche, and the past president of Assocom, Mr H Wolffe.



**BLACK BUSINESS** (30)  
**"No" to partnership**

FM 6/7/82  
The system of black/white business partnership proposed by the Department of Co-operation and Development was challenged at the annual conference of the National African Federated Chambers of Commerce (Nafcoc) in Johannesburg last week.

The conference was told that black businessmen saw partnership as a way of introducing "white business competition" into black areas. Nafcoc argues that if whites can do business in the townships, even if on

a partnership basis, blacks should have the same privilege in white centres.

Nafcoc president, Sam Motsuenyane, said that in most of the chamber's regions members argued that profits derived from black areas by white businessmen were siphoned into the more affluent areas.

"Nafcoc adheres to the view that true development must not be measured in terms of the size of business undertaking."

"Black business ought to be given a chance to evolve — for the time being without the disruption of strong outside competition," Motsuenyane reiterated that what had hindered the evolution of the black businessman was not lack of expertise but negative policies which denied him equal opportunity and access to land, labour, capital and management training.

The KwaZulu Development Corporation's GM, Danie van den Berg, said that an inhibiting factor to the formation of black/white partnerships "is the unfortunate element of mistrust, emanating from a history of cultural and other differences."

Said Van den Berg: "We have seen sporadic attempts at direct black-white partnership in KwaZulu and elsewhere, but very few ever come to fruition for simple reasons." Sometimes whites looking for a quick fortune have used inexperienced blacks as their frontmen in order to by-pass protective regulations and gain access to lucrative markets.

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FM 16/7/82

### JUNE VEHICLE SALES CARS

	1982 Jun	% of Market	1982 Jan to Jun	% of Market	1981 Jan to Jun	% of Market
Toyota .....	5 936	20,82	28 869	19,29	20 025	13,72
Sigma .....	5 539	19,43	25 887	17,29	26 262	17,99
Ford .....	4 115	14,44	24 128	16,12	21 375	14,64
VW .....	3 609	12,66	22 349	14,93	27 655	18,94
Datsun .....	2 425	8,51	13 162	8,79	15 663	10,73
GM .....	2 068	7,25	11 771	7,86	16 846	11,54
UCDD .....	1 768	6,20	8 084	5,40	4 691	3,21
BMW .....	1 513	5,31	7 505	5,01	6 376	4,37
Alfa .....	825	2,89	4 497	3,00	4 345	2,98
Leyland .....	701	2,46	3 338	2,23	2 599	1,78
Other .....	8	0,03	100	0,07	166	0,11
Jan total .....			28 507	(10,48% up on 25 804 last year)		
Jan-Jun total .....			149 690	(2,53% up on 146 003 last year)		
May total .....			23 907			

### COMMERCIALS

	1982 Jun	% of Market	1982 Jan to Jun	% of Market	1981 Jan to Jun	% of Market
Datsun .....	3 789	28,30	19 797	26,29	15 793	22,66
Toyota .....	3 778	28,22	19 517	25,92	21 621	30,89
GM .....	1 653	12,35	8 077	10,73	8 069	11,53
Ford .....	1 272	9,50	8 644	11,48	8 462	12,09
VW .....	1 210	9,04	6 383	8,48	3 350	4,79
Sigma .....	705	5,27	6 029	8,01	5 936	8,48
UCDD .....	446	3,33	2 811	3,73	2 491	3,56
Leyland .....	247	1,85	1 516	2,01	1 581	2,26
Alfa .....	66	0,49	780	1,04	881	1,26
MAN .....	57	0,43	471	0,63	537	0,77
Int Harvester .....	35	0,26	501	0,67	486	0,69
Malcomess-Scania .....	30	0,22	145	0,19	120	0,17
Vetsak .....	26	0,19	184	0,24	238	0,34
ERF .....	24	0,18	167	0,22	136	0,19
Magirus-Deutz .....	18	0,13	46	0,06	50	0,07
Oshkosh .....	15	0,11	150	0,20	168	0,24
Fodens .....	13	0,10	77	0,10	62	0,09
VSA .....	3	0,02	11	0,01	10	0,01
Jun total .....			13 387	(8,76% up on 12 309 last year)		
Jan-Jun total .....			75 306	(7,59% up on 69 991 last year)		
May total .....			10 997			



# Govt should not act on 'illegals', says PFP's Soal

By LIN MENGE

GOVERNMENT authorities should indicate that they would not take action against people who occupied premises illegally in central Johannesburg, a Progressive Federal Party city councillor, Mr Peter Soal, said yesterday.

Mr Soal, who is the PFP parliamentary candidate for Johannesburg North, said the central city had become irreversibly black as a result of Government policy.

"Everything that has happened in Johannesburg has done so under the nose of the Government, because their policy has not allowed blacks to buy anything more than paraffin and candles in their own townships.

"Anyone who doesn't believe the city centre is black should go on to any street on a Saturday morning and try saying out loud 'Johannesburg is white'. If that doesn't make them feel ridiculous, then nothing will."

The Mail's Melting Pot series had shown that much of what was happening was technically illegal. Mr Soal said. He called on the authorities to indicate that they would take no action against people who were illegally occupying shops, offices and flats in the area, and so relieve the tension and uncertainty under which such people lived.

"To try to rectify the situation by prosecution is unreasonable — it will simply clog the courts. The situation has come about because of Government policy ...



"Before the President's Council sinks into total irrelevance, the committee responsible for local government proposals should turn its attention to what is really happening in the city centres and come up with solutions away from National Party policy."

Mr Soal agreed with the Rev Peter Storey's criticism of the Civic Centre.

"I walked across those lawns on Thursday at 3pm, and I was the only person there. They should open the place up, provide music and invite people to picnic there on public holidays."

In the meantime the old City Hall had become the "meeting place of the Melting Pot". This had been especially evident in the "happy, orderly, multiracial crowd" which had filled the hall on Wednesday night to discuss the Ingwavuma land deal, Mr Soal said.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

	Internal	External
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2/1	5	
3/1	2	
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NOTE C **See Page 5**

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

- NING
1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
  2. Candidates are not to communicate with other candidates or with any person except the invigilator.
  3. No part of an answer book is to be torn out.
  4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

The CBD saga (continued)

# The future is black

## — expert

Star  
17/7/82

● DAVID BRAUN interviews RUSSELL ABRATT of the University of the Witwatersrand Graduate School of Business in a continuing series on the problems of Johannesburg central business area.

Businessmen in the Johannesburg CBD must face that their only chance for survival is to provide for the black shopper, says Dr Russell Abratt of the University of the Witwatersrand Graduate School of Business.

"The key for the future depends on whether the retailers in the CBD can satisfy the needs of the buyers.

"People tend to buy in stores near their homes or in stores near where they work. Many whites prefer today to shop in centres out of the CBD simply because they are near their homes and that they can get as big an assortment as they can get in the city centre. Examples of these centres are Eastgate, Rosebank and Sandton City.

### IMPORTANT

"Probably one of the most important reasons why they prefer centres near their homes is that more and more people prefer to make shopping a family experience. This means shopping on Saturday mornings and at centres near their homes rather than where they work."



Dr Russell Abratt — keeping the tills jingling.

On the other hand, says Dr Abratt, blacks prefer to shop in the CBD because all public transport converges on the centre. Black shoppers have special needs which are satisfied by shops in the CBD.

"It is no use crying about the lost white shoppers. Retailers must concentrate on the market sector they have now and look after that sector."

Dr Abratt said it was not always right to

blame the municipality for the demise of the CBD. It was up to the retailers themselves to provide facilities and make their area attractive for shoppers.

The CBD should be promoted as a giant shopping centre where people came primarily to shop.

"The shops that went wrong in recent years failed to provide the right facilities for their new consumers. They could not cope with the change from white to black shopper.

"Buyers' preferences change all the time. People want change and it's up to the retailers to develop a marketing-oriented approach: identify their customers, what the customers want, how best to communicate with them and how to satisfy their needs.

### ENVIRONMENT

"There is little store loyalty today and if retailers want to make themselves a success story they must change with the environment, not try to change the environment to suit themselves."

It is impossible to turn the clock back. There is no possibility of going back to a white CBD, says Nigel Mandy, chairman of the Central Business District Association.

"No matter how much development takes place in the non-white areas in the next 20 years, a majority of people of all races will continue to converge on central Johannesburg and nearby industrial areas to work, to shop and to enjoy the facilities of a great metropolis.

"It is one of the great strengths of a city that people can commute from separate residential areas to a multifunctional area which will have a greater tolerance of diversity than the suburbs.

"You feel the tension now at Zoo Lake and in parks in Kensington, there isn't the same problem in town which is a much more impersonal place.

"There is a mental picture among many white people, especially those who are not in town, about the place going black, but there is little consciousness now of colour in the work place or restaurants or places of entertainment. There are only management problems — security, cleanliness, access."

But what is to become of the CBD? The transition, right now, is from a white residential, shopping and office environment to a declining residential area with mixed occupation, mixed — largely black — shopping and an increasingly mixed office environment.

Mr Mandy concedes that much of the traditional flatland from Kerk Street past the station and up into Jobert Park is also the major commuter footway.

"I wouldn't like to live on Hoek Street in that massive tide of humanity," he says.

"Perhaps that area should be used for black professional suites and shopping sites. The type of movement around there makes it less suitable for residential accommodation, unless you can upgrade a block for coloured and Indian occupation and put a doorman on duty. I've no doubt you could then offer Sectional Title if the law permitted it."

But being a pragmatist, Mr Mandy and the CBDA would rather concentrate on getting back Pageview for the Indians, than seeing that suburb destroyed while Indians have to seek housing elsewhere in the city.

To this end the CBDA, with some help from the Johannesburg Chamber of Commerce, commissioned a consortium of leading architects, planners and property economists to investigate urgently the feasibility of re-establishing Pageview as an Indian area. The report was submitted to the Ministers of Internal Affairs and of Community Development in January 1981.

Although the Department of Community Development talked of a "thorough investigation" and "planning considerations" when it insisted that Pageview must be redeveloped for whites, it never once tried to discuss the matter with the CBDA consortium.

And in the whole time the President's Council was studying the matter before it also recommended the return of Pageview to the Indians, the bulldozers never stopped destroying housing and shops which could have been renovated at quite low cost for Indian occupation.

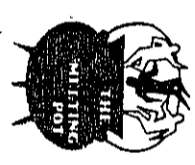
Even now, the CBDA believes, Pageview could go back to the Indians and 6 000 could be accommodated there.

# You can't turn back the clock in this city



MR NIGEL MANDY  
"Only management problems"

By LIN MENGE and MARTIN FEINSTEIN



Workers pour into the city

But shouldn't the central city be opened to all races in every respect? Actstrop's Cassim Saloojee says: "It is an accepted, desirable idea that a sizeable number of people should live in the centre city, because that way you keep the cinemas and restaurants going. A mixture of shops, offices and residential accommodation has been accepted over the years as far as white Johannesburg is concerned, it is only now because people see blacks in the city that they decide it is not for living in."

Restrictions on the movement of Indians from Natal and the Cape have been lifted, but when the young people move to the Reef and a ready market for their services, they find there is no accommodation.

Saloojee, as Mr Saloojee points out, have been integrated, but this gesture has little meaning for people who are supposed to live in distant coloured and Indian townships. Yet central city resources such as theatres and restaurants cannot be duplicated for each race group. The Ser-Kin-Kor and CJC-Warner cinemas in the city are for whites only.

Both organisations have once again applied for certain of their cinemas to be opened to other races. They are still waiting for the matter to be "finalised". Meanwhile the cinema in Fordsburg has to show the same film for weeks on end to give everyone a chance to see it, which means a large and keen film-going public wait endlessly for a change of programme.

The Rev Peter Storey says flatly: "For get, for a moment, the macro thing. The micro thing is, does the black belong in the streets of Johannesburg? If he doesn't, that makes him an alien, and that is one step from being an enemy."

The danger of grey living areas seems to lie not in the lowering of standards but in the competition for accommodation between poorer whites and better-off people of colour, which would lead to political problems. But the tug of war for flats has already started, because of the Rents Act and in spite of the Group Areas Act.

Mr Tony Pringle, an economics lecturer from the University of the Witwatersrand, who is engaged in a long-term project to



Students take a break in the park



Customers dance in a record bar

find out how the city's white pensioners live, has found instances where pensioners are being forced out by landlords in favour of coloured or black tenants who can be charged higher rents and who, being illegal, are even less likely to complain about poor maintenance than the pensioners.

"One woman I went to interview in a Jeppe block had been a respectable tenant there for 40 years — but she was being forced out by a landlord who could get higher rents and fewer problems from coloureds," said Mr Pringle.

"Many Indians are prepared to pay above average rents — and the landlord, as a good capitalist, accepts this as long as he is not found out."

However Mr Sam Moss, leader of the Progressive Federal Party in the City Council, believes the city has become too expensive to live in. Assessment rates were so high landlords were converting flats to offices and the council would have to take a realistic, long-term look at this problem.

"I don't think you can live in a city centre — it does not provide a buffer against the hardness of modern living," Mr Moss said.

The pressure of other races on the city centre has not escaped Nationalist notice. Professor Andries Oosthuizen, of Rand Afrikaans University, said recently he favoured price differentiation as a mechanism to prevent swamping of one race group by another. In other words, socio-economic factors, rather than colour, would determine the use of facilities in the city.

Mr Moi Terreblanche, past chairman of the Johannesburg Afrikaanse Sakekamer, recently said he saw an urgent need to create adequate facilities for other races in the city centre. Regrettably dismissing the idea of sending other races back to their own areas at lunch time, he proposed allowing black entrepreneurs in the city who would serve their own people in the matter of restaurants, business undertakings, doctors, dentists, lawyers, advocates and banking services.

The CBDA on the other hand, campaigners relentlessly for the opening of trading and amenities to all races. But they also pay attention to other everyday problems. They want mini-taxis, because it is access to places in the city, not the influx of yet more private cars, that is essential. At the same time they want adequate parking in office blocks, so as to keep the decision-makers in town.

They are pressing for more toilets, not necessarily multiracial, for that huge black commuter movement through the city. They are trying to find a way in which security patrols could be set up to beat the mugging problem — they already have their own emergency radio communication network with an early warning contact list. They are trying to save the Colosseum for a multi-purpose venue — last year's Skala convention had to be held in Alberton because Johannesburg had no hall big enough.

Another huge project is the transport interchange for black commuters at Johannesburg Station. This would involve cover-

ing the railway lines east of the station with a modern bus interchange, taxi ranks, shops, toilets, loading points for private cars and storage place for parcels.

It could dramatically improve the life-style and security of the commuters who flood the area daily, and at the same time relieve city streets of some of the pressure caused by huge numbers and long queues.

But the project, which was to have been in the 1983 planning budget of the SA Transport Services, has now been tentatively rescheduled for 1986, which means building won't start before the 1990s. Because the reason for the delay is financial, the CBDA is trying, together with SATS and municipal officials, to get new thinking injected into how the interchange scheme could be seen not only as a huge cost item, but as a revenue-producing project.

Everyone is agreed, it seems, that something has to be done about central Johannesburg. Perhaps they will solve it when they stop seeing politics, and notice the

30  
ROM 2/17/82

# W H Davis Pty the latest victim of economic tumble

## Court Reporter

THE economic downturn has claimed another victim — one of South Africa's oldest office machinery firms, W H Davis, was provisionally wound up in the Rand Supreme Court yesterday because assets exceeded liabilities by more than R1-million.

Mr William Paton Anderson, the managing director of W H Davis (Pty) and its Cape and Natal subsidiaries, which sell and service office machinery, said in papers the company had experienced trading difficulties — particularly in the last three months — because of the present economic climate.

Mr Justice Blen Franklin heard that the company, of Loveday Street Ext, Johannesburg, had experienced serious financial losses. Its directors had concluded it would not be able to trade out of its present financial difficulties, the court heard.

Mr Anderson said the company was having difficulty in meeting its sales target — customers were not replacing their typewriters and office machinery with the frequency one might expect in a more buoyant economic climate.

Mr Anderson told the court: "Capital expenditure by customers appears to have been seriously cur-

tailed". He said this had led to a marked decline in sales and profitability over the last three months.

The company's position was made worse by steeply increased interest rates in a short period. This was having a detrimental effect on profitability, he said.

Also, creditors had started pressing for payment.

The court heard that the company had assets worth R1 010 600 but that the deficit involved a total of R1 057 000.

Negotiations to buy out W H Davis (Pty), which was formed in 1936, had failed. Mr Justice Franklin granted a provisional winding up order returnable on August 31.

## uphill for the motor trade

Motor sales last month hit a record but it was soon seen that it did not reflect a higher trend. Here the Standard Bank examines the problems facing the industry.

traded-in vehicles are potential car buyers. themselves increasingly. This is important since difficult to sell. Thus, very few vehicles are the new car market is bought for cash (no adversely affected by more than an estimated blockage in the used 25 percent).

A major underlying influence on the market has been the high and still rising cost of finance, combined with the considerably increased overall indebtedness level of many

large companies, and often reflect indirect use of loan finance or, in some cases, equity finance.

Sales to private individuals account for some 40 percent of the new car market and nearly all of the used car market, and the largest portion are financed by instalment credit.

Company fleet pur-

chases account for some 60 percent of the new car market and almost none of the used car market and are mainly financed by leasing.

For the remainder of 1982 and a large part of 1983 the outlook for vehicle sales, and thus for the motor trade in general, is distinctly unfavourable. The negative influence of high finance charges is likely to grow.

The impact of the further increase in

interest rates is likely to be cumulative, leading to an accelerating decrease in demand for new vehicles month by month.

The availability of hire-purchase and leasing finance will be gradually reduced as the liquidity in the economy tightens, and this is likely to take the form initially of stricter control of credit risks. As the downturn in the economy gathers momentum there will also be reduced pressure on, or even a complete reversal of conditions in the labour market.

### DIFFICULT

The onset of more difficult conditions in the economy may also have an impact upon the length of fleet replacement cycles. These have steadily contracted over a long period and currently average 36-40 months. If the average replacement period increased by only one month, the impact, given the enormous importance of fleets in the market, would be serious.

Finally, the market among blacks is unlikely to compensate for reduced demand elsewhere because the rate of salary and wage increases is showing signs of slowing, unemployment is likely to become visible and the electrification of black residential areas will provide significant new competition for available income.

### INCREASES

To this list of downside factors is likely to be added the effect of substantial vehicle price increases which hang over the market. The cost of steel, labour and particularly of imported components is likely to increase significantly in the next few months. The listed prices of new vehicles will consequently increase as well. The result will be to place dealers in an increasingly difficult position. As the tide of demand recedes, large price increases will inevitably make sales much harder to achieve.

Cumulative sales of

new cars until May were running fractionally higher than in 1981 (121 000 as against 120 000). However, in the last seven months of 1981 sales had averaged 26 000 per month. For the remainder of this year there are prospects of a steady decline, with average sales of 20 000 per month and possibly 260 000 units for the year as a whole.

For commercial vehicles the trend should be similar with a 10 000 per month average for the remainder of the year and total sales of approximately 130 000 units.

This expected downturn in vehicle sales will result in part from the combination of several cyclical factors and inflationary influences on costs, but there are other levers connected to the structure which could have an even greater impact should they be pulled in due course.

### INFLUENCED

The overwhelming importance of fleet purchases, for instance, is highly dependent upon the absence of effective fringe benefits taxation; the dominant position of leasing depends heavily on the existence and size of investment and initial tax allowances, and the level of hire-purchase sales is strongly influenced by regulations concerning deposits and repayment periods.

Were changes to be made to any of these aspects of the trading environment, the impact on sales would be large and immediate.

In the case of the taxation of fringe benefits the probable effect of a strong law, ie, one which would add the full benefit of company cars to taxable income, would be a reduction in the total number of new cars purchased, a further shift down-market to smaller, fuel-efficient cars and a boost to the used car market. If investment and initial tax allowances were reduced or removed, the immediate effect would be to reduce the attraction of leasing. — Standard Bank Review.

### BUSINESS 3

## Why it's all

More than any other commercial sector, the motor trade faces a period of considerable uncertainty as the economy moves towards a recession. Its main area of difficulty will be the sale of vehicles, which accounts for half of dealers' overall revenue.

Part of this market is already facing serious problems and the remainder is hovering on the brink of a downturn which may be substantial. The motorcycle market and the used car sector have already turned down significantly, compared with the boom period. The used car market in particular is being

flooded with unsold stock, with less fuel-efficient models selling especially slowly. By contrast the new vehicle markets have maintained sales surprisingly well so far. However, there were special reasons for this. Last year a backlog of orders for cars built up due to components shortages and an extremely high level of demand. Much of this high sales levels this year appear to reflect the working off of this

backlog. In addition, there was considerable pre-Budget buying because tighter conditions were expected after the Budget, and in the case of commercials there was pre-buying ahead of the Atlantis diesel engine operation coming on stream.

The supply of new vehicles is no longer restricted by components shortages and most of the waiting lists, have gone. The market appears to have

already moved from shortage to surplus, and as a result effective retail prices are weakening; the sizeable discounts, accessory give-aways and high trade-in prices which characterised the market prior to the recent boom are re-appearing over a broad front. The situation is worst in the used vehicle market.

In order to sell new cars, favourable trade-in prices have become necessary, but some

# Duduza coal price goes up

The Duduza Coal Traders' Association near Nigel yesterday increased their price of coal from R3,26 to R3,50 a bag.

Announcing the increment yesterday, Mr Kekane Moloj, chairman of the Traders' Association, said: "Last year the association applied to the Price Control Board in Pretoria to increase our coal price by at least 50c a bag and early this year the board gave us permission to increase our price by 24c as from May 11."

Mr Moloj said the association could not implement the 24c increase in May as they had planned because during that period coal in the whole country had been scarce. By increasing their price it would have seemed that they were exploiting the residents because

of the shortage of coal

Mr Moloj said: "Due to the ever-increasing price of diesel, tyres, spare parts, repairs and the wage increment for their workers that they recently received, the association had no alternative but to increase the coal price. In the past merchants were working at a loss but to survive and to continue serving the community the only alternative was to increase the coal price."

Mr Moloj said that at the moment coal merchants in Duduza were still the cheapest on the East Rand, if not throughout the country, because they were charging R3,50 for a 90kg bag of coal, whereas other areas charged R3,20 and R3,50 for a 70kg bag of coal.

R3,50  
Cowellan  
24/7/82



# Assocom pleads <sup>ARGUS</sup> for free areas <sup>23/7/82</sup> 30 ~~30~~

THE Western Cape regional congress of the Association of Chambers of Commerce yesterday urged immediate Government action to create free trade areas.

It also urged the Government to eliminate labour preference policies and to remove racial controls on cinemas, restaurants and theatres.

The three motions, introduced by the Cape Town Chamber of Commerce, called on the Government to:

- Immediately empower municipal authorities, affected management committees and community councils to declare free trade areas within their respective areas and for the Group Areas Act to be amended accordingly.
- Amend labour regulations to allow qualified black residents in the Western Cape to be

employed without the present restrictions applicable to them under the coloured labour preference policy.

- Free owners of cinemas, theatres and restaurants from statutory and administrative controls over the clientele they may wish to cater for.

Introducing the motion on free trade areas, Mr Tony Silberberg said existing prohibitions on business premises in the major commercial areas restricted by members of all population groups from sharing fully in the economic development of the country.

"This acts as a brake on the private enterprise system and denies opportunities to black and brown businessmen to acquire additional management and executive training, and prevents the formation of inter racial partnerships," he said.

THE South African market was not "free" enough to function satisfactorily, the Western Cape regional congress of Assocom heard yesterday.

Mr M C O'Dowd, alternate director and manager, of the Anglo American Corporation and chairman of the Free Market Foundation of Southern Africa, said there were two main interferences in the market — one feudal and the other "rhetoric socialist."

"The feudal survives in South Africa through overtly racist legislation, such as job reservation in all its forms, restrictions on the access of black people to property and restrictions on the free movement of black people," he said.

## THEORIES

"The restriction of access of blacks to property for business purposes is an extremely serious derogation from free enterprise.

"It goes substantially further even than can be justified on the theories of separate development. For blacks have no adequate access to business

# 'Feudal' brake on SA market

premises even in separate areas."

Mr O'Dowd said the restrictions on the freedom of movement of potential workers were imposed not only at the expense of those workers, but also at the expense of those who would employ them.

"It is indeed a very interesting question whether in the longer term these kinds of restrictions benefit anybody, for they consist very largely in the sacrifice of an unquantified but unlimited potential for growth for the sake of the short-term security of a few people."

## MOTOR INDUSTRY 30

### Boom sales blues

FM 23/7/82

The spending spree that pushed car sales to a record high for June and for any 18 month period has apparently not burned out: car men say July could be yet another record month.

But the industry is not rejoicing at the news and most car manufacturers believe this year's car sales will be around 277 000, the same as for 1980 but 8% below the 301 528 units sold last year. If this happens, sales for the second half of this year will have to drop 15% below the levels achieved in the first half.

Many believe that sales are being bolstered by advance buying under threats of more stringent hire purchase conditions and a wide range of new tax measures said to be in the pipeline.

Janie van Huyssteen, director of the Motor Industries' Federation, says: "We see three reasons for the sustained sales of new cars: stronger marketing with special discounts to dealers and customers; the launching of new models; and, perhaps most important, liquidation of stocks that are too expensive to hold in these times of high interest rates.

"Manufacturers have been offering some big bait and it is to be expected that this will keep sales at a high level. But there has to be an end somewhere and I think this will come in August.

"I say this because the secondhand market is drying up fast. And when this has happened in the past, new car sales have invariably dropped. Banks are now becoming very selective in transacting secondhand business, even with top quality luxury cars."

Over 50% of new car sales in the present boom have gone to companies, rather than individuals. This has boosted the rapidly increasing population of ex-company vehicles on used car lots these days. They include Mercedes Benz and BMW luxury cars, and other corporate favourites such as Toyotas, Mazdas and Fords.

There will be more used luxury cars for

sale as Mercedes Benz reduces its waiting list for the new "S" series to "between four and six months." BMW reportedly holds full order books over the next six to eight weeks for more than 55% of its models, which should further swell the offerings of used luxury vehicles.

Manufacturers worry that without a market for secondhand cars, dealers will not be able to offer reasonable trade-ins. Customers will have to hang onto the cars they have until new car sales tumble.

Auto Bavaria, the BMW retail arm, has presumably foreseen this eventuality and is running an advertising campaign on commercial radio to induce housewives and young executives to buy luxury used cars instead of medium-priced new models.

At the same time BMW is launching an "executive maintenance package" calculated to cut monthly leasing costs by around R100/month.

Government is unlikely to stifle the new car sales boom although many highly-placed officials are reported to be unhappy that it has continued for so long.

A Reserve Bank spokesman says: "We had a similar situation in 1969 when the public went wild on the stock exchange. Government ministers warned of the consequences and stressed the importance of looking at the returns on their investments. The public eventually realised its madness and the crash came almost overnight.

"It is my personal view that government will do that now and allow market forces to take their course."

(20) RDM  
**Commerce  
votes to end  
race bars** 23/1/67

PAARL — The annual congress of the Association of Chambers of Commerce in the Western Cape at Paarl yesterday voted overwhelmingly in favour of an end to race bars.

A motion by the Cape Chamber of Commerce calling for trading areas to be opened to all races in major commercial centres and larger towns was approved.

The congress urged that municipal authorities, affected management committees and community councils be empowered to declare free trade areas within their respective areas of jurisdiction and that the Group Areas Act be amended accordingly.

A motion requesting the removal of labour restrictions applicable to blacks living in the Western Cape was also adopted.

Other motions carried included an appeal to the Government to reinstate export incentives and to extend the Credit Agreements Act from three months to six months.

Sapa.

**F** BRAHIM Kharsany refuses to be compromised by the shadowy world of fringe-trading and nominee-ownership into which Indian business has been forced in South Africa.

Neither he nor his group of companies would dream of using white nominees; what they own is in their own name and the balance sheet must reflect all their assets. Such an open approach does not make entry any easier into a white business world "closed" to Indian occupation and ownership.

Should Mr Kharsany's Corporate Group one day be able to buy out a quoted proprietary company on the Johannesburg Stock Exchange, the Government could step in and prevent them owning any of the property belonging to that company.

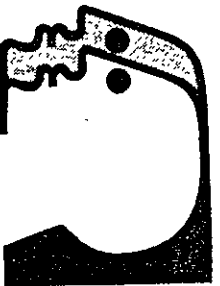
The Corporate Group is South Africa's largest black-controlled financial and investment house. It has twice been refused permission to open premises in the central business district of Johannesburg and was at one stage forced to use makeshift offices in part of a community hall. The group had wanted to move to the CBD so as to be able to bring all its operations under one roof. Because they would not move in illegally or use a white nominee, the group's offices are still today scattered about Fortsburg. Still, Mr Kharsany was invited to the Prime Minister's Good Hope conference.

What would happen if, as organised "white" commerce in central Johannesburg has requested, the central city was open to business ownership and occupation by all races? Would Indians buy up half the town?

"No," says Mr Kharsany, always prepared to pour the cold water of reason on emotionally inflamed questions. "The number of Indians engaged in trade in South Africa forms less than 8% of the total Indian population. Secondly, we don't have financial institutions with the kind of muscle to buy vast sections of the CBD.

"Opening the city to trading by all races would merely formalise and legalise an informal, illegal situation. Traders could get rid of their nominees, which would reduce both their overheads and the risk factor in their business."

His own group is trying to fight the inherent weakness in the Indian community which has retarded both the growth and expansion of business. This weakness is due partly to the fiercely individualistic, family nature of Indian business, and partly to the restraints imposed by Government. For example, in a typical dorp a small plaza might be provided for 50 Indian traders. A 51st trader would then have nowhere to go, the existing traders would have nowhere to expand, and the plaza in the next town would also be full. Yet he does not fear the effect white



**PROFILE**

LIN MENGE talks to Ebrahim Kharsany, an Indian entrepreneur with an open approach to making it in the white business world

~~811~~ (30) RDM  
24/7/82

**No easy road to success for this man of**



# business

small plaza might be provided for 50 Indian traders. A 51st trader would then have nowhere to go, the existing traders would have nowhere to expand, and the plaza for the next town would also be full.

Yet he does not fear the effect white competition would have on small black traders in an open trading situation. Black traders must then get together to fight that competition, he says.

Today the Indian who has been forced out of the one-stop situation takes degrees in commerce and accountancy and seeks jobs with big white corporations. At first, these corporations appointed other races mainly to impress their overseas shareholders, says Mr Kharsany, but now they do it because there is an acute lack of trained manpower.

But it wasn't because white business wanted to do the right thing by black business. On the contrary they have been content to take advantage of Group Areas legislation. When the Government bought out Indian traders for next to nothing the whites were happy to buy up those premises, built up from nothing by the Indians, and move in.

"It amuses me that the offspring of the Industrial Revolution and of Adam Smith have helped implement legislation that is anti-trade. They support free trade in Britain and the United States but when it hits their pockets at home and they find some people trading are of a different colour, then they support legislation to stop them trading."

So cynical and bitter? "I have worked for large organisations, and I have heard the difference between what they do and what they say."

"As an employee I have occupied large offices, with all the trappings, with no

questions about my colour and no permit, but as an employer, suddenly, it's no deal."

"Black money has built up the CBD, yet we are not allowed to occupy premises there. Money from black communities has gone into building up banks and building societies — 40% of the premiums of life insurance companies now comes from blacks. It is going into building new city blocks, not into our areas. I don't know of a single shopping centre, Indian, coloured or black, that has been put up by an insurance company, yet every white town has its SA Mutual and Sanlam buildings and so on."

"When I raise this with MIDs they say they invest where they get the returns — but of course they don't talk about their investment in Glen Aml or Corlett Drive. I say they would both get their returns and, in the absence of open trading, perform a great social function in providing amenities for black clientele and traders, but no, they prefer the status quo."

If he doesn't like it here, why doesn't he go back to India/England/Germany or wherever? The old abusive question brushes off Mr Kharsany like dust off his neat grey suit.

"I am South African. I live here with the problem. I wouldn't solve anything if I went to India."

Not that he regards himself as South African in the patriotic sense. Sure it's a beautiful country, but "patriotism" could only come with a complete extension of rights — which, incidentally, is not something he expects to come via the President's Council.

"I believe in real power-sharing, and I mean power-sharing, not the healthy variety, or otherwise, which we have heard described."

If he has an ideal, it is to see people regarded as people, so that there may be a move to a fair and just society.

Integration must not be a one-way street. He would like to see the creation of more multiracial boards, but that should, for example, mean appointing white directors, on merit, to Indian companies, as well as appointing Indians to the boards of white companies.

The son of a commercial traveller, young Ebrahim sold chickens as a school-boy in Standerton to earn pocket money.

Mr Ebrahim Kharsany feels he has no need to fear white competition

Picture: RAYMOND PRESTON

Later he sold encyclopaedias and life insurance to pay for a BA and B Comm at his "tribal college", then he was accepted for an MBA at the University of the Witwatersrand, and he is now working on a PhD on management — the central hypothesis being that different cultural groups produce different management systems.

"You can study accounting but the grasp of business must come from within — I have great respect for the millionaires with no schooling, the many people in my community who have no formal education."

Now 38, a slight tense figure in an austere office, he works 16 hours a day as managing director, some of it in Durban, where, as in Fordsbury, his group is moving strongly into property. They are negotiating with a major construction company to take advantage of new development opportunities.

Mr Kharsany is an avid reader of the classics, having majored in English, but he has little time for leisure.

He studies religion, frequents the mosque a great deal and takes his inspiration, his guidance and his discipline from

the Islamic faith.

His group keeps out of anything involving the earning of interest. The reason is that Islamic law makes no distinction between usury and interest. Investors must be active partners in business ventures, not money-lenders. Shares and direct holdings in property are allowed because there is an element both of ownership and of risk, but simply putting money on fixed deposit to earn interest for which you have not worked is not permissible.

Mr Kharsany is involved in negotiations with Government for the establishment of an Islamic Bank, to be run on these Islamic principles.

At the end of the day Ebrahim Kharsany returns to his wife and two young children — in Pageview, currently being demolished for white occupation. He is secretary of the Save Pageview Association and set for a long legal battle to retain Indian occupation.

There is no secure perch, it seems, for this highly-educated, hard-working, sober-living businessman. That is why he shatters your own cosy white security with his reaction of profound contempt.

# Shoppers showing bad temper

ARGUS  
27/7/82

30  
153  
218.6

A HOME economist employed to advise supermarket customers told me she had noticed shoppers becoming more tense and aggressive. She put it down to the strain of trying to budget with constantly rising prices.

"They become very aggressive on coming into the shop, at the thought of having to spend so much on basic necessities," she said.

"You notice them shouldering each other aside and bashing into each other's trolleys.

"People used not to be so bad-tempered. I am sure it is because they find themselves faced with such big rises in prices."

"I would not be surprised if she is right.

An economic survey carried out in Volkskas Bank shows that the cost

of living has risen by over 130 percent in the past seven years, which means that R1 now buys as much as 43 cents did in 1975.

Food products alone have gone up by more than that. The average for them is 146,8 percent.

## SUGAR PRICE

The survey shows that the biggest price increase was in sugar, which has gone up by 218,6 percent since 1975.

Meat has gone up by 162,4 percent and coffee and tea by 153,1 percent. The only prices not to double between 1975 and this year are clothing, housing, furniture, household appliances and communication services.

The survey shows an astonishing speeding up in the rate of inflation in the past seven years.

Between 1950 and 1960

it was only 3,5 percent a year and from 1960 to 1970 only 2,8 percent a year. Yet in 1975 it was 13,5 percent and since then it has never fallen below 10,9 percent, the figure for 1979.

Last year it was 15,2 percent and the Volkskas survey anticipates that it will be 15 percent to 15,5 percent for this year as a whole.

## RAY OF LIGHT

But the survey gives one ray of light.

It suggests that the worst is over and that the rate of inflation reached its peak in the past two months and should decline in the rest of the year.

Prices usually do fall during a downturn in the economy and there is no doubt that we are in one now.

Fm 30/7/82  
SOWETO BUSINESS (30)

## Contest for clout

The three-year-old Soweto Chamber of Commerce (SCC) is falling apart. Membership has fallen from a high of around 500 to 36 and dissidents are calling for the resignation of the present executive. Last week's chamber agm was disrupted and elections were postponed.

One of the main areas of disenchantment apparently stems from the relationship between the current executive and the Metro

Cash and Carry wholesale group. Dissidents claim the executive is helping Metro come into Soweto at the expense of black traders.

They claim the SCC's stand has always been to keep white business out until blacks are permitted to trade in white areas.

They also object to the way in which the recent meeting was handled. They claim that the halting of the meeting, postponing of the election and the executive's refusal to answer questions was unconstitutional. They further claim that a roll call was not held and speculate that this was because of the embarrassingly small number of people that attended.

Current president Vela Kraai claims it is not the Metro issue which is responsible for the furore. One of the new presidential candidates is, according to Kraai, using personality assassination to capture the vote. Kraai maintains that he halted the meeting and postponed the elections, not for the benefit of the present executive, but because a member needed to be disciplined. This, he says, was within his constitutional rights.

He explains: "The chamber member who asked a question and now complains of not having been given an answer belongs to another chamber and the executive believed that he could not participate while wearing another hat."

He refutes the claim that the present executive was acting unconstitutionally and says the elections will now take place in August. He adds that the drop in membership is due largely to a personal vendetta against him.

Metro declined to comment.

## Soweto Chamber will hold elections

**THE Greater Soweto Chamber of Commerce is to hold elections for new office bearers on August 8.**

This was said by Mr Veli Kraai, the chamber's chairman, who had earlier said they would not be held so long as there were people tampering with the smooth running of the chamber.

This followed the disruption of their annual general meeting last Sunday where Mr P Makhetla, a member of the rival Diepmeadow Chamber of Commerce, had made disparaging remarks about the organisation and refused to apologise.

As a result, Mr Kraai had declared the meeting closed and elections were postponed indefinitely.

"At our next meeting we hope to complete the unfinished agenda and we are not going to tolerate people who want to act as they please. A line has to be drawn at the attitude and behaviour of such people," he warned.

Meanwhile, the dissenting group of traders at last Sunday's meeting are reported to be organising a meeting for this Sunday at 9.30 am. This group has called for the present executive of the chamber to resign en masse.



# 49% of Grandbaz bought

CAPE TOWN. — Mr Lawrence Jaffe has taken a 49% in the unquoted Grand Bazaars pyramid company Grandsar Investment Holdings and

Mr Jaffe has accepted an invitation to join the board.

He is a director of several companies including Hesperus Holdings, Unisec, Premier and Frencorp.

Grandbazaars sales are running nearly 20% ahead of last year and the group is to expand its trading area by some 25% this year.

At the start of yesterday's annual meeting Grandbaz chairman Mr Manual Sachar referred to persistent speculation of a change of control in Grand Baz following the sale of his cousin Max's shares in the company more than a year ago and said that the Sachar family had at all times held the controlling interest in the group.

"This is still the case today.

In fact to place the issue beyond any doubt I have entrenched that control through a private pyramid company which owns slightly in excess of 51 percent of the total issued share capital of Grand Bazaars. My family and I control the said pyramid company."

But while Mr Sachar's statement has disclosed the entry of Mr Jaffe to the Grand Bazaars control situation the annual meeting itself revealed that a major block of shares totalling some 800 000 remain unaccounted for and could be in the hands of a mystery investor. It is not known whether there is any link between this block of shares and Mr Jaffe.

Up until a few weeks ago

the Herthco shareholding (believed to be the shares sold by the former co-chairman Mr Max Sachar more than a year ago) stood at some 705 000. This has now fallen to around 150 000. In Kilgety, in which the Manual Sachar holding was housed the stake has fallen from 958 000 down to some 130 000. Part of these shares — probably around 500 000 would have been transferred to the new pyramid by Mr Sachar to establish control.

Mr Arnold Galombik the well known Cape Town attorney and legal adviser to Grand Bazaars told the meeting that he was aware of the identity of the owner of the Herthco shares but was professionally bound and unable to disclose his identity.

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30/7/82  
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Sowetan

20/7/82

Continuous power failures cause business to drop

# Chickens keep chirping

THE OWNER of the only chicken outlet in Zola, Soweto, is fuming at the continuous power failures at his business, and has expressed fears that should the situation be left to continue it will bring his business down.

Mr Ben Kgathane, who also owns a garage next to the outlet, told **THE SOWETAN** that he had lost about R8 000 in the past four weeks because of the failures that have been taking place almost every second day.

"My business has slackened terribly these past weeks and I fear for

By NKOPANE MAKOBANE

the worst. As a recently opened establishment, this sort of thing has discouraged my potential customers who travel from far, only not to receive the quality service they deserve," Mr Kgathane said.

He went on to say that after opening his business the available power could not cope with his eight stoves. As a result he had to install an additional R5 800 cable to supply more current.

Then without being consulted, he discovered that artisans working at

a bakery to be opened in September not far from his business were also using power from the same supply he used for his two businesses.

"I have reported my dissatisfaction to the electrical distribution people in Klipspruit but they have shown little concern. Instead I have been told that so long as the matter has been reported once, there is no need to report again," he said.

"What these people do not understand is that I deal with perish-

able food. I am also losing a fortune at the garage because I cannot service people's cars or charge their batteries. I had also thought of buying myself a generator to alleviate the situation but I cannot afford the price of R8 100," he said.

Yesterday Mr R E du Toit, assistant director of the West Rand Administration Board electrical department, discounted Mr Kgathane's story that the power being used by artisans at

the unopened bakery may be the cause.

He said the problem may be in the fact that in the past two weeks the Zondi feeder had been damaged by contractors on three occasions, but apparently had been repaired.

He said work started this week to try and detect a fault on the cable Mr Kgathane installed for himself. He said the whole thing had been unfortunate but they were definitely attending to the matter.

Degree/Diploma/Certificate for which you are registered (e.g. B.A., B.Sc.) ..... *D. Jus Se*

Subject..... *ECONOMICS II*  
(to be copied from the heading on the Examination Paper)

Paper No..... *PAPER II*  
(to be copied from the heading on the Examination Paper)

Examiners' Initials		

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

# Meeting on ~~25th~~ 30 market Mercury move

31/7/82  
Mercury Reporter

THE Natal Indian Agricultural Union is convening a meeting of Indian farmers today to discuss the fate of the Clairwood Market stallholders.

Mr Sewsunker Ramphal, the association's president, told the Mercury yesterday that the Director of Markets recently informed his association of plans to move the stallholders' section of the market to Chatsworth.

'A deputation from my association subsequently met Durban's Management Committee and the Director of Markets and we were given an assurance that the market would not be moved for at least another two years.

'Although this assurance came as a big relief many farmers are still not happy. They are still being haunted by the fear of eviction.

'At today's meeting in the Kajee Memorial Hall, Leopold Street, starting at 2 p m we will give a report back of the meeting with Manco in the hope of dispelling the fears of the stallholders and farmers.'

'It was originally intended to move the stallholders' section of the Market to Chatsworth to make way for extension of the cold storage division at the National Fresh Produce Market in Clairwood, but as plans for the extension have not yet materialised there is no urgency to move,' he added.

# Cheslers Super Stores in provisional liquidation

CAPE TOWN 31/7/82 30

By PAUL DOLD  
Financial Editor

ONE of Cape Town's best known furniture and appliance discount chains, Cheslers Super Stores with monthly sales of some R700 000, has been placed in provisional liquidation following the granting of an application by the company in the Cape Supreme Court yesterday.

SJC Furniture Stores (Pty) Ltd, which trades as Cheslers Super Stores, made the urgent application which was granted by the Judge President, Mr Justice Munnik.

The Chesler hi-fi stores, which are an associate company, are not affected.

In an interview yesterday, managing director, Mr Lewis Chesler, pledged he would do his best for creditors.

The problems appeared to flow from difficulties in the furniture division caused by shrinkage at certain branches. This did not help the asset position and the group was also faced with increasing interest rates and a shortening of credit terms.

The trading climate had substantially deteriorated and Cheslers was faced with visious price wars resulting in cut margins at a time when overheads were rising.

"We are hoping to continue trading so we can repay creditors as much as possible. Our policy is to assist as far as possible"

In papers before the court Mr Chesler said that liabilities were around R2,4m while assets totalled R1,9m.

The group was founded some 10 years ago and has three stores in Woodstock, Wynberg and Bellville.



Cheslers Super Stores managing director Mr Lewis Chesler, left, and his attorney Mr J Volks after the successful court application.

In 1979 Cheslers switched its marketing from credit sales to cash discounting. Until mid-1981 business was brisk.

In June - November 1981 the Bellville and Wynberg branches were opened. At that time monthly sales were R100 000 to R200 000.

After the new stores opened sales rose to R500 000. In its first month the Wynberg branch alone achieved sales of R250 000.

At the beginning of 1982 Cheslers realized that cash flow required closer monitoring and a full-time administration manager was appointed. During the first half of last year the group found creditors were applying shorter credit repayment periods and were generally tightening up on the amount of credit extended.

Overdraft facilities from Barclays and Nedbank were not being actively used and were also strictly controlled.

In July 1982 one of applicant's creditors - Katz International - told Cheslers it was perturbed by the amount of the group's indebtedness

which then totalled more than R300 000 and said the sum should be drastically reduced.

Katz insisted that substantial amounts of goods supplied be returned and warned that if satisfactory repayments of debtors were not made it might institute action against Cheslers.

Cheslers then launched an urgent investigation of its affairs and currently owes some R2 370 000.

Nedbank is owed R95 000, Barclays R75 000, Trade creditors R2m and secured creditors R200 000. In addition, Cheslers is indebted to landlords and owes around R80 000 to loan creditors.

Assets of R1,9m include stock at the three branches of R550 000, hire purchase debtors R500 000, open account debtors R200 000, fixed assets R50 000 and inter-company loans R600 000.

"At this very moment Katz is insisting upon payment of the amount due to it. In addition, applicant has received this morning telephone calls for payments of amounts due to further creditors such as Barlows, South African Television, Phillips and Wood World. The amounts due to these latter mentioned additional creditors total at least approximately R150 000.

"The overdraft facilities at applicant's bankers have reached the limit and no further extension of credit will be granted. There are no further funds available from any

source whatsoever to inject into applicant's business.

"Applicant is unable to pay the aforesaid amounts due, nor is there a prospect that applicant will in the near or foreseeable future, have the necessary funds to settle those amounts.

"At the moment the total overheads, or monthly expenses of all three branches, amount to about R70 000 per month and the average gross profit of the three branches amounts to approximately R69 000 per month.

One of the reasons given in the papers for the urgency of the application was that "Katz Internatioanal Corporation has removed a substantial quantity of goods from applicant's premises during the course of the last few days and has threatened to continue doing so.

"In fact this morning I received a call from one of my branch managers to the effect that the said creditor had arrived, loaded its van with further goods and the person in charge of such removal had informed my manager that calls were going to be made at further branches.

"Applicant has attempted to forestall these efforts insofar as it is possible but I am concerned that the necessary control will not be able to be exercised everywhere. Obviously the removal of goods is severely prejudicial to the remainder of applicant's creditors."

Mr G D van Schalkwyk, instructed by Mr J Volks of Friedlander, Kleinman and Shandler, appeared for SJC Furniture Stores.

## Exchange rates

### Barclays

Bank rates. Currency selling, TT buying, AM buying, SM buying

USA: 0,8678, 0,8738, 0,8830, 0,8910.  
UK: 200,7375, 197,7565, 196,0755, 194,6315.  
Canada: 1,0855, 1,1035, 1,1165, 1,1275.  
Belgium (c): 40,5500, 41,2500, 41,7500, 42,1500.  
Belgium (f): 42,8500, 43,6000, 44,1000, 44,5500.  
Switzerland: 1,8115, 1,8370, 1,8485, 1,8580.  
France: 5,9240, 6,0145, 6,0780, 6,1320.  
Italy: 1191,5000, 1208,0000, 1225,0000, 1239,5000.  
Netherlands: 2,3560, 2,3875, 2,4050, 2,4200.  
West Germany: 2,1300, 2,1590, 2,1745, 2,1875.  
Sweden: 5,2835, 5,3560, 5,4230, 5,4795.  
Norway: 5,5895, 5,6665, 5,7315, 5,7865.  
Denmark: 7,4010, 7,4990, 7,5755, 7,6415.  
Austria: 14,8000, 15,2000, 15,4000, 15,5500.  
Portugal: 72,9500, 74,1500, 75,2500, 76,1500.  
Japan: 222,3500, 225,5000, 226,6000, 227,5000.  
Spain: 96,6000, 98,0500, 99,6000, 100,9000.  
Australia: 0,8690, 0,8825, 0,8930, 0,9020.  
New Zealand: 1,1675, 1,1865, 1,1965, 1,2055.  
Zambia: 0,7870, 0,7970, —, —.  
Malawi: 0,9450, 0,9900, —, —.  
Zimbabwe: 0,6601, 0,6700, —, 0,6720.  
Hong Kong: 5,1390, 5,2055, 5,2655, 5,2990.  
India: 8,0500, 8,3225, 8,4150, 8,4925.  
Kenya: 9,2160, 9,4555, 9,5000, —.

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# Pin-prick laws must be scrapped, say Cape businessmen

By STEVE GRBIC

WESTERN Cape Chambers of Commerce will ask the Government to scrap apartheid in cinemas, theatres and restaurants and to dismantle Group Areas restrictions in commercial centres.

It will also ask the Government to end the coloured labour preference policy in the Western Cape which, it says, is creating tension between blacks and coloureds.

At its annual regional congress in Paarl, Assocom hit out against discrimination based on race and colour, saying that these laws went directly against the principles of the free enterprise system.

The president of Assocom, Mr Gordon Stuart-Reckling, said that while the Defence Force could control South Africa's borders it could not prevent political upheaval within the country.

This could be avoided only by giving everyone — black and white — a fair stake in the community.

"There will be 50-million blacks in South Africa by the year 2020 whether we like it or not," he said.

"For the sake of your children and mine

we must treat everyone on an equal basis."

Calling for the scrapping of the coloured labour preference policy, the Cape Town Chamber of Commerce said in a background document that most coloureds were opposed to the policy, seeing no need for the protection it was designed to afford them.

In addition the policy had little practical value so long as influx control over the entry into the Western Cape of migrant workers and illegal blacks continued to be enforced.

"It makes even less sense to apply it to blacks who are qualified to live in the area.

"It is beyond all understanding that before being able to employ such 'qualified' blacks it should be obligatory in terms of the black labour regulations to have to first satisfy the labour officer that suitable non-black labour is not available."

Mr Harold Broom of Cape Town said 14% of the 100 000 blacks in the Western Cape were unemployed and it was "both politically and economically urgent that we give them the right to compete for work".

Calling for the removal of apartheid in cinemas, theatres and restaurants, Mr Nick Malherbe of Stellenbosch said South Africa

was striving to undo its petty laws.

"Petty laws like these are a threat to our internal peace," he said. "These are pin-pricks which hurt people daily."

The congress also called for the dismantling of Group Areas restrictions in commercial centres, saying that these denied members of all race groups from fully participating in the economic development of the country and discouraged the formation of inter-racial partnerships.

It believed that, free of 'restrictive influences', businessmen would regulate their operations to satisfy their clients.

It said local authorities should be allowed to declare 'free trade areas'. Whites should set an example by opening up their areas.

A STORE BOSS



# and a big little discount card

By RIC WILSON  
**SUPER PERKS**  
special credit cards which enabled the holders to obtain staggering 40 percent discounts on their purchases — were distributed to prominent people by Mr Isaac Kaye, former head of the troubled Greatermans group.

An ex-employee told the Sunday Times this week that the special facility — normally extended only to senior company executives — was granted to between 40 and 50 leading businessmen and senior public servants.

Mr Kaye could not be reached for comment this week.

All the cards have now been withdrawn by the new controlling company, Mr



**DR JOOP DE LOOR**  
Not improper

Natie Kirsh's giant Coki Corporation.

Mr Kirsh said in an interview yesterday: "I found this system in existence when we took over.

"Many prominent businessmen who were friends of Mr Kaye were granted these cards.

"While I have no special feelings about how independent men run their businesses, the Greatermans group is not in a position to offer discounts, and we withdrew all the cards."

Mr Kirsh said he believed many people accepted the cards in all innocence.

"It was a case of cards-for-pals," a former Greatermans employee said.

"Some were not even connected with the company."

One top public servant to hold a yellow card — which he returned voluntarily when the new management took over — was the Director-General of Finance, Dr Joop de Loor.

He bought several thousand pounds worth of furniture

# girl Verity

By NORMAN CHANDLER  
in Johannesburg  
and DAVID JACKSON  
in London

A STUNNED father heard this week that his beautiful South African model daughter had been convicted in Britain for importing dagga — then he declared: "She doesn't touch the stuff ... it makes her sick."

The model is Verity Bosman, 25, who has admitted that dagga was airmailed to her by a South African friend.

Her father, Dr Pieter Bosman, had not heard that she was in trouble until the Sunday Times contacted him.

"I am absolutely stunned," he said. "I have been speaking to her on the telephone on numerous occasions this week but she didn't say anything to me."

Miss Bosman and her Brazilian boyfriend, Peter Tacon-Thornton, 30, appeared this week in the Marylebone Magistrate's Court, London, and admitted illegally importing 134g of dagga.

She was fined R200 (or 14 days) and her boyfriend was conditionally discharged for a year.

Miss Bosman — whose face has graced the front cover of magazines such as "Fair Lady" and who has modelled in South Africa, Britain and Europe during a seven-year career — arrived in London with her father three months ago.

## Marriage

Her marriage to Dutch-born commercial artist Jan Blesing is being dissolved and the couple's five-year-old daughter, Satya (the name means "peace" in Hindu), is in Johannesburg with her grandparents.

Mr Blesing is in Israel, where the couple had a home before the marriage crumbled.

The couple were married for 18 months.

"Verity needed a new start and we decided that she should then go to London where she has many friends," Dr Bosman said.

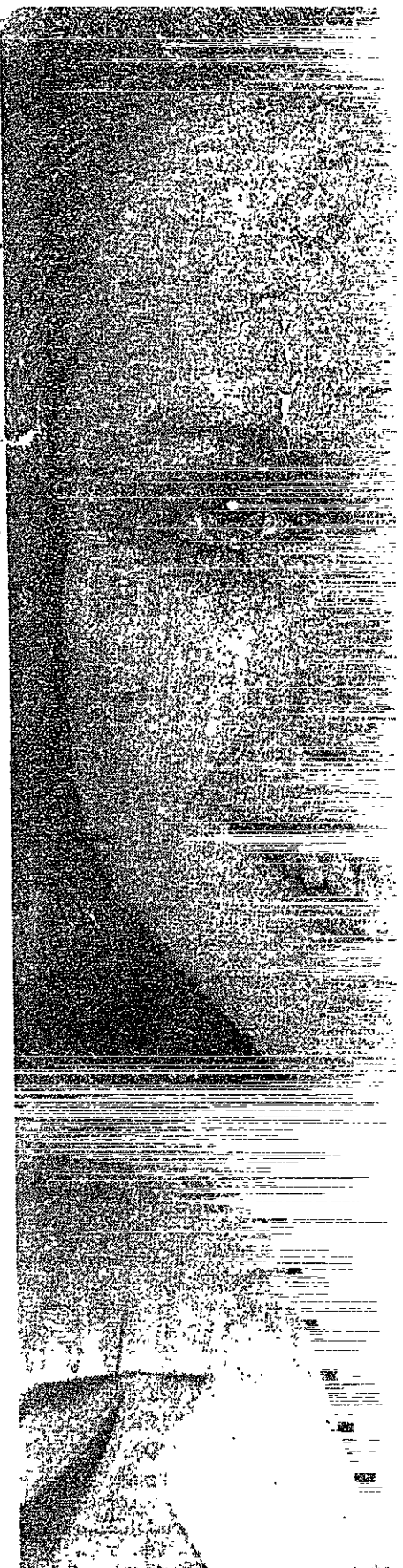
"She is presently working for a man who restores antique pianos but her first love is definitely modelling."

Dr Bosman repeated that his daughter was "not the sort of person" to have or use dagga, let alone have it sent to her.

"She's not like that. I cannot understand this," he said. "It couldn't have been for her."

"She won't touch the stuff. It makes her sick. Like all youngsters, she tried it out as a child but she has said that it makes her ill."

The plot to send dagga



Cover girl Verity Bosman — 'C

cials in London became suspicious when Miss Bosman's boyfriend went to collect a parcel for her and was unable to produce proper identification, the court heard.

Mr David Gourley, prosecuting, said that a postman went to Miss Bosman's West London home with a package from South Africa.

She was not in so he left a card instructing her to go to the local post office depot and collect it.

Mr Tacon-Thornton went to the depot three times to collect the package on her

Post Office investigated contents and dagga, worth the open 1116 The drug with a he... and then Bosman's ...

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Tainton testified that on the previous night he had taken a nutmeg nut, ground it and drank it with milk and honey after a friend said it would heal a bad skin.

Next morning he was arrested after an erratic drive through Killarney, and witnesses testified he hit a truck, a road sign, a wall and two cars.

Alcohol tests had not found any alcohol in his blood. Mr Tainton could remember very little of his journey.

Johannes Steenekamp testified that more than 5g of nutmeg can have a highly narcotic effect on the human body.

Professor A Dreyer, head of the department of pharmacology at the University of Potchefstroom, confirmed nutmeg could be dangerous.

## Blast in Fleet Street

By DAVID JACKSON  
London

A BOMB exploded in the heart of the Fleet Street Press complex last night, shattering windows and damaging a building alongside the historical former home of Dr Samuel Johnson.

First reports said no-one was injured in the explosion. The blast happened shortly after 7pm — less than 100m from the offices of the Sunday Times' London bureau.

The bomb was placed near Gough Square, outside the offices of an Arab newspaper. The square houses the offices of several news agencies, foreign correspondents and a London radio station.

Nearby areas were packed with workers delivering the first editions of Fleet Street's national Sunday newspapers.

The target of the bombers was not immediately clear. No-one has so far claimed responsibility for the blast.

The area was cordoned off by police within minutes of the blast.

# The controversial big little discount yellow card

From Page 1

from the store, where his card entitled him to a 40 percent discount.

An account shown to Pressmen by a former employee states that in one purchase in Pretoria last May, Dr de Loor bought lounge furniture priced at R2 465.93 — and received a 40 percent discount of R986.57.

A whole range of ornamental items — totalling nearly R5 000 — was shipped to Greatermans in Cape Town for Dr de Loor, but he says he purchased only a few of them.

He told the Sunday Times that he did not consider his use of the discount facility "improper" for a senior public servant, and said he shopped at Greatermans only "occasionally" because it was an expensive store.

In Pretoria, Dr de Loor said: "I was offered a card and I accepted it and I made occasional use of it over a period of 18 months to two years.

"I have several other cards from other companies, credit cards and so on. I

am also an honorary member of the Automobile Association, for which I don't pay anything.

"I didn't think it was improper. It was a card offered to various clients. I didn't apply for it.

"It was not something which one should query if it is offered to you.

"Obviously had I gone to Greatermans and asked to be included in their scheme, it would certainly be improper.

"But I don't know to whom they offered their cards and to whom they didn't offer them.

"The discount was an attractive amount, but it was still not an amount in which any loss was involved to the company.

"Greatermans is a store that has such a high mark up that even with a 40 percent discount it's some-

times cheaper to go to an ordinary store where you can get a cash discount."

Commenting on the withdrawal of his yellow card, Dr de Loor said:

"In any case, I returned it when the new management took over Greatermans."

Dr de Loor, as head of the Department of Finance, is the man ultimately responsible for details of the proposed controversial fringe benefits or "perk" tax.

In a hard-hitting speech to the Afrikaanse Sakekamer in Cape Town last week, Dr de Loor warned South Africans that an "economic winter" was coming and that the country faced two years of painful adjustment.

"Our task is to adapt to the realities of our economic position so we can live within our country's means," he said.

According to former Greatermans employees, Dr de Loor was only one of many favoured people.

The yellow-card discounts were far in excess of normal reductions allowed to Greatermans staff and shareholders.

Staff discounts were 20 percent for sales staff, and 25 percent for middle-management. Shareholders received 10 percent.

□□□

The extension of the yellow-card scheme to people who had no connection with the Greatermans group was confirmed by Mr Gordon Utian, who became managing director of the ailing empire in April after the Kirsh takeover.

"It's not the only thing that's coming out of the wood-work.

"At the moment we are withdrawing yellow-card facilities from everyone who isn't a fulltime current employee of Greatermans.

"They are the only people who will be on the yellow-card scheme in future.

"Dr de Loor must have been given his yellow card by Mr Isaac Kaye, former chairman."

Greatermans has been steeped in controversy since its takeover.

Shock after shock hit the financial community, culminating in the bombshell announcement in May that the group's retailing operation had returned a staggering attributable loss of nearly R27-million in only 13 weeks — from Jan 1 to March 27.



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# Major new Soweto move by Metcash

By Don Robertson

THE R800-million-a-year Metcash group is to make its first move into a black township with the formation of a new company, Afrimet, which will initially operate a number of wholesale cash-and-carry stores in Soweto.

The aim of the new company is to offer black traders a participation in the profits generated by wholesale operations in their areas, and, accordingly, 51% of the equity in Afrimet will be offered to traders throughout the country, with the balance held by Metcash.

Lionel Katz, chairman of Metcash, tells *Business Times* that the idea had been put to him by a number of black traders in Soweto, and that his group was assisting in all aspects of creating the new company.

A prospectus is currently being prepared, but he was not prepared to reveal further details at this stage.

The decision to go ahead with the creation of Afrimet follows the success achieved in the development of similar joint ventures with development corporations in the various homelands and adjoining states.

In some cases, these corporations have sold off a portion of their shares to

local citizens, enabling them to benefit, through participation, in the profits of the wholesale cash-and-carry stores that supply their needs.

An additional benefit will be the establishment of wholesale outlets within the black areas, thus cutting down on transport costs.

At present, Metcash has 140 outlets throughout the country doing an annual turnover in excess of R800-million, and it is estimated that about 60% of this trade is supported by blacks, who sometimes have to travel fairly long distances to obtain their wares.

The first phase in the development of Afrimet involves negotiations, which are currently taking place, with a black trader in Soweto who operates two Metcash-type wholesale outlets.

It is intended to acquire the stocks, fixtures and fittings and the lease on the two premises in Jabulani and Moroko.

As a result, the initial investments will not be large. Thereafter, it is planned to open similar outlets in black areas in other parts of the country under the Afrimet banner.

As to the workings of the company, the blacks will have proportionate representation on the board, although Metcash will retain management control.

From initial reaction, Mr Katz is "very confident" that the response to the offer will be favourable and that 51% of the equity will be subscribed for.

However, should this not occur, contingency plans are in hand to finance the operation, while still leaving blacks with the majority shareholding.

Mr Katz estimates that there are about 18 000 black traders in South Africa and around 650 in Soweto alone, 75% of whom deal on a regular basis with Metcash.

Accordingly, Metcash's motives in setting up Afrimet might be seen as being a little more than merely moral.

Certainly, if it can win the support of a larger percentage of black traders through a feeling of belonging, it will be to its own advantage.

But, in return, Metcash is prepared to offer advice on retailing methods and product display as well as to promote the stores which support it, as it does through its Lucky 7 promotional campaign, which has an annual budget of just under R2-million.



# Booksellers worry <sup>S. Express</sup> <sup>1/8/82</sup> (30) over soaring costs

BOOK prices will go up 20% this week as booksellers battle to cope with the double-edged effects of the recent 10% import surcharge and the declining value of the rand.

A paperback that cost R4 a year ago is now R7. The price of a hardcover novel has risen from R14 a year ago to R22 today. Last year books for a first year Bachelor of Arts student cost R240 — now students have to budget for at least R350.

John Gallon of Bookwise warned that if the rand declined further against the dollar many booksellers would stop US book imports because of their cost — and British imports would have to be cut if the rand fell to R2,20 against the pound by the end of the year.

Foreign newspapers and magazines are also costing more. An airmailed copy of the British Sunday Observer now costs a R4,10 while magazines that previously cost R2,95 now sell for R3,25.

"That was the price of a paperback novel six months ago," Mr Gallon said.

Book prices have risen almost 50% since the introduction in April of a 10% import surcharge. Sellers are preparing for a confrontation with the Government over rocketing book prices — they blame the surcharge.

South Africa is the only country with a 10% import surcharge and the only country that taxes books. About 80% of all books sold in South Africa are imported from either Brit-

By CHARLENE BELTRAMO

ain or the United States and most of these are educational textbooks.

Mr Harry Fagan, president of the Book Sellers' Association, said that members were planning a national committee to lobby against the effects of the General Sales Tax and the surcharge on books.

The Director-General of Commerce and Industries, Dr P A du Plessis, admitted the department "did not investigate the merits of respective commodities or make any analysis of the effects of the surcharge before imposing it."

Dr L W A Nel, a director at the department, asked: "Why must educational books be made an exception?"

"Educational subsidisation in South Africa is high and although the tax on books increases educational costs and those of subsidisation, there are many similar measures that are counter-productive and uneconomic when looked at from a national point of view."

Booksellers say the surcharge has had a ripple effect as the middleman's costs, added to the 10%, make the real increase to the consumer far higher.

Sales in most book outlets are down by at least 10%.

# Court order on Cheslers

ARGUS  
2/8/82

30

CHESLERS Super Stores furniture and appliance chain was placed in provisional liquidation following the granting of a Supreme Court order on Friday.

Granted by the Judge President, Mr Justice Munnik, the application was brought by SJC Furniture Stores (Pty) Ltd, which trades as Cheslers Super Stores. An associate company, Chesler Hi-Fi Stores, was not affected.

In an affidavit Mr Lewis Chesler, managing director of the company, said that, apart from rentals, Cheslers Super Stores owed R470 000, with another R80 000 owed to loan creditors. He submitted that the company was unable to pay its debts.

### MORE JUST

The belief in the company was that it could no longer trade in the present economic climate and that it would be "more just and equitable" that the company be wound up.

Liabilities totalling R2 370 000 were listed in the affidavit and included R95 000 owed to Ned Bank, R75 000 owed to Barclays Bank, trade creditors of R2 000 000 and secured creditors of R200 000.

Assets totalling R1 900 000 were made up of stock R550 000, hire purchase debtors R500 000, open account debtors R200 000, fixed assets R50 000, and inter-company loans of R600 000.

Mr Chesler said the company had traded suc-

cessfully until December last year, with turnover improving from R100 000 to R500 000 following the opening of branches at Bellville and Wynberg. No cash flow problems were experienced.

During 1982, however, although creditors began to apply shorter credit terms and overdraft limits were not extended, no company cheques had to be extended or stopped.

During July, however, one of the company's creditors, Katz International Corporation, expressed concern about the amount of indebtedness and, after discussions, insisted that substantial amounts of goods supplied to Cheslers be returned.

### TOTAL DEBT

Katz also indicated that if no satisfactory arrangements for repayment of the debt were made, it would institute action against Cheslers.

The indebtedness to Katz International Corporation exceeds R300 000. Other trade creditors include Barlows, South African Television, Philips and Wood World, a total debt of about R150 000.

Total overheads at the three branches totalled R70 000 a month, and the average gross profit amounted to about R69 000 a month.

Mr Chesler said these figures indicated that the company was experiencing a small monthly loss of about R1 000, which reinforced the view that it was unable to pay its creditors.

Mr G D van Schalkwyk, instructed by Mr J Volks of Friedlander, Kleinman and Shandling, appeared for SJC Furniture Stores.

IN BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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### WARNING

- No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
- Candidates are not to communicate with other candidates or with any person except the invigilator.
- No part of an answer book is to be torn out.
- All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

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- Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
- Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

# De Loor card may have broken rules

Star 5/8/82

30

## Pretoria Bureau

The Director-General of the Department of Finance, Dr J. o. o. p. de Loor, may have contravened public service regulations by keeping and using a discount card.

The card entitled Dr de Loor to 40 percent price cuts at Greatermans.

It was reported in a Sunday newspaper that Dr de Loor had been given a discount card by the Greatermans group before the company changed hands.

It is believed he received discounts worth more than R900 on purchases at the store in Pretoria last May.

Public service regulations stipulate that no officer or employee shall accept without the permission of the head of a department, or in the case of the head of a department, without the permission of the Minister or Administrator, a gift, pecuniary or otherwise, offered to him by a member of the public by reason of his occupying or having occupied a particular office or post in the public service.

Dr de Loor refused to comment on the discount card when approached by The Star this week.

He was quoted in Sunday's report as saying he did not think it was improper of him to have accepted the card because he did not apply for it and similar cards were offered to other Greatermans clients.

Dr de Loor was also quoted as having said he had several cards from other companies.

He returned his Greatermans card when

asked to do so some months ago.

The only person in a position to clarify the situation, the Minister of Finance, Mr Owen Horwood, has been unavailable for three days.

Under normal circumstances, a civil servant, including heads of department, face an inquiry and possible suspension if misconduct is suspected.

In terms of the Public Service Act 54 of 1957, if a head of department is accused of misconduct, the Minister of that department may report the matter to the Head of State, who may direct the Minister to charge the official with misconduct.

The civil servants charged with misconduct may be suspended from duty and may have to forgo salary during the time of suspension.

If found guilty of misconduct, the official could be fined, transferred to another post, have his salary or grade or both reduced, be discharged or called on to resign from the public service.

## SMALL BUSINESS

### Boost from the bank

(30) FM 6/8/82  
Standard Bank is offering a life belt to small businessmen struggling to stay afloat during the downturn with its new Performance Improvement Programme (PIP), designed to encourage sound business practices.

For a small fee the bank will supply monthly reports on 16 of the most important areas of company performance. Data collection is made simple by getting participants to complete colour-coded information sheets.

The bank supplies information on the average performance of all companies in the appropriate sector; the highest and lowest performance in the sector; the percentage change each month; and a general comment on economic indicators.

For an additional fee, the bank comments on the company's own performance. "Small businessmen are often woefully ignorant of proper business practices," says John Holloway, GM of Standard's Business Development Division.

The importance of SA's 70 000-strong small business sector prompted the Standard Bank to set up the Small Businesses Development and Advisory Department (SBDAD) last year to provide financial and support facilities. It usually limits its support to businesses with net assets less than R150 000.

Holloway says: "Essentially what we are doing can be compared to fishing. In the past we fished with a net that had a large mesh to catch the big fish, but now we have narrowed the mesh to catch the smaller ones too."

"Banks have traditionally ignored small businesses because they are unable to furnish detailed information which can be used to assess their viability."

He stresses that the financial assistance and advisory sections are kept separate to ensure there is no conflict of interest.

The SBDAD has negotiated 250 loans and has been involved in 50 in-depth

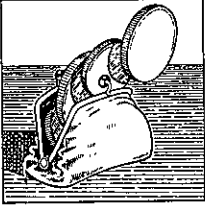
consultancies.

It has a loan scheme of its own and gives clients access to a bank guarantee scheme. It also arranges loans through Stannic or normal banking channels.

The bank helps businessmen of all races. However, Holloway says: "If SA is going to get anywhere politically we've got to develop a black middle class — helping small businesses is a good way of doing that."

# Too brisk, too long?

FM 6/8/82 (30)



Walk down almost any fashionable shopping mall or CBD retail cluster on the Reef these days and feel something of the vibrant bargaining of an Eastern souke.

Windows are colourfully festooned with sale offers: bargain counters are upfront if not out of doors. And shopping is brisk as a steady crowd of buyers flows past.

Of course, at this time of year winter sales are normal. However, there are some differences.

First, sale prices appear to be lower than usual. Half-price sales are not a regular annual feature.

Second, there appear to be more bargain hunters in evidence, buying discriminately and with next winter in mind. There appears to be little indication yet that shoppers are feeling a recessionary crunch.

So it is hardly surprising that the question uppermost in the minds of many shopkeepers and their customers is — what does this indicate for the future?

Are prices plunging? Or are upfront loss leaders masking a still buoyant pace of household consumption? Or are storekeepers locked in a battle for market share? Or do consumers have fewer rands?

As far as the *FM* can ascertain from

shopkeepers nationwide, there are a number of influences coming to bear. There are also some regional differences.

By and large there has been some reduction in demand, especially on the Reef. Garlick's Cape-based MD John Garlick says in Cape Town, however, sales are not being given any unusual impetus. "Possibly there is a little more accent on winter merchandise after a mild season."

Additional emphasis in Johannesburg on sales, he felt, could be partly explained by major clearances in stores such as John Orr's and Greatermans. This would have left some stores with larger inventories than they expected.

Frasers' MD Donald Campbell also feels that a mild winter had something to do with sales. But he places more emphasis on misjudgments over inventory stocking.

"Don't forget," he warns, "buying for this winter was done last winter, when the outlook appeared very different. There was overstocking in preparation for increases in sales that have not occurred."

He says sales held up well until the end of June. His stores were on target up to then. But subsequently in July there was a sharp fall-off.

In common with most store executives, both Garlick and Campbell point to the unexpectedly high cost of financing inventories at present. This has tended to magnify the cost of badly misjudged stock-

ing levels.

Pick 'n Pay chairman Raymond Ackerman says there is no question but that those who failed to take action on inventories last year are paying heavily. Few can afford to finance excessive stocks at the present level of interest rates.

Clearly, those who stocked up in the expectation that last year's growth in consumer spending would continue, have had to sell fast and furiously.

Ackerman makes the point, too, that with interest rates at high levels there is a very high opportunity cost in keeping store shelves well stocked. For returns are very high on surplus cash invested in the money market.

"Even companies 'free' on stocks like ours, which don't have credit operations and are not strapped for cash, are keeping stocks to a minimum for that reason," he says.

Ackerman does not believe that retail sales indicate any battles for market shares. Rather they are part of a battle to maintain budgeted turnover.

"If your breakeven turnover is R600 000 and you achieve only that figure, you don't make a profit. If you achieve R700 000, your profit is roughly 10% of the extra R100 000," he explains.

As far as sales are concerned, he says Pick 'n Pay food sales are still buoyant, but there has been a distinct slackening in

# Buyer hits fresh produce market agents' attitude

30 7/8/82 E. Post

By WAYNE ASHER

AGENTS at the Port Elizabeth fresh produce market are "losing valuable business because of their attitude towards the buyers".

Mr Phidias Efstratiou, one of the major buyers from the market and the buyers' representative on the Market Advisory Committee, said this week that although the market had some disadvantages, people had learnt to live with it.

"But business is being lost because some of the agents have a take-it-or-leave-it attitude."

Mr Efstratiou, who is the owner of Banana Supplies (EL) in North End, said Port Elizabeth's performance was very poor compared with East London's.

"East London showed an increase in turnover of 40% over the last year after acquiring the services of one agent who took a lot of trouble to get business."

Mr J H D McKenzie, the Director of Markets for Port Elizabeth, said Port Elizabeth's turnover from June last year to June this year had increased by 15.5%.

Mr Efstratiou said this was far lower than East London's.

"East London has identical conditions to Port Elizabeth, the market is just as far out of town and the road there is certainly much worse," he said.

"The municipality could also show more interest. A representative from the municipality should pay

visits to buyers and find out if they are satisfied with conditions at the market.

"It is a pity there are these problems because a lot of money has been spent on this market and it has some of the best facilities in the country."

A spokesman for another large food chain buying from the market said he supported Mt Efstratiou's views.

"Although we buy from the municipal market, we like to buy direct, firstly because is convenient, and secondly because the farmers give us a far more reasonable price than the agents are prepared to offer.

"And at the market, business is very much in the hands of the agents because

they hold all the trump cards. They can boycott you by holding out for a better price. Then they hold out for too long, the produce deteriorates and they let it go for a ridiculous price.

"He has got you in the palm of his hands and if he wants to talk to you, he'll talk to you and if he doesn't want to, he won't.

"They can pitch the price where they want to."

Mr McKenzie said the agents fell under his control and the best he could do was to try to motivate them to produce better results.

"In the past when we have received complaints about the agents we have approached and reprimanded them," he said.

"Mr Efstratiou is now the representative of the buy-

ers on the Market Advisory Committee and he is prepared to voice his opinions. The person we had before did very little in this way.

"There are certainly some of the agents and their salesmen who have the wrong attitude towards buyers. Within the next few weeks, I will meet with both the agents and some of the buyers and the thrash the matter out."

Mr Ray Murray, chief buyer for the East Cape Pick 'n Pay supermarket chain, which also supports the Port Elizabeth market, said this week that he could not comment on the agents as such but his company would go as far as Johannesburg or Cape Town to get their supplies if Port Elizabeth could not provide the service they needed.

# Storm in a tankard

By CAS SLEGER  
A FIERCE row is brewing over the Competition Board's recommendation that beer be sold in supermarkets.

Hoteliers and bottlestore owners are foaming at the mouth at the suggestion in the board's report, tabled recently in Parliament, which would result in the alcoholic beverage being as freely available and as convenient to purchase as orange juice.

At the head of the ferment is Dr Wyrand Pretorius, president of the Federated Hotel Association of Southern Africa (Fedhasa), which represents hoteliers and bottlestore owners throughout the country.

Fedhasa and its 2 000 members were unanimous, said Dr Pretorius, in agreeing that supermarket sales of beer would not be in the interests of society. But his arguments have been heavily disputed by the Housewives League and a supermarket spokesman.

**Who will suffer if beer is sold in supermarkets?**

Dr Pretorius said beer sales from supermarkets would:

- Lead to increased alcoholism among housewives and teenagers; and
- Result in a loss of sales to liquor outlets of up to 70 percent.

## Loss-leader

Supermarkets had adopted the policy of using wine as a loss-leader, he said, which had resulted in losses of wine sales to bottlestores as high as 70 percent. Even higher losses could be expected on beer sales if supermarkets followed a similar loss-leader policy on cutting beer prices.

Ten years ago, only one in 10 women was an alcoholic, today the figure was three in 10, said Dr Pretorius.

It was a misconception and an irresponsible argument, he added, to speak of beer and wine as being "softer" beverages than a drink such as brandy. A drinker consumed a tot of brandy, a glass of wine or a "pint" of beer. The actual alcohol consumed was similar in each case.

Beer a potentially dangerous substance which could become addictive, must be marketed in an orderly, controlled fashion through liquor outlets.

## Stigma

"There is still a stigma," he said, "in the housewife walking into a bottlestore and buying liquor."

"But now, when she is buying her groceries, she can slip a bottle of wine (or a six-pack of dumplings) into her supermarket trolley."

This situation was likely to lead to increased alcohol consumption among teenagers, too, according to Dr Pretorius.

**The 'alcoholic wives' or the liquor outlets?**

Said Mrs Yvonne Forshaw, vice-president of the Housewives' League: "I am amazed at the suggestion that three out of 10 of our members are alcoholics!"

Although the league had not yet discussed the report, Mrs Forshaw felt that the Competition Board should possibly have examined the problem closer to its source: the breweries.

As far as the housewife's presence in a bottlestore was concerned, she commented: "Do you have to have a husband to drink?"

Hotels and bottlestores had already proved their failure to control the system,

as youngsters did obtain alcohol. There was little danger in the supermarket situation, she said, as long as there was control on the checkout points.

"It's poppycock! They're like a lot of adolescents!" said Mr Vaughan Johnson, liquor buyer for a major supermarket chain in reaction to Fedhasa's standpoint.

## Promoted

The Competition Board report confirmed recommendations made by the Milton Commission in 1960 that the consumption of low alcoholic beverages such as wine and beer should be promoted in preference to spirits, said Mr Johnson.

Wine licences had been granted to growers in that year and supermarkets had been very successful in promoting the "moderate consumption of natural wine".

"I see no reason why the same should not apply to beer as it is also a light beverage consumed alongside food," said Mr Johnson.







# Soweto boss lashes out at negative news reports

Sowetan  
10/8/82

KRAAI: Up in arms

THE CHAIRMAN of the Greater Soweto Chamber of Commerce and Industry yesterday lashed out at newspaper reports that his chamber's membership had dwindled from 500 to 36.

Mr Veli-Kraai, who at the weekend retained his chairmanship together with his entire executive, told **The SOWETAN** that the rumour being spread about the organisation was the work of few dissidents who wanted to destroy the organisation.

'I challenge these people, who are waging a personal vendetta against me, to go and check the records of the chamber's membership with the treasurer in order to prove themselves wrong.

'These five or six dissidents will be surprised to find that, since the bad publicity on the organisation, we have instead had about 200 traders coming to renew their membership,' he said.

He said that it was a pity that some members had been misled into joining a rival organisation formed by the Diepmeadow traders.

They were planning to meet with the rival's executive in order to sort out the misunderstanding. He believed that, once they saw the green light, they would realise their allegiance should be given to one organisation.

Mr Kraai said he had many projects for the good of the chamber for the coming 18 months of his chairmanship, in mind.

These include acquiring a field worker who will organise traders in the whole of Soweto; starting a magazine to communicate with local traders and organising an annual show along the lines of the Rand Easter Show.

The re-elected office bearers are Mr Kraai (chairman), Mr J M Khumalo (vice-chairman), Mr Pat Mbatia (secretary), Mr R Ramushu (assistant secretary) and Mr B O Sibeko (treasurer).

# Haulage is coal's costly problem

**Question:** Many consumers are unhappy with the minimum order requirement of ten 70 kg bags. Why was this system introduced?

**Answer:** It is purely a matter of transport economics. The fewer "drops" or deliveries we make in an area, the cheaper it becomes to run the service.

For this reason the further householders live from the centre of Johannesburg the higher the minimum order becomes. There are four zones with minimum orders of 10, 12, 15 and 20 bags.

**Question:** Consumers who do not want coal and anthracite in such large quantities have no choice but to buy 40 kg or 20 kg bags, which are proportionately more expensive. Why is there such a price difference?

**Answer:** The 40 kg and 20 kg quantities are packed in non-returnable plastic bags. These are much more expensive than the 70 kg hessian sacks, which we use over and over again.

We have dropped the price of the 20 kg pack of anthracite from R2.95 to R2.48 to encourage sales, as we were not meeting our initial target.

The price of the 40 kg pack went up from

**MacPhail Ltd, sole distributor of domestic coal and anthracite on the Witwatersrand, has recently been the target of complaints about late deliveries and inferior quality fuel. CAROLINE BRAUN spoke to Mr Paul McNaughton, the company's marketing director, about problems consumers have experienced this year.**

R3,74 to R4 last month to cover an increase in the cost of plastic bags. The price of the 70 kg bag of anthracite remains at R6,20.

Anthracite is not price controlled, but the Price Controller keeps an eye on it to ensure it does not become excessive. Coal is controlled. The current coal prices are R2,86 for 70 kg, R1,83 for 40 kg and R1,56 for 20 kg.

**Question:** Does MacPhail have the monopoly of the consumer coal and anthracite market

**Answer:** Yes, but only because no other merchant wants to enter the bag trade. It is a difficult labour-intensive operation, with high overhead costs and no profit

margin.

The bag trade comprises 30 percent of our business, and of that only 7,5 percent is the domestic consumer market. Because household deliveries are such a tiny part of our operations, and because they run at a loss, we do the consumer a service by undertaking them.

Most of our business is bulk coal deliveries to industry. In this field there is competition between various merchants.

**Question:** The Triton Group, the holding company of MacPhail, was recently placed under liquidation. How will this affect consumers?

**Answer:** It will be business as usual for



us. The fact that ownership of our company is set to change hands will have no detrimental effect on the distribution of coal and anthracite to consumers and industry.

**Question:** There were scores of complaints about non-delivery or late delivery of orders at the beginning of winter.

**Answer:** The main reason for the complaints was that we were flooded with orders after advertising a special offer.

Consumers placing orders now have the fuel delivered within about two weeks.

**Question:** Many consumers complained about bad quality coal and anthracite. The bags contained large

quantities of dust which clogged heaters and dirtied homes. Has the quality been inferior this year?

**Answer:** No. We have had a number of suppliers from which to choose this year, and we have insisted that the fuel measures up to strict quality specifications.

Dust — or duff — is an unavoidable problem, especially with anthracite, which is very brittle.

If this duff were screened out, prices would have to be increased to compensate for the loss of yield.

**Question:** What plans do you have to improve service?

**Answer:** We are looking at ways to improve customer liaison and to streamline the handling and solving of complaints.

The main stumbling block to providing a really efficient consumer service is lack of funds. Because we make no profit from domestic deliveries, it is not worth our while spending large amounts of money improving the service. If the Price Controller increased the price of coal to a realistic level, we would be prepared to invest in a computer system which would streamline operations.

## NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

## WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**





a dozen

# Egg price slashed to 25 cents

CAVE TIMES 12/18/82

30

By DI ALMON

A HYPERMARKET yesterday slashed the price of its eggs to 25 cents a dozen — an all-time low in the current Western Cape egg-price war which started last Friday.

The announcement by a Brackenfell hypermarket that it would be selling eggs at 25 cents a dozen today came just when a

casaffre appeared to have been called by the major Western Cape supermarkets yesterday with the price at 45 cents a dozen.

It is the second time this week that egg prices have dropped by more than half that of the previous day's average price.

Eggs were sold out in many supermarkets in Cape Town yesterday with

sales up by more than 600 percent in some cases. The unusually high sales were beginning to put pressure on suppliers who for the first time this week were battling to keep up with demand.

The drastic price cuts on large eggs, the most popular size, follow a publicity at an announcement by the Egg Control Board that surplus eggs

would be exported at a 33-cent loss.

Spokesmen for OK Bazaars, Pick 'n Pay, Checkers and Grand Bazaars harshly criticized the Egg Board's marketing methods, saying their own sales had clearly shown that the most effective way to get rid of a surplus was to drop the price. They were confident that this had been done and expected

the price war to tail off by the weekend.

Sharp criticism was levelled at the Egg Control Board by independent egg-producers and by the organizing secretary of the Peninsula School Feeding Association, Mr Norman Freeman, whose organization supplies 111 000 eggs to children at 53 Peninsula schools every month.

Mr Freeman said he was outraged at the Egg Board's statement on TV last week that they could not supply eggs to charity organizations because they would find their way back to the market place.

"There is just no way this could happen. We receive the eggs hard-boiled from a supplier. It would be far more advisable for

the board to feed surplus eggs into nutritional ventures and help build up an economically viable work force than export surplus eggs at a loss."

Mr Freeman said he was "disgusted" at the board's decision to pump more than R1m into an advertising campaign to encourage people to eat more eggs when the money

could be used in more beneficial ways.

Some of the independent egg-producers claim they were forced into a price war that they did not want.

"The price war was started by the management of the Egg Control Board who took it upon themselves to make stupid statements on television about a surplus," said Mr Gigi Passerini of Windmeul Eierboere in Paarl. He said they had never had an egg surplus. Independent egg-producers were badly hit by a price war in which they had to sell eggs at less than half-price. This was not the case with the egg-producing companies owned by the big milling companies, Bokomo, Premier and Tiger.

ADVICE TO WIVES:

# Keep a Record

12/8/82

South African women have many more legal rights than they are aware of, and if they asserted themselves a little more and learnt about the laws that affect them, they would be a great deal better off than some are now.

This is the forthright view of Francis Bosman, new editor of the South African Attorneys' Journal, De Rebus, and a former professor of law at the University of South Africa.

Mrs Bosman, who is often asked to address women's groups in Pretoria on the subject of their legal rights, said: "You can't expect the law to protect the private rights of the individual if this protection is simply to protect their ignorance."

"I had asked her to comment on the fact that so many women sign ante-nuptial contracts which at the end of a marriage mean they can be left with very little, and in some instances no property. My interest in her was aroused by an editorial she wrote in the latest (July) issue of De Rebus in which she commented on the report of the South African Law Commission on matrimonial property law.

"If women marry out of a community of property and exclude an accrual system (under the latter the joint assets of a marriage are shared at the end of it) they have only themselves to blame if

Widowed married with an ante-nuptial contract have only themselves to blame if they don't keep a record of what they have bought and spent, and find themselves left with nothing on divorce, says a law journal editor, Francis Bosman. (SUE GARRETT reports.)

they don't keep a record of what they have bought and spent," said Mrs Bosman.

Such a record would enable them at the end of a marriage to prove what was legally theirs.

"It is the lack of discipline in not keeping a record of their affairs that causes difficulty with regard to legal proof," she said.

Mrs Bosman has her own cheque book and her own savings account and she keeps all her old cheques, so she will have no problem in proving what she owns.

## Rights

Her personal view is that women should be mature enough and so educated about their rights that they do not sign anti-nuptial contracts which are disadvantageous to them.

"Before women can say they are truly liberated, they should know their rights to the extent that they can enforce them," she asserted.

In her De Rebus editorial Mrs Bosman writes that the proposed Matrimonial Property Bill, which was recently tabled in Parliament and is the subject of nation-wide discussion, "has elicited

sharp criticism. "The criticism was mainly directed at the fact that, in terms of the Bill, the proposed accrual system will not be the automatic matrimonial property regime for all future marriages and that the proposed abolition of the marital power will not be retrospective."

"These criticisms do not seem to be well founded," she writes, and goes on to congratulate the commission on its "enlightened and well-considered proposals."

She told me: "I can understand the Law Commission's caution in not making the accrual system the automatic system.

"It has not been sufficiently tested in practice in South Africa and there is so much at stake that the law should operate with caution.

"Change should be evolutionary and not revolutionary."

She suggested that people who married before the Bill became law would be wise to enter into an ante-nuptial contract reflecting the provisions of the accrual system as embodied in the Bill. On the subject of abolishing the marital

power in all existing as well as future marriages she had this to say: "It would infringe the principle of freedom of contract."

She suggested the problem could be overcome if the legislature introduced a simple and relatively inexpensive legal procedure to give legal procedure to those married before the community of property to agree to accept the new system of shared powers of administration.

She then pulled out a particularly undisturbed volume of law to show

me that women have more rights under present law than they realise.

"Those married subject to the marital power can open bank accounts in their name, but they cannot overdraw, unless the husband assists," she said.

"And they can open accounts (for household necessities only) without their husband's signature too."

She pointed out that if business people humiliated a woman by refusing to let her carry out such transaction,



When he should take her business, else where."

"It is often the trade practice and not the law that discriminates," Mrs Bosman emphasised.



# The great black business takeover

Star 12/18/82  
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Black women are entering commerce at an ever-increasing rate and today about 70 percent of small black businesses are run by women.

Statistics from the Department of Manpower show that in 1969 there were 3 728 black women in sales and related positions.

By 1979 the figure had increased six fold to 23 901.

The number of black women holding executive and administrative positions increased 20-fold during the same time-span from 20 to 444.

## Courses

The growing strength of black women in the labour force is reflected in the number who enrol for business courses.

At the University of South Africa (Unisa) School of Business there are three business management courses: the small business management programme; the personnel management programme; the master of business leadership.

Only 2 percent of the students attending these courses are white women while 15 percent are black women, says Mrs Triuda Prekel senior lecturer at the Unisa School of Business.

In the last three business courses held by the National African Federated Chamber of Commerce (Nafcoc) for blacks in different parts of the country more than half the students were on average women.

Mrs Prekel attributes the increase of black women in business to improvements in the education system.

"There are more black women with matric and degrees than 10 years ago," she says, "so there are more women capable of clerical or

By Jean Hey

"And the skilled labour shortage in South Africa is forcing employers to overcome their prejudices of race and sex."

White women are less free to enter business than their black counterparts, claims Mrs Prekel.

"Black women grow up assuming they will work most of their lives," she says.

There is no stigma attached to having a wife who works. It is not an affront to the husband's masculinity the way it is in the white community.

In the black community there is also the tradition that grandparents look after the children, leaving the mother to work."

Three-quarters of small black businesses are run by women, says Nafcoc treasurer Mr Simon Kutumela.

## Shops

Most are family concerns which the wife runs while her husband works in the city, although more and more women are now running their own shops.

Mrs Agnus Moncho, mother of six, is one such woman who took over the running of her husband's general dealer store after he died and then expanded her business to include a garage.

"Women are becoming important breadwinners," she says.

"Our maternal instinct draws us to business. We want to provide as best we can for our families."

Nafcoc runs six different entrepreneur training courses catering for businessmen and women at various levels.

Interested people should telephone Mr M Maahlo, Nafcoc's education and training manager. Johannesburg

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Fm 15/8/82

# JULY VEHICLE SALES

## CARS

	1982 Jul	% of Market	1982 Jan to Jul	% of Market	1981 Jan to Jul	% of Market
Toyota .....	5 697	22,24	34 566	19,72	24 047	13,87
Sigma .....	5 497	21,46	31 384	17,90	30 622	17,66
Ford .....	3 147	12,28	27 275	15,56	26 343	15,19
VW .....	3 008	11,74	25 357	14,46	32 360	18,66
Datsun .....	2 046	7,99	15 208	8,68	18 583	10,72
GM .....	1 941	7,58	13 712	7,82	19 606	11,31
UCDD .....	1 713	6,69	9 797	5,59	5 804	3,35
BMW .....	1 404	5,48	8 909	5,08	7 682	4,43
Alfa .....	644	2,51	5 141	2,93	4 979	2,87
Leyland .....	505	1,97	3 843	2,19	3 167	1,83
Other .....	17	0,07	117	0,07	194	0,11
July total .....	25 619 (6,45% down on 27 384 last year)					
Jan-Jul total .....	175 309 (1,11% up on 173 387 last year)					
June total .....	28 507					

## COMMERCIALS

	1982 Jul	% of Market	1982 Jan to Jul	% of Market	1981 Jan to Jul	% of Market
Toyota .....	3 528	30,17	23 045	26,49	26 006	30,74
Datsun .....	3 063	26,20	22 860	26,28	19 517	23,07
GM .....	1 410	12,06	9 487	10,91	9 677	11,44
Ford .....	981	8,39	9 625	11,06	9 777	11,56
VW .....	825	7,06	7 208	8,29	4 466	5,28
Sigma .....	764	6,53	6 793	7,81	6 991	8,26
UCDD .....	460	3,93	3 271	3,76	3 027	3,58
Leyland .....	290	2,48	1 806	2,08	1 899	2,28
MAN .....	100	0,86	571	0,66	634	0,75
Int Harvester .....	54	0,46	555	0,64	593	0,70
Alfa .....	77	0,66	857	0,99	1 085	1,28
Oshkosh .....	48	0,41	198	0,23	187	0,22
Vetsak .....	34	0,29	218	0,25	292	0,35
Malcomess Scania .....	23	0,20	168	0,19	148	0,18
ERF .....	19	0,16	186	0,21	157	0,19
Fodens .....	10	0,09	87	0,10	74	0,09
Magirus-Deutz .....	7	0,06	53	0,06	54	0,06
VSA .....	—	—	11	0,01	15	0,02
July total .....	11 693 (19,96% down on 14 608 last year)					
Jan-Jul total .....	86 999 (2,84% up on 84 599 last year)					
June total .....	13 387					



## HOMELANDS TRADING

### 'No-go zone'

30 ~~13~~ Fm 13/8/82  
Government is to be asked to scrap restrictions imposed on trading within a 5 km radius of national states or independent homelands. A motion to this effect was passed at a meeting of the Natal Regional Chambers of Commerce. The matter will now be raised with government through Assocom.

Attention was first drawn to the new regulations in a directive from the PM's Office published late last year. From the outset, the business community protested vigorously. It said they were impractical, unworkable and a contradiction of the free enterprise system. Government, on the other hand, contended that the regulations were necessary to protect traders in the national states.

In a background document in support of its motion, the Durban chamber of Commerce claimed that the regulations had far-reaching implications and were detrimental to SA. It questioned whether the regulations would have the desired effect of protecting the economies of the neighbouring states or whether such protection was necessary.

Natal, the smallest province, would be particularly affected. It was pointed out that no point in the province was further than 16 km away from the border of KwaZulu. Much of Durban and the surrounding metropolitan area adjoined KwaZulu. Further, the chamber said, there was nothing in the restrictions to stop entrepreneurs in the black states from setting up a business that would draw custom away from white SA.

#### More free for some

Casinos, which are illegal in SA, were a case in point: "The end result could be that the free enterprise system could become more free in the black states than in SA."

The chamber is also unhappy about the "unacceptable amount of red tape" would-be entrepreneurs would face and claimed that giving the black states the final say on applications amounted to an "unwarranted compromise of the sovereign rights and powers of the Republic." In calling for the removal of the regulations, chamber vice president Sandy Morrison said they created the impression that government planners did not think intelligently about Natal when they planned.

# Managers' permits: Blitz not expected

ARGUS  
16/2/82  
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FIRMS in the Western Cape need not fear a "blitz" on coloured managers working without permits in the immediate future, but it is still not clear whether the Government intends to begin strictly enforcing Group Areas Act regulations, which have been almost ignored for some years, compelling black managers in white business districts to obtain permits.

The "forgotten" regulations made the headlines last week when it was disclosed that about 15 coloured managers in the Paarl business district were being "investigated" by the Department of Community Development and faced the possibility of losing their jobs because they did not have the required permits.

## IGNORED

This gave rise to concern among other firms in Cape Town and the Western Cape that the department was about to institute a "blitz" on black managers.

According to the director of the Cape Town Chamber of Commerce, Mr Brian McLeod, the regulations had been ignored by the department for some years. The Government had indicated its willingness to change the regulations by accepting in 1979 a recommendation of the Riekert commission to the effect that they should be amended.

The regulations still stand and the law has

suddenly reared its head in Paarl. Mr Frank Gerber regional representative for the department in the Western Cape, told The Argus that investigations were being carried out in Paarl merely because "certain representations" had been received.

Asked whether this was the start of a "blitz" in the Western Cape he said he could not foretell what would happen in future.

## AWAITED

He would have to await the reports of the investigators before deciding what was to be done about the situation.

One coloured manager in Paarl, Mr Raymond Jagers, said he believed the investigation was instigated by local residents who had complained, and said he found their objections hard to understand.

"I have been here for two years and have enjoyed extending the hand of friendship to all my customers. I have never found anyone personally objecting to my managing the shop," he said.

He had not known that he had to have a permit to manage the shop until he was visited by a Department of Community Development official last week.

The official, who was "very kind", told Mr Jagers there had been certain complaints and he was conducting a survey.

CAPE TIMES 18/8/82

# Colour barriers inhibit growth'

Staff Reporter

MORE members of the labour force would have been able to contribute to the growth of the economy if discriminatory measures had been absent in South Africa, Professor J L Sadie of the University of Stellenbosch, said yesterday.

Professor Sadie, a professor of economics, was giving evidence before the President's Council's Committee for Economic Affairs.

He said among the most inhibiting were measures protecting white workers. This made it difficult for other groups to progress and hampered them from moving up to management and executive positions.

Although many discriminatory measures had been abolished, they were still practised, particularly in the central business district, Professor Sadie said.

## 'Will benefit all'

"It is difficult for other groups to participate in the central business district. If they could participate and use it as a learning experience, it would be beneficial to all."

In answer to a question, he said the black population appeared to be supporters of the capitalist system and were still prepared to accept the benefits of the system.

But the "new black entrepreneur" needed the liberating influence of the urban community. One would therefore have to look to Guguletu and Soweto to find him, as this could not come about in the rural areas.

# Small man in trade is facing battle

By David Braun

The quality of applications received by the Small Business Development Corporation has fallen in recent months, says the managing director, Dr W B Vosloo.

"It is clear that the small man is battling in the present economic climate. That also explains the high percentage of applications for loans we turn down," he told a media meeting at the release of the SBDC's first annual report yesterday.

## GRANTED

In the 14 months ending March the SBDC granted 18 percent of all the financing applications received. A total of 1261 loan applications amounting to R94 million were handled. Of these, 188 applications totalling R11.2 million were granted.

Dr Vosloo said that the main reasons for turning away so many applications included:

- Applicants had not done their homework. They did not have a clear idea of what was involved in running their own businesses.

- People could not provide the necessary supporting financial statements, including balance sheet and cash flow. The SBDC wanted to know if an applicant could repay his loan and could afford the interest on his loan.

- Applicants could

not put up their share of the capital. The SBDC believed people should also put their own capital on the line.

"When we started we got many applications from people who thought they could come to us, put their case to us and then walk away with pots and pans full of our money. It doesn't work that way."

Dr Vosloo said that the SBDC also did not like to finance projects which could be financed by other institutions. If a person could not get a bank to finance his venture, and it was a viable proposition then the SBDC would be interested.

"We believe our role is to complement the banks not compete with them."

The SBDC was still not getting enough applications from black entrepreneurs, although the rate of increase in these applications was promising.

## DIFFICULTIES

Problems encountered with applications from black businessmen included a lack of experience in motivating applications, an absence of sound accounting procedures and difficulties in communicating with applicants, many of who were not only not able to be reached by telephone but who could not be reached by ordinary mail.

Dr Anton Rupert, chairman of the SBDC, told the meeting that

the corporation was still in its infancy and was learning to walk. However, he had confidence that it would succeed and would in the future of small business.

"I must emphasise that, unlike the Urban Foundation, the SBDC is a proper business enterprise that is here to make a profit for shareholders. In so doing it strives to teach the small businessman to help himself."

He hoped that the SBDC would have sufficient capital for the years ahead and that it would not be necessary to gear the corporation.

He also hoped that the Government would agree to underwrite some of the 80 percent guarantee that the SBDC gave to loans made by banks to approved small businesses.

Writing in the annual report, Dr Rupert said it was unfortunate that small businesses were often vulnerable in a declining phase of the economy.

"The SBDC cannot support businesses which do not have the potential to succeed. Even less does it wish to create false expectations for the small businessman and, in so doing, help him from the frying pan into the fire."

The SBDC had experienced rapidly expanding capital requirements.



A shared elation — Businesswoman of the Year Marina Maponya hugs her husband Richard, who is a Sowetan business tycoon. ● Photographs by Gisele Wulfsohn.

# Marina: a dairy-tale of success

By Sue Garbett,  
Women's Page Editor

Statuesque, dignified Marina Maponya, South Africa's Businesswoman of the Year, can tell a story or two — about filling milk bottles for delivery at 4 am for instance, or entertaining the South African Prime Minister in her Dube home on a gold plate dinner service.

Yet it is not quite a rags to riches story for the wife of Sowetan tycoon Mr Richard Maponya. The charismatic, warmhearted Marina's parents were able to send her to good schools and then pay for her social work studies.

It has taken Mrs Maponya, who was yesterday named the 1982 Businesswoman of the Year by the Barclays Executive Women's Club, and the Public Relations Institute of South Africa, 29 years of hard work to achieve the pinnacle of success.

While she will readily agree her dynamic husband helped her turn a small Soweto dairy into the largest service station in Southern Africa, there is no mistaking her own energy and determination.

Her husband's involvement with the Johannesburg African Chamber of Commerce left him little time for their dairy and Marina took it over.

This marked the beginning of a meteoric business career, little hampered by bringing six children into the world.

Mrs Maponya filled and sealed milk bottles and saw to the loading and checking of them, all before 5 am.

Within four years she had increased an annual turnover of R100 000 to R800 000. Then she opened a butchery, Soweto's first.

Within three years she expanded that into a R1 million a year business.

She sold the dairy and used the proceeds to build what is today Soweto's busiest shopping centre.



Mrs Norah Modipane, Business Achiever of the Year, who runs a curio shop in White River.

But it is as managing director of Mountain Motors, working a 12 to 16-hour day and producing a turnover close to R3.5 million, that she impresses most.

Nearly 14 years ago the Maponyas bought the thickly carpeted, roomy mansion they live in today.

A party-size sitting room features marble-topped tables, rich woods and velvets and a glittering crystal chandelier. The formality is offset by homely verses telling of peace and thoughtfulness.

The latter attribute is one most apt in describing Marina Maponya, for her community work is extensive.

She is founder and vice-president of the Black Housewives

League, works for mental health and cripple care associations, and is a member of the Pace Commercial College Board of Governors.

At the award ceremony yesterday Marina said: "I think I deserve it." I've come a long way from an age when black women didn't get loans or overdrafts.

"They were legal minors in their own homes. Today they are a force to be reckoned with."

● Mrs Norah Modipane, of White River, turned the ceremony into a double triumph for black women when she was named the Business Achiever of 1982, for the odds she overcame in establishing a curio shop 2½ years ago.

By WAYNE ASHER

THE prolonged spate of labour unrest in the motor plants of the Eastern Cape has made itself felt on some Port Elizabeth shops.

Among the hardest hit by the fall in spending power are furniture and appliance outlets and second hand car dealers. Takings at some bottle stores have dropped by as much as 35%.

Hire purchase payments have fallen into arrears.

Mr J M van der Mescht, the manager of Arrow Furnishers, a member of the Russell's group, said business was going "badly" at present.

He said that recently he and his chief salesman had made personal visits to many of his clients who had not been able to pay their accounts.

"About 80 or 90 people have been unable to keep up their hire purchase payments and nearly all of them work at either Ford, General Motors or Volkswagen.

"We have tried to carry the loss and have asked clients to try and pay half of their accounts so we can keep them on our books. We don't want to repossess.

"When we visited the homes we saw that things were really bad. Some of them have hardly any food in the house — and the thing is that most of these people want to work, but they can't.

# East Cape business hit by labour unrest

"The situation is serious and I expect a further decline in payments at the end of this month."

Mr Donald Abramowitz, the manager of Giddy's Superstore in Uitenhage — a furniture and appliance dealer — said no sales were made to Volkswagen workers on strike during the last month.

"Obviously we have lost business — but then again, nearly everyone here has."

He said the situation was made worse by the shortage of work for all the ancillary firms when the motor plants were idle.

"You can't sell to people who are out of work," he said.

Another Uitenhage furniture dealer said business had dropped by "more or less 20%" during the strikes.

"I have between 1 500 and 1 700 Volkswagen workers on my books and my cash flow was effected quite noticeably."

He said people were afraid to buy because they were uncertain about their jobs.

In Port Elizabeth, a

spokesman for Bernie's Motors said that "banks do not want to know these chaps — so what can we say? There is nothing we can do for them."

An Alphon Motors spokesman said that when a man came in to buy a car, they had to ask where he worked to make sure he could meet his payments.

"We have to check it out because these people sometimes give fictitious company names. We are being particularly careful."

A spokesman for a Main Street branch of Ellerines which caters mainly for the black trade, said they had been "effected very much" by the strikes.

"We cannot really supply them.

"When I was in charge of our Uitenhage branch, I depended largely on workers from Volkswagen. Now that I'm in Port Elizabeth, General Motors and Ford supply the money which accounts for a lot of the black buying power.

"Over the last two months business has dropped off completely.

The manager of a Port

Elizabeth bank which deals extensively with motoring finance, Mr Peter Page, said that there had definitely been a "slow down in business."

"We are not as buoyant as we were in June. But we will only see the real effect within the next month or six weeks. We'll only know then who is not able to make payments and only about halfway through September will we start chasing them up."

Mr John Harwood, manager of Giddy's furnishes and chairman of the Port Elizabeth Furniture Traders Association, said he anticipated that the strikes would "have an effect on our payments".

He said, however, that in terms of the Credit Agreements Act a firm could only repossess items if the client missed two or more monthly payments.

"Even then we will obviously not repossess indiscriminately. So it all depends on how long this unrest is going to last.

"Those people who have a good credit record with the company shouldn't have

a problem. We will discuss their accounts with them before we even consider repossession.

The manager of Ronnies Liquor Stores in Kempston Road said this week that he had been "heavily effected" by the unrest and had lost out on passing business when GM was closed

"I've had a 30-40% drop in sales over the last three weeks."

Mr H M Ackerman, the manager of the Dolphin Liquor Wholesalers in Commercial Road, Sidwell, said he had also taken losses of between "30 and 40%" over the last two weeks.

He said sales were still down this week but he hoped they would pick up again next week when workers had more money.

Clothing retailers have not been effected as much as they sold only "smaller items" which could still be paid for.

A spokesman for Kolnicks said they had experienced "a noticeable slackening in the multi-payment accounts" since the labour unrest had started.

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E. Post  
2/8/82

# Egg is on your face, Pick 'n Pay tells the Egg Board

By ADA STUIJT

PICK 'n Pay's Cape egg price-war which started when the food chain lowered its price of large eggs from 99c to 25c a dozen — led to a fierce row with the Egg Board this week.

Calling on Pick 'n Pay spokesmen to "stop making insulting remarks about the egg industry or the board", Dr A H Olivier, the Egg Board's general manager in Pretoria, slammed the food chain's Cape general manager in a letter as "ignorant of the board's purpose".

Now Mr Raymond Ackerman, Pick 'n Pay chairman, has challenged Dr Olivier to a meeting — at Pick 'n Pay's cost — to thrash out all differences.

Mr Ackerman said: "I am flabbergasted that Dr Olivier does not come to the meetings I have proposed during the past 10 years to help solve this constantly recurring problem."

The Egg Board criticised Press comments made last week by Mr John Barry, Pick 'n Pay's Cape general manager.

Mr Barry said that "the egg war showed up the Egg Control Board completely, and it was only trying to save face."

Mr Ackerman said instead of seeking an agreement, Dr Olivier preferred to accuse Pick 'n Pay of embarking on a marketing exercise for its own benefit.

"Nothing is further from the truth. We have repeatedly offered our help to the Egg Board to help them get rid of the egg surplus," he said.

## Anger

Mr Ackerman said the egg war had been sparked by the board itself as it had caused consumer anger with TV announcements last month stating that the egg surplus would be sold to Japan at a third of the price South Africans are paying.

"The statement, already inflammatory to the South African consumer, was compounded when they then announced that a million rands for an intensive advertising campaign would be spent.

"We didn't engineer a marketing campaign or announce that the surplus would be shipped to Japan.

"Therefore, how dare Mr Olivier criticise us when the criticism lies with them? They are the ones with egg on their faces," he said.

"We'd much rather discuss the entire matter, at our cost, with Dr Olivier."

Mr Ackerman maintains egg surpluses can be cleared only with reduced prices.

## Cue

This week he suggested that the board, instead of sending angry letters, should take their cue from the Dairy Board which several years ago asked supermarkets to help move a surplus butter supply.

Dr Olivier's letter said: "The board initiated a campaign during 1977/78 with producers, chain stores and other outlets to reduce prices to try to sell more eggs at a lower price to limit the surplus."

Dr Olivier invited Mr Barry to find out more about the board's procedures at his office.

However, Mr Ackerman said that his general managers were well-acquainted with the intricate workings of the board.

"We want that meeting because we have to face consumer anger, not the Egg Board," he said.

# Small business aid in pioneering field

90  
E. Post 23/6/82

JOHANNESBURG — The Small Business Development Corporation (SBDC) has repeatedly expressed its willingness to undertake pioneering developments in under-developed and slowly developing business areas.

It has already undertaken several such projects, for instance the provision of factory flats and shopping centres to stimulate small business development in decentralised, group and black urban areas.

This is said by the SBDC chairman, Dr A E Rupert, in the corporation's first annual report.

Dr Rupert says the SBDC was established in the "spirit of the Carlton Conference" of November 22, 1979.

"This implies that the SBDC is part of a development plan which accords high priority to the stimulation of small business entrepreneurship among all the national groups in Southern Africa, the rationalisation of the existing State-controlled development corporations, and the involvement of the private sector in the new development action."

Dr Rupert says he is convinced that the activities of the SBDC have acquired such momentum that they can no longer be reversed and he looks forward to:

- The SBDC, with its national impact and the means at its disposal, providing the small business sector with a wide range of effective services.

- The SBDC becoming, through its stimulation of the small business sector,

an important creator of employment opportunities for our rapidly growing population in the light of the universally proven employment-creating potential of small businesses.

- The SBDC being an important supporter of the free market system and of entrepreneurship in our country, and

- The SBDC becoming an effective catalyst for the creation of opportunities "which will lead to a more equitable sharing by all members of our society in the wealth and rewards inherent in our economic system."

In respect of its operations, the SBDC purposely concentrated initially on its two main functions: financial assistance and the provision of commercial buildings.

As regards its programme of direct financial assistance, the corporation has received a large number of applications. In the course of the first financial year, ending on March 31, 1982, 1 261 loan applications amounting to R94 million were received.

Of these, 188 applications amounting to R11,2 million were granted, 207 applications amounting to R21,3 million were declined, 259 applications were referred to the banks under the credit guarantee scheme and 395 applications were withdrawn or lapsed. On March 31 investigations in respect of 398 applications were pending.

"Overall, this means that the SBDC has granted 18% of all the financing applications it has received. The management of the corpo-

ration is very aware of the need to accelerate the speed at which loan applications are investigated, considered and implemented.

"In the present economic climate the SBDC is forced to operate with extreme care. As the corporation is still being flooded by applications without the required merit, it must investigate the viability of such undertakings with great care.

"Unfortunately, small businesses are often very vulnerable in a declining phase of the economy. The SBDC cannot support businesses which do not have the potential to succeed. Even less does it wish to create false expectations for the small businessman and, in so doing, help him from the frying pan into the fire.

"The SBDC is not a welfare organisation created to support uneconomic business ventures. Our purpose is the development of economically viable businesses — to establish them and assist in their continued existence.

"Financial assistance is granted to businesses which do not qualify for assistance from banks in terms of the banks' normal standards and procedures. The SBDC does not compete with existing financial institutions, but rather complements them.

"The credit guarantee scheme which the SBDC instituted in conjunction with various commercial banks is an important facet of the SBDC's financial assistance to small business entrepreneurs. By the end of March, 1982, a total of 127 loans

amounting to R3,5 million were approved by the participating banks.

"The provision of business facilities is an essential service provided to small business entrepreneurs by the SBDC.

"These development projects are aimed at providing business premises at reasonable rentals in those areas where they are most needed, both to promote the private ownership of premises in the community involved, and to provide advisory services to the businessmen concentrated in such centres."

The SBDC's services are at present funded from the following main sources:

- Share capital obtained from A shareholders in instalments.

- Share capital and a loan provided by the Government.

- Repayments on existing loans.

- Interest on outstanding loans.

- Rentals on business premises, and

- Interest on deposits.

"In general, it would appear that the long-term capital requirements of the SBDC will be appreciably greater than was initially expected.

"If the tempo at which loan finance is being provided and buildings are being erected at present is maintained, the SBDC will be forced, within two years, either to reduce the scale of its activities or to increase its capital (for instance by raising additional share or loan capital). — Sapa

Flights



# Australia accepts Pick 'n Pay

By Geoff Kitney

CANBERRA — The Australian Government has given approval to a major South African retailing company to begin operations in Australia.

The government announced last night that the Pick 'n Pay chain had been given approval to launch a joint operation with an Australian company to establish its hypermarkets in Australia.

## OPPOSITION

The decision was made despite strong opposition from Australian companies, deeply concerned that the Pick 'n Pay method of retailing will seriously damage local companies, particularly small retailers.

There was also some opposition to the proposal on political grounds. Some opponents argued that the government would have to bar the proposal if it was to be consistent about discouraging relations between Australia and South Africa.

## FLATLY

The Government flatly rejected this argument. It said that government policy was non-discriminatory in terms of the country of origin of the foreign investor. It claimed that the decision could not in any way be seen as representing a con-

flict with the government's attitude to South Africa.

The Pick 'n Pay hypermarkets will be a joint operation with a major Sydney-based company J G L Investments, parent company of a retail company Permewan Wright.

The first hypermarket will be developed in a suburb of Brisbane. It will be owned two-thirds by the Australian group and one-third by Pick 'n Pay.

The Australian Treasurer, Mr John Howard, said that the government had considered numerous objections against the proposal. Most of the objections were related to concern that the hypermarket would have adverse effects on small businesses in the region.

Mr Howard said that

originally the Queensland State Government of Conservative Premier Mr John Bjelke-Petersen had indicated that it was not in favour of the proposal — on economic grounds, not, political grounds.

The Queensland Government had now changed its mind and recommended that the project be given approval subject to the final approval of local government authorities for the establishment of the hypermarket building.

Mr Howard said that the national government had accepted this advice after it had also accepted that the proposal involved predominantly Australian ownership of the proposed retailing service and associated new investment.

The Early Learning Centre was established as a research project to formulate a nursery school curriculum for the socially disadvantaged or deprived child. As part of its parent education programme it gave birth to the HELP (Home Early Learning Programme) scheme. As part of its social programme it gave rise to BABS, which matured rapidly and soon left the roost to fend for itself, due mainly to physical accommodation problems as well as to move itself into the heart of the community.

The 5 Early Learning participants form the staff of the HELP scheme. This is a service whereby the home visitor goes into the home to play with the infants enrolled in the programme and teach the mother how to parent from the view of stimulating physical and cognitive development. Each child is visited for 1 hour per week and each visitor covers 17 children. Even before they became auxiliaries they were distributing booklets on child care, arranging health

ing mothers advice  
its were given a  
family planning and  
HELP scheme.  
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all as being

Day Hospital were

less than full professional qualifications. Single purpose auxiliaries have minimal education and are taught single or limited range of skills. General purpose auxiliaries are trained in a variety of skills. It is hoped that having covered some sort of curriculum that these auxiliaries may progress from single to general purpose auxiliaries.

The/...

organisation which employs social workers to organise the community into self-help groups which are eventually left to function on their own. BABS undertook a full sociological diagnostic survey of the Kew Town housing scheme in 1972. Regional committees were established and each of these were represented on a central committee.

Each/...

care area — viz. self-help in the maintenance of health and the treatment of minor ailments at home. To draw another analogy — motor cars need regular checks and servicing, but due to the high cost of these

The actual 10 auxiliaries recruited came from people associated with two community projects in the area. Five were connected with the Early Learning Centre and five with BABS (Build a Better Society). The background to these 2 organisations is as follows:

26/8/82

# Blacks urged to enter business

30

African Affairs Correspondent

ULUNDI — Blacks had to invade and occupy the field of free enterprise in South Africa, the Chief Minister of KwaZulu, Chief Gatsha Buthelezi, said yesterday.

Speaking at the second annual meeting of Khulani Holdings — the business and investment arm of Inkatha — Chief Buthelezi called on blacks to 'unshackle the chains of apartheid which bind free enterprise'.

He urged them not to be burdened with ideological fears of free enterprise.

South Africans had no other developed mental options, the Chief Minister declared.

Free enterprise was a tool, he maintained, at the disposal of those who did

not wait for 'manna to fall from heaven'.

Chief Buthelezi said that if blacks did not fight their way into every facet of South African life now as part of the struggle for liberation, they would destroy the quality of life

ahead of them.

He said he was heartened by the success of Khulani Holdings, a joint black/white project, especially at a time when many people were pessimistic about the political future of South Africa.

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BEN VOSLOO

FM 27/8/82

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# Boosting businesses



The Small Business Development Corporation (SBDC) was launched 18 months ago to promote small business among all SA's population groups. Last week, coinciding with its first annual report, the *FM* spoke to MD Ben Vosloo.

**FM:** Is the SBDC taking over functions that could be handled more effectively by the private sector?

**Vosloo:** The typical profile of our client is somebody with a viable project which does not meet the normal banking requirements. The applications we've received are proof we are needed.

We do not compete with banks but augment their services. For example, we provide loan guarantees.

**What kind of business do you support?**

Of the actual loans we've granted just over 50% were in industrial activities such as welding, metalwork, joining, clothing and brick manufacture. There is no heavy engineering — just light industrial work.

We have also helped food and hardware stores and fast food outlets.

**You've taken over some of the functions of the Industrial Development Corporation (IDC). How do your activities differ from those of the IDC?**

We have a lot of contact with the IDC. The IDC caters for large businesses and we cater for the smaller businessman.

**When the SBDC was set up there was a great deal of support from the private sector. Has this support diminished during the current recession?**

So far we have not seen any kind of reluctance on the part of the private sector. Of course, it remains to be seen whether we will be able to raise additional equity capital or loans in a year or two when we will have invested our initial capital.

**Have you considered tapping private overseas finance.**

We are currently doing a financial planning exercise to establish when we

will require additional capital and what form it should take. At present we do not have the authority to raise loan capital, but the possibility of raising finance abroad is very interesting.

We are also developing new activities. Up to now the bulk of our activities have been responsive and I think the time is right for us to play more of a catalyst role, to become pro-active.

**Have you been hampered by group areas legislation and trading regulations?**

We have lots of problems, particularly in the black areas. In self-governing states we're still facing problems over property ownership. In the urban black areas we have to wade through bureaucratic red tape to get leasehold rights. We have now succeeded in qualifying for leasehold rights in the black urban areas for specified periods.

We have also set up the industrial park in Soweto without knowing the property rights we are going to have ultimately. We assume that, in due course, these will sort themselves out. But we are not waiting for the bureaucratic machine to run its course. We believe it would waste time to postpone projects while these problems are sorted out.

There are also problems created by tenants moving into factories and employing people who do not qualify for permanent residence. We immediately take this up with the authorities. So far, except for the feeling on our part that there are sometimes undue delays, we believe the authorities are co-operating. There is a change in the attitude of officials, but it's a slow process. We decided that instead of waging an abstract campaign we would tackle specific problems and in this way we are more successful.

**Could a lot of the development you undertake occur without your assistance if these restrictions did not exist?**

If you look around the world you will find that stimulating small business development requires special programmes. The US has its SBA and there are similar institutions in Japan and Taiwan. Our effort is unique in that it tries to enlist the participation of the private as well as the public sector.

**SALES TAX (30) FM 27/8/82**  
**Leading indicator**

General sales tax (gst) receipts provide an early indicator of retail sales volumes.

However, the March increase in the rate of gst from 4% to 5% caused distortions in the way in which retail consumption patterns were reflected in gst receipts.

For instance, the March figure of R246,7m, which reflects actual sales in February, is high because of pre-emptive buying in the period between the announcement and implementation of the 25% increase in gst. As a corollary to this, receipts in April reflect consumer resistance to the hike in March. These aberrations rendered these month's figures somewhat suspect as barometers of consumer demand.

By now however, according to Senbank economist Louis Geldenhuys, the distortions will have been sufficiently ironed out to make the figures representative.

He draws two main conclusions from the latest figures — those for June. The first is that the budgeted 48% increase to R3,15 billion in revenue from gst is likely to be "almost spot on". He reckons it might be

<b>GST RECEIPTS</b>		
<b>Distortions abound</b>		
	<b>1982</b>	<b>1981</b>
	<b>Rm</b>	<b>Rm</b>
Jan .....	215,22	164,70
Feb .....	132,64	134,50
March .....	249,70	151,52
April .....	152,33	135,73
May .....	236,91	159,64
June .....	287,50	177,30

Figures represent actual sales of previous month

slightly short but, if so, only marginally.

If total gst revenue is to be R3,15 billion (excluding the R20m budgeted for gst on advertising, which was later shelved) monthly receipts should be in the region of R262m. The average for the first three months of the fiscal year is R225,5m. With July receipts estimated at R283m the average for the first four months improves to around R232m.

However one variable that could alter receipts significantly is the possibility that the authorities will succeed with plans to use Defence Force trainees to improve gst collections.

The second conclusion Geldenhuys draws from the figures is that despite "doomsday" predictions, consumer spending is holding up extremely well. Discounting the increase since March, gst revenue for the first six months of this year is 43% up on that for the same period last year. Adjust-

ing that increase for an inflation rate of 15% leaves a real increase of about 28%.

Another feature of the latest statement of government revenue is the 46% drop, compared to June 1981, in revenue from the tax on marketable securities. This reflects the diminished activity on the Johannesburg Stock Exchange. However, revenue from non-resident share holders tax increased by 47% compared to the same period last year.

# Shops feel the pinch as car factory

By WAYNE ASHER

THE prolonged spate of labour unrest in the motor plants of the Eastern Cape has made itself felt on Port Elizabeth's Main Street.

Among the hardest hit by the fall in spending power are furniture and appliance outlets and second-hand car dealers, while takings at some bottle stores have dropped by as much as 40%.

Hire purchase payments have also fallen into arrears.

Mr J M van der Mescht, the manager of Arrow furnishers, said business had been bad.

Recently he and his chief salesman had visited many clients who had not been able to pay their accounts.

"About 80 of 90 people have been unable to keep up

their hire purchase payments and nearly all of them work at Ford, General Motors and Volkswagen," he said.

"When we visited the homes we saw that things were really bad. Some of them have hardly any food — and most of these people want to work, but can't."

Mr Donald Abramowitz, the manager of Giddy's superstore in Uitenhage — a furniture and appliance dealer — said no sales were made to Volkswagen workers on strike during the past month.

Another Uitenhage furniture dealer said business had

dropped by about 20% during the strikes.

"I have between 1500 and 1700 Volkswagen workers on my books and my cash flow was affected, quite noticeably."

In Port Elizabeth, a spokesman for Bernie's Motors said: "Banks do not want to know these chaps — so there is nothing we can do for them."

An Alphon Motors spokesman said that when a prospective customer wanted to buy a car, he had to be asked where he worked to make sure he could meet his payments.

A spokesman for a Main

Street branch of Ellerines, who cater mainly for the black trade, said: "Over the past two months, business has dropped off completely."

Mr Peter Page, manager of a Port Elizabeth bank that deals extensively with motor finance, said there had been a "slow-down in business".

"We are not as buoyant as we were in June. But we will only see the real effect within the next month or six weeks."

Mr John Harwood, manager of Giddy's furnishers and chairman of the Port Elizabeth Furniture Traders' Association, said he ex-

pected the strikes would affect payments.

However, in terms of the Credit Agreements Act, a firm could only repossess items if the client missed two or more monthly payments.

"Even then we will obviously not repossess indiscriminately.

"Those people who have a good credit record shouldn't have a problem. We will discuss their accounts with them before we even consider repossession."

Ronnie's Liquor Stores in Kempston Road and Dolphin Liquor Wholesalers in Commercial Road, Sidwell, both said they had been heavily affected by the unrest and had lost 30% to 40% in sales over the past three weeks.

30 S. Express 29/8/82 strikes start to bite

# How Matsane made it

Star 30/8/87

Mat Matsane was born with all the seeming social disabilities. He was seventh in a family of 10. His father died when he was six. His mother, with so many children, eked out an existence for all by subsistence farming. There was no money. Mat never went to school. Yet today he is one of the Lowveld's wealthiest men.

Mention Mat Matsane and everyone thinks of beautiful, solid kiaat furniture made to last for generations.

Or they think of a supermarket, two driving schools, a taxi fleet, a couple of cafes. For that is what Mat

owns today. And his business is growing. How did he do it? He smiles: "There is only one way to be a success — hard work and faith in God."

Did he have outside financial help? "None. What I have, I worked for."

But life wasn't always easy for Mat or his family. "Because my father died when I was young," Mat recalls, "I knew I had to go to work very young."

"But there was no work here at Marite in Lebowa. The only work was in the mines."

"It bothered me that I had nothing. So I bought a chair."

"The idea came to me to take it to pieces and copy it. I did this

and my chair was successful. "Soon I was making chairs for other people and, later on, coffee tables."

"But I realised I needed more equipment. This cost money."

For nine years Mat worked for a chemist. Every spare cent went on carpentry tools. He also married. His first wife was Daisy; his second wife was Lettie.

Mat was now almost 30 and realised he needed to learn to read and write.

"I bought myself Zulu books and started to teach myself," he says proudly. "Today I

can even read English — and I keep all my books for my businesses. "Those were hard years, but by 1959 I knew I was ready to start my own business. Everybody in the family helped."

"Daisy and Lettie used to saw the planks by hand and I used to make the furniture, but we soon saw we needed help."

So Mat married again. His third wife was Rosie.

"I now had four children and three wives," he says. "We all worked hard, and prayed hard too."

"Our furniture went from chairs and coffee

tables to dining-room suites, then lounge suites and bed-heads. "Later we expanded into more staff and started making writing desks, bookcases, book-cases, units, kitchen tables and the like."

Customers now come from all corners of South Africa, Namibia, and Zimbabwe.

By 1972 Mat had expanded into a taxi service, two driving schools, a supermarket and the beginnings of a chain of cafes and supply stores.

He now drives a new white Mercedes 230 E and has more than 16 cars, a big Datsum, two 14-ton Nissan trucks, a

Plan <sup>30</sup>  
to <sup>WB</sup>  
bolster <sup>Soweto</sup>  
city's <sup>3/19/82</sup>  
R1,5-b  
coffers



**THEBEHALI: Concerned**  
**over-searching**

**THE SOWETO Council** has set aside 11 sites to be developed as business areas in a bid to bolster the black city's R1,5-billion-a-year spending power.

The council's chairman, Mr. David Thebehali, said his council was concerned that most of this money was spent outside Soweto. Already two sites — one in Jabulani and the other in Pimville — are being developed for business.

Mr. Thebehali was addressing about 100 people during the opening of a five-day furniture exhibition at Naledi Hall on Wednesday night.

The site in Jabulani is earmarked for a multi-million-rand shopping complex, which will include Soweto's first five-star hotel.

"If this R1,5-billion was spent in Soweto it would do a lot of good for the city and its people," Mr. Thebehali added.

Mr. Thebehali urged black businessmen to use the sites made available by his council. He said there were about 9 000 businesses operating in the townships.

Other statistics given were: The city has 105 000 houses, 970 taxis and 400 buses operate in the area; Soweto's workforce is estimated at 400 000.

# Black consumers will be key to marketing future

By LOUIS BECKERLING  
Business Editor

MARKETING men gathered at the Elizabeth Hotel recently for a deftly presented view of the booming black consumer market.

Star of the show, presented by advertising agency Bates, Wells, Kennedy, was Mrs Beatrice Khubeka, a senior researcher with the company. Mrs Khubeka's commentary on a slide show and graphically-presented statistical presentations provided a penetrating analysis of the frequently misunderstood "black market".

"My colleagues and I hope to provide a window through which you can view this large mass of people. And if you have difficulty telling one black from another, let me admit that I have the same problem with whites at times," jested Mrs Khubeka in her introduction to the slide presentation.

Those attending the presentation learned that by the year 2000 South Africa's population is set to reach some 46 million. The breakdown between black and white at this point will be:

	1980		2 000	
	Popu- lation (millions)	% of total	Popu- lation (millions)	% of total
Blacks	20,4	72,0	34,6	74,2
Whites	4,5	15,9	6,3	13,5
Coloureds	2,6	9,2	4,5	9,6
Asians	0,8	2,9	1,2	2,7

What is of particular interest in the composition of the population, points out Bates, Wells in a brochure handed out after the presentation, is that the black population is clearly the dominant group and expected to make up almost 75% of the population within the next 20 years or so.

"It is also interesting to note how the higher birth rate of the coloured population is such that, numerically speaking, it is catching up with the whites."

A further analysis of the statistical picture reveals a strong youth bias in the composition of the black population, with 45% of the total under the age of 15, and a further 17% under the age of 24. Only 12% of the population is older than 50, while no less than 75% are under the age of 35.

A further basic feature of the black population is the

trend towards urbanisation. Indeed, the Human Sciences Research Council (HSRC) estimates that already some 60% of blacks are in so-called "white" South Africa and this trend is increasing.

Trends in employment and earnings among blacks show similar burgeoning growth. Over the next 20 years the size of the economically active black community is expected to increase by 2,6% to 10,5 million.

At current levels the black working class represents some 66% of all economically active South Africans, by the year 2000 this figure will be in excess of 80%.

The effect of substantial (330%) wage increases over the past 10 years is seen in a similarly large rise in average earnings, though after adjustments for inflation real average earnings are only up 63% on 1972 levels.

Based upon the statistics compiled for Bates, Wells by the University of Cape Town's Graduate School of Business, these trends in spending power can be identified:

	% of consumption by blacks		
	'77	'80	'85
Food	47	52	60
Clothing & footwear	46	51	57
Alcohol & beverages	44	45	45
Furn & h'hold goods	35	38	41
Cigarettes & tobacco	31	54	75
Transport	20	27	42
Personal care	39	43	49

Mrs Khubeka's analysis of the five-tiered "black population pyramid", broke the "faceless" market down into distinctive groups: the elite section of the community, "cats and hippies", "mantsulas and mshozas", "belongers", and "tsotsis". Each group disposed of their income in significantly different ways, and demonstrated radically different attitudes to the broader community, Mrs Khubeka explained.



## GROUP AREAS ACT — 1

### Going by the book

FM 3/9/82

Long forgotten Group Areas laws are making the headlines in the western Cape. Following complaints by certain white residents of Paarl, some 15 coloured managers in the picturesque Boland town's business district are being "investigated" by the Department of Community Development for not having permits to do their jobs.

This the department is empowered to do because, in terms of proclamations published under the Group Areas Act, "the member of one population group is prohibited, except under the authority of permit, to work as a manager, charge hand, supervisor or executive, technical or administrative employee for a member of some other population group."

As applied to the Paarl situation this means that the coloured managers without permits are working illegally in a "white" area and therefore face the prospect of losing their jobs if government intends strictly enforcing the Group Areas Act regulations which have, for so many years, been ignored.

What government intends doing is not known. A spokesman for the Department of Community Development told the FM that "this type of matter" falls under a technical committee which is currently investigating the Group Areas Act. "But as the law stands they are acting unlawfully and if there are complaints we must investigate."

Brian McLeod, director of the Cape Town Chamber of Commerce, disagrees. He argues that government has already accepted the Riekert Commission's recommendations that the regulations be amended because as they stand they amount to "nothing but job reservation."

"It is established government policy to move away from statutory job reservation, therefore the law must be amended to avoid the Paarl-type situation from arising," he says. McLeod says he cannot understand why government is "dragging its feet" on the issue. "Perhaps it has enough trouble on its hands trying to get its new constitutional proposals approved and fears alienating its rightwing even further."

McLeod says he is not going to let the matter rest: "We intend taking the matter up with the Minister as soon as possible."

## middle-class) move in the debate rages . . .

AN INTENSE debate is raging in the black community over the emergence of a "new breed of blacks"—those who are moving into managerial and supervisory positions, discarding the conventional roles of "hewers and drawers."

Good money and comfort goes with the new status and the controversy centres on the attitude of the new executives — the black middle-class as they are called — to the masses who are still involved in the struggle for liberation.

Comfort makes a man forget his roots, say the critics.

The situation has not been helped by the eagerness of big capital and political leaders to drive home the message — creation of a black middle-class — from every available platform. A contented black middle-class must be created or encouraged to grow; it has been argued, so that black people can have a stake in the country, something to fight for, something to defend.

The irony of the debate is that the target group is trying hard to disown or dissociate itself from this mantle. In four weeks of trying, the Sunday Tribune could not find anyone happy to be referred to as a member of the black middle class in Durban.

One man said he squirmed each time a business leader or politician stood up and spoke of virtues of creating a stable black middle-class.

"I don't think it's a genuine thing on their part to see black development. There's a motive behind it," the man said.

"You know, there's a difference between a black middle-class and middle-class blacks," the man said. "The former is somebody's creation, a fabrication,

# THE NEW BREED OF

Africans are basically socialist. To create a black middle-class with the concept of capitalism in mind is disastrous for the black man

— TAMSANQA KAMBULE

REPORTS BY BARNEY MTHOMBOHI

and the latter is a natural upward mobility by black people."

The Government is a late convert to the gospel of creating a black middle-class. Ten years ago M. C. Botha, as Minister of Bantu Administration and Development, threatened thunder to all companies which hired black managers or blacks in preference to whites.

In 1976 that was all changed. Big business came together and formed the Urban Foundation, mainly as a response to the riots, and began campaigning for better housing and a better quality of life for urban blacks.

The Government was jerked by the Wachahn and Riekert Commissions into discarding the myth that black people were temporary sojourners in the urban areas. Now they agree: the salvation of the country lies in the creation of a stable and contented black middle-class.

Wits University lecturer, Tamsanqa Kambule, describes them as simply people who belong to the middle-

fluent group.

"I mean they can afford . . . they can get a number of things which the ordinary rank-and-file cannot. And they tend to speak English among themselves," he said.

But Ishmael Mkhabela, publicity secretary of the Azanian Peoples' Organisation, disagrees.

"We see them in terms of a stratification within a class — the black working class. Money alone cannot buy you a status in life. It should go with political power."

Azapo, as a black consciousness organisation, defined a black worker as any black person irrespective of professional status. White workers are not regarded as workers as they enjoy the protection of the laws of the country.

Mr Meth says in defining black middle-class, the question of values should also be taken into account.

"A lot of them show similar interests to white capitalists. If you look at teachers for instance, although they're underpaid, they're fairly conservative. Look at the stand they took during the student boycotts . . . but there's no guarantee that the black middle-class will be conservative. It's a contradictory sort of

strategy.

"But how can you describe someone like Brigadier Sebe? He's saying the same sort of things that whites are saying here."

Mr Meth agrees, however that "the black middle-class is not the same sort of animal as the white middle-class."

In a paper on black advancement delivered in June, Mr Meth identified three groups apart from the blacks themselves, who are anxious to promote black advancement.

These are well-meaning liberals — politicians, activists and academics — who want to see blacks afforded a better deal on moral grounds; big business, which fears the possibility of shortages of skilled personnel hampering economic growth, and the Government, which wants to see black advancement as a strategy to fight the spread of communism.

Mr Meth, however, argues that the shortage of skilled personnel is being exaggerated.

"Capital is pushing hard to dismantle the barriers which raise costs and restrict output and further more it is doing so now because of crisis conditions," he says.

He argued that the

bulk of black "professionals" are either teachers or nurses.

Mr Mkhabela, taking Soweto as an example, says there are very few people who can be said to belong to the middle-class. He counts Richard Maponya and Ephraim Shabalala, wealthy men by any standard, as the only people who qualify in Soweto.

"In reality, we're talking about very few people who enjoy the exposure of the media.

The black professional who is given managerial responsibilities occupies the lower rung of management which only helps to frustrate him."

This frustration, Mr Mkhabela says, helps to make the black manager aware that he's no different to any member of his community.

"They may have material rewards like prestige houses but they are no better off than the rest of us. He's forced to stay in the townships. He can't move at will. He can't stay in a white area if he likes to — he's subjected to the same sort of laws that affect any black. To cheat ourselves and say that a businessman is happier than the rest of us is a failure to accept reality. It's a false con-

sciousness."

Joseph Kawawa, a young executive with IBM, says black people unfairly attack other blacks who achieve success. The houses built by the Urban Foundation in which most prosperous blacks stay are ordinary houses, he says.

"Our people are so used to the little matchbox houses in the townships that anything better than that is referred to as middle-class. I don't go along with that at all," Mr Kawawa says.

"The only difference is that we have a house, and maybe a car. We suffer the same indignities as black people. I deny that we can be bought in order to create a buffer between blacks and whites. The accusations are without foundations.

"We need the expertise, the know-how, if we're to run this country in the future."

Mr Kambule says achievement itself is not a sin, but tends to make the achiever egoistic and individualistic "which is a crime in the black circle."

"Our middle-class people tend to detach themselves from the ordinary people. No, we're not proud of them. They live in

# As the new executives (the black m

THE country's black managers who form the bulk of the black middle class number only a few hundred. It is estimated that black managers constitute less than 0.2 percent of the country's managerial complement, and only a handful have decision-making powers.

A study by Charles Sinkins, a research officer at the Southern African Labour and Development Research Unit at University of Cape Town, and D. C.

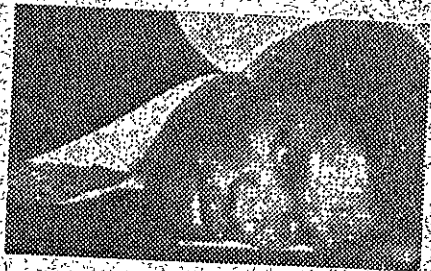
**JUST A FEW HUNDRED**

Hindson of the University of the Witwatersrand, shows that although there has been a slight penetration by blacks into the owners/managers category between 1969 and 1977, Africans remain proportionally substantially under-

represented.

A survey by the Department of Manpower last year shows that the country has only 30 black engineers, against 17 484 whites (engineers); 31 black chemists to 2 084 whites; four black to 731 white geologists or geophysicists.

There are only three black town planners, 73 black managing directors of companies, 54 general managers and 17 compound managers.



Ishmael Mkhabela



Eric Matuna

# what will be their attitude to the

## Quote

They (black middle-class) can get a number of things which the ordinary rank and file cannot. And they tend to speak English among themselves.  
— TAMSANQA KAMBULE

## Quote

Our problems are mostly culture based. A university degree does not guarantee a black person success in the corporate world.  
— ERIC MAFUNA

# BLACKS

● Doctors grin from ear to ear after taking the Hippocratic oath. Looking forward to joining the black middle-class?

exclusive suburbs and send their children to white schools.

"I was listening to a chap from Pretoria University the other day who said blacks should achieve and they should not care how they're viewed in their environment. They must just be ruthless to get into the capitalist society. I was so shocked I walked out.

"Once you can taste the sweets of the capitalist system, you tend to isolate yourself from the rest of the people. Africans are basically socialist. To create a black middle-class with the concept of capitalism in mind is disastrous for the black man.

"I wouldn't recommend it in South Africa — it's not a normal society — because the white man wants to create a black middle-class because he wants a buffer against the black masses so that when they move they'll first move against their own people. The same thing happened in 1976.

Comforts make you forget where you come from."

Mr Kambule, an expert in mathematics, was offered a lucrative job and a free house with a swimming pool in the exclusive suburb of Sandton, by Woodmead, a private school outside Johannesburg, who wanted him to head their maths department. He declined the offer.

"I don't want favours," he said. "I want to live there because I want to. I don't want to live in town when the Group Areas Act forbids me to live there.

Is he against black children attending white schools?

"I'm not for it, I wouldn't say I'm against it."

"The whole thing (black middle-class) could have been a success if the Nats, when they got into power in 1948, had continued where the United Party left off. But they didn't



want to accept an African middle-class, and the 1976 riots showed them this was a blunder. And now they're creating it — and very fast, too."

He does not agree with the norm that historically revolutions have been led by people of middle-class tendencies.

"It's the masses that carry out a revolution — the middle-class is only the yeast. They're too cautious. If I'm middle-class, as I'm supposed to be, I consider I have money in the bank, a nice car and a house. I don't act foolishly."

One man who is not ashamed or afraid to say he is middle-class is Eric Mafuna, president of the Black Management Forum, a non-profit organisation established to assist blacks develop and improve their management skills.

"I make no apology to anybody for the fact that I'm an aspirant middle-class person," he says.

"But," he adds, "I can't be used. Being middle-class does not mean I will forget my people. I know where I come from."

Mr Mafuna, a young articulate graduate from the University of the North, who is also a director of J. Walter Thompson advertising agency in Johannesburg says black managers who are trying to break into and succeed in a new and at times hostile environment deserve support and encouragement rather than vilification from the community.

"Many of the people who accuse us of being middle-class have problems of their own," he says.

Problems faced by black managers are unique, he says.

"Our problems are mostly culture-based. A university degree does not guarantee a black person success in the

corporate world. It's a totally new environment and our people, through no lack of knowledge, find it difficult to cope.

"You find that a black manager's social environment has been deficient in one way or another. A white child is used to father phoning from work asking mom to pack his bag because he's leaving on the next flight to attend a board meeting or to business matters in Cape Town. So the little boy grows with this kind of thing because it's part of his environment.

"Our fathers come home after knocking off from work. These are small things but they mean a lot when

Mr Mafuna says senior white management is usually well-meaning in its desire to hire and train black managers, but the same cannot be said about the middle and junior management or the staff in general.

"These are the people who feel threatened by the progress made by black managers, and they do what they can to frustrate black managers."

Mr Mafuna lays the blame for the shortage of skilled personnel at the door of the Government. The reluctance to train blacks for managerial position has led to the promotion of less suitable whites to senior positions at the

THE BLACK Management Forum (BMF), formed in 1976 to develop and improve black managers' skills, has identified numerous problems which it says are encountered by blacks who enter the world of high-powered management.

Eric Mafuna, BMF's president, says blacks entering the corporate world today are faced by the same problems which confronted the Afrikaner 50 years ago.

"European and British management kept him (the Afrikaner) at the door

because they considered him immature for the cut-and-thrust game of management. They were not questioning his ability to manage. In essence it was his up-bringing, his attitudes and expectations they were not so sure about. They could not



almost consider it not

asses involved in the liberation struggle?

# IT'S THE SAME PROBLEM THE AFRIKANER FACED

trust his background. "Today, the black manager is standing outside the same door. The Afrikaner and other white managers are asking the same questions about him. The black manager's cultural make-up is the issue. It is not whether or not he can manage effectively."

Mr. Matuna says it is worse for the black manager because he cannot readily enter white businessmen's clubs and organisations, and even if he could he would find the environment strange and uncomfortable.

Mr. Matuna says the B.M.F.'s role is to ensure that the black manager has a secure base from which he is allowed to get to grips with the cultural problems of

From personal experience and research, B.M.F. members have found that the black manager's problems revolve around the following areas:

- His social and home environment and lack of opportunity for meaningful education does not condition him at a formative period for easy entry into management roles.
- Unlike his white counterpart, the black does not accept the legitimate spirit of competition in managerial roles, which may be caused by an environment which lacks managerial opportunity. Many blacks seem to lack the drive to achieve, which makes him less suited to the demands of management.
- What academic training black potential managers receive appears to have little relevance to business as too little emphasis is placed on the importance of written and verbal communication, taking initiative, drive and leadership.
- The black manager finds it difficult to identify with his company and his job becomes an 8-hour activities with little to do with business and he has few opportunities to socialise with whites and to learn from this social interchange.
- The racial situation in the country and the fact that senior management is white puts the black manager at a disadvantage. Life for him becomes rather lonely and confusing because he has no-one to compare notes with, and he starts developing withdrawal symptoms.
- Senior white management has a genuine desire to live and train black managers and is non-racial in its approach, but unfortunately this is not always the case with the black manager's peers, who are often middle and junior management. They feel threatened by the progress made by the black managers under them.
- Few blacks are in the real decision-making process in management and this results in them being viewed as outsiders, by themselves and others, which in turn results in alienation of black managers. As long as legislation decrees that it is illegal for a black manager to have white subordinates, the root cause of alienation will remain.

prices as determinants of the money supply laying emphasis on the effect monetary policy has on price levels. Komer says to exclude changes very

# Metro move into Ciskei

EAST LONDON.— Metro Cash and Carry (Pty) Ltd, one of southern Africa's largest wholesale operations, has concluded a deal to acquire fifty per cent of the shares in a wholesale operation in Ciskei.

Mr F S Meisenholl, managing director of the Ciskeian National Development Corporation, said Metro's acquisition of the shares in Frazers Nolizwe (Pty) Ltd was effective from September 4, but the operation of the wholesale outlet, trading as Nolizwe Cash and Carry, will commence sometime this month as soon as modernisation has been completed.

The balance of the shares in Metro Nolizwe Ltd, trading from Mdantsane, is held by the CNDC and a number of Ciskeian citizens.

This is the Metro group's first investment in Ciskei, with the intention of expanding the operations of Metro Nolizwe to other venues

in Ciskei in the near future.

"The acquisition of the expertise of the Metro group will further extend the service the CNDC attempts to render to Ciskeian businessmen," said Mr Meisenholl.

Metro Cash and Carry is but one of the large concerns the CNDC are negotiating with about investments in the Ciskei, which can in future have a profound impact on the economy of this young republic. — DDC

# Pension protest at congress?

**EAST LONDON** — Strong protest at the 15 per cent increase in war pensions is expected to be voiced at the South African Legion's congress here next week.

According to the Legion's national secretary, Mr L. H. Kretschmer, the Legion is completely dissatisfied with the war disability pensions.

"Two increases in seven years is regarded as unjust treatment to war pensioners and congress no doubt will press for a more realistic increase to combat today's inflation," Mr Kretschmer said.

Among the full agenda of 31 items for discussion at the four day congress will be debate on "the disappointing attitude and reluctance of active citizen force, national servicemen and commando members to join the South African Legion."

There is also an item on the lack of contact from the South African

Defence Force and military hospitals on the rehabilitation of national servicemen on discharge from hospitals or after military service where some form of injury has been sustained.

The congress is also expected to submit recommendations to the Minister of Health, Welfare and Pensions for a review of the means test for war veterans' pensions.

The congress will be officially opened next Friday by the former British ambassador to Russia, Sir John Killick.

Other guests at the congress will include

the commander of the Transkei Army, General Ron Reid-Daly, and Brigadier Tony Chemaly representing the South African Defence Force.

According to the East London branch chair-

man of the Legion, Mr Jack Bruce, between 175 and 200 delegates are expected to attend the national congress.

The last national congress held here was 10 years ago in 1972. — DDR

IF IT is allowed to develop freely, the black middle class will form an economic power bloc, not unlike those already existing in the Afrikaner and English communities.

The future of South Africa depends on the emergence of such a third competitive economic elite which will fight with other economic elites to preserve the capitalist status quo.

The black economic power bloc, like its Afrikaans and English speaking counterparts — which still maintain their own cultural identities — will work to achieve economic recognition within South African society. But, like other capitalists, the black power bloc will probably seek allies in the rest of the capitalist community to further its own economic interests.

This type of economic competition is far less dangerous than revolutionary violence. In the race for economic power, everyone must observe certain rules of conduct. Failure to do so will result in that group's eventual economic demise.

But what about those blacks who have not attained economic parity with the white, Indian, coloured and black middle class communities? Would these individuals not seek to replace the capitalist system with a new system that would "guarantee" economic equality for all its members?

While this possibility should not be dismissed totally, the chances of such a revolution taking place in South Africa, once a viable black middle class has been developed, is extremely remote.

Firstly, the poverty-stricken population would be reduced, with less chance of developing into a "united front" strong enough to overthrow a government backed by both economic and military force.

Secondly, in every revolutionary situation, the masses have followed their wealthier political leaders. Most independence movements in black Africa were founded by frustrated individuals.

Jomo Kenyatta, for example, was educated at Oxford and Cambridge and would have loved nothing better than to have been accepted as a "black Englishman". But British colonial society would not allow him to achieve his dream. Then the highly talented Kenyatta decided he must align himself with those who were strug-

## A free black middle class could save the day

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Which should come first — economic or political advancement? The vexed question was raised again this week at the SA Institute of International Affairs Conference on Africa. Dr Henry Kissinger warned that to encourage economic development without providing it with a political framework might be destabilising. Here MARTIN ADELBERG, an economic historian who is writing a book on the emerging black middle class and its likely effect on the future social structure of South Africa, suggests a black economic power bloc would be, in itself, a stabilising influence.

gling for independence in Kenya. Because Kenyatta had the academic and political expertise, he soon rose to the leadership of this community.

It is highly unlikely that individuals who had just received a better economic dispensation would sacrifice it in the name of an uncertain political future. A South Africa dominated by Marxism and Leninism would have little regard for the black bourgeoisie.

Most of South Africa's black middle class is sophisticated enough to have learned from their northern neighbours that while their expertise would be used for a while by the newly installed revolutionary regime, their services would be dispensed with as their businesses became nationalised.

Members of the middle classes, be they black, white, coloured or Indian, would not

like to see the fruits of their hard labour taken over by any governmental authority.

The risks facing a black middle class from a revolutionary takeover are as great as those faced by white governmental authorities in granting political rights to the black middle class. The risks to both are great because both are primarily members of a capitalist-orientated monetary system which, if it is functioning properly, pays them lucrative benefits.

But if the black middle class is granted political rights, will their less sophisticated brethren not demand the same political opportunities? History has shown that this is usually the case. However, the masses usually follow their economic and social leaders.

The black middle class, once granted the vote, would probably, to preserve the capitalist system, vote in the interests of their own class. These interests would tend towards preserving the status quo. In the capitalist system, acquiring more capital is a far more important consideration than maintaining artificial ethnic and racial divisions. The black "masses" will follow their mentors, the middle class.

To predict the future of South Africa is no easy task. The many variables preclude any precise assessment. But this lack of precision enables the analyst to predict with equal validity a positive, as opposed to a bleak, future for all elements in South African society.

Too much emphasis has been placed on negative predictions based on what has happened in other African states. These predictions are no more valid than the one presented here because it is impossible to directly analogise the South African system with any other in the African continent.

The Afrikaner, unlike the French, British or Portuguese colonial masters, was himself a victim of colonial oppression. Many Afrikaners are today questioning whether other people in this country do not also have a right to acquire political rights. This has been demonstrated by the proposals enunciated by the President's Council.

It is only a matter of time before additional constructive proposals will be put forward for the black community.



The bite is on

Fm 10/9/82

Sales growth among major retailers has slumped below the inflation rate. After several months of negative growth, some report that August sales fell even more sharply, indicating a further decline in consumer demand.

Several executives of leading store chains believe last month was a turning point for the sector. Most are now anticipating 12-18 months of struggle to match inflation.

"August was a catastrophe," laments Meyer Kahn, MD of OK Bazaars "Sales were about half of July's levels. I feel this is the type of performance we can expect at least until early 1984."

Kahn notes that the national retail sales index was up 20,9% for the 12 months ending March, but rose only an annualised 15% in April, May and June. "This is a massive decline that is accelerating. Any retailer who can manage to grow at the level of inflation will be doing well," he says.

Joe Hallis, national leasing director of Anglo American Property Services, which has shopping centres in Johannesburg (Carlton and Killarney), the East Rand (Northmead, Benoni), Sandton (Bryanston), Pretoria (Sunnyside Park), Cape Town (Kenilworth and Gardens) and Durban (320 West Street), says turnover at the centres' stores generally continued to show growth in May, June and July.

However, many of the stores at the centres — probably the majority — were failing to achieve real growth. At Johannesburg's Carlton Centre, the trend to slower sales in durables and luxury items

— areas expected to suffer first and most severely from a recession — was clear by mid-year.

Compared with the same months last year, furniture sales at the Carlton fell by 1% in May, rose by 8% in June and declined 22% in July. Sales of hi-fi, radio and photographic equipment fell by 7% in May, by 19% in June and by 22% in July. Jewellery sales were up 4% in May but declined 1% in June and 31% in July.

On the other hand, Carlton's clothing stores managed sales growth of 8% in May, 10% in June and 32% in July. Tourist-oriented operations grew 23%, 13% and 8%. Most successful were gifts and novelty shops, which reported higher turnover of 35%, 35% and 26%.

The pattern was similar in Cape Town. But there were clear signs of a crack in demand at the Kenilworth Centre, where growth in the overall take fell from 16% in June to only 6% in July.

The 1% increase in general sales tax boosted sales at some stores in the last week of August, helping cushion the decline. However, Kahn says: "We normally experience a rush to beat any increase in gst. This time it didn't happen. I believe this reflects the mood among consumers."

Edgars' Adrian Bellamy describes himself as "one of the pessimists although not pessimistic by nature." He projects a retail growth rate of 10%-11% until the end of



SA shopper ... tightening the purse strings

1983. "Profits will depend on management. In the US, many companies have come through the recession with level sales but still improved earnings."

According to Eric Ellerine, MD of the Ellerine furniture group, the latest rise in

gst came with "unfortunate" timing for retailers, as it will have a psychological impact outweighing its effect on consumers' disposable incomes.

Michael North, financial director of Greatermans, says both Checkers and the group's two remaining department stores at Eastgate and Pretoria have achieved growth "somewhat shy of the inflation rate." The food-based Checkers stores are expected to continue at current turnover levels but conditions will turn down more severely for departmental stores, he says.

Against the trend, however, turnover of the Russell's furniture group was still running ahead of inflation in the year to August. MD Les Mankowitz says the month's figures were 18,5% ahead of August last year. But, he adds, margins and profits are under increasing pressure.

"We expect to continue at this rate until Christmas, with the turning point emerging in the new year. It's unlikely we will be able to keep up with the inflation rate after that."

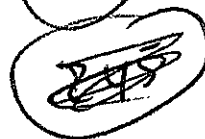
## CONSUMER

Consumers — particularly blacks — are swindled out of many thousands of rands each year by unscrupulous businessmen.

In the first of four articles Star Line Reporter ELAINE REYNEKE reveals some of the rip-off antics, records the views of concerned community spokesmen and suggests precautionary measures to be exercised.

## The Great Rip-Off

# Dealers are fleecing the public

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Human injustices seem to accelerate over the years as thousands of dealers continue to fleece ignorant members of the public.

Each year tens of thousands of black consumers are swindled of hundreds of thousands of rands by unethical dealers and fraudulent schemes which cover various fields.

Many are sold dreams that turn into nightmares.

Simple misunderstandings are the cause of many grievances but thousands more are caused through the cunning and guile of wily businessmen.

Legal experts as well as black community leaders agree that it is often inexperience that places the unsophisticated quarry in a position where he is open to manipulation by the glib-tongued exploiter.

Many experts maintain that widespread poverty aggravates patterns of exploitation. Because poverty and race tend to coincide in South Africa, they fear that deceptive selling techniques employed by the massive criminal subculture operating on the periphery of the consumer world have racial overtones exacerbating rather than solving the plight of the unenlightened consumer.

The Government has no effective control to

stamp out charlatans in the business world, thus thousands of aggrieved people have no official avenues of redress. Statutory protection is almost nonexistent. Even in areas where there is some legislation, such as price control, the inspectorate is insubstantial.

Mr Etienne le Roux, president of the Transvaal Law Society, said the legal profession's growing concern with the magnitude of the problem had prompted the society to take decisive steps to help curtail the exploitation of the less sophisticated in the province.

"We are at present preparing a scheme to enable people who would not ordinarily have access to legal advice to consult an attorney for half an hour for a flat rate of R15. The attorney will then determine whether the complainant has a case or not," said Mr le Roux.

Although it is ultimately up to the consumer to ensure he gets a fair deal and avoids pitfalls by merely using caution and exercising his legal rights, many concerned spokesmen — including Mr Arthur Chaskalson, advocate and director of the Legal Resources Centre, Mr Geoff Budlender, an attorney at the centre, Mrs Sheena Duncan, vice-president of the Black Sash, Mr Gilbert Bakana, leader

of the Venda Independence Party, and Mrs Marjori Mohlala, president of the Ikageng women's organisation — agree that lack of education is a major factor contributing to blatant exploitation of the ignorant.

They called for the establishment of an effective machinery to counteract exploitation. Many viewed self-help as an important notion and appealed to organisations in the black communities to organise consumer-awareness lectures on a regular basis.

Others called for the incorporation of consumer education into school curricula.

Although concerned organisations such as the Consumer Council and the South African Institute of Race Relations do provide protective literature much of it does not reach those who need it most.

Professor Leon Weyers, chairman of the Consumer Council, said every effort was made to keep the black consumer informed but unfortunately most available literature presupposed a certain amount of sophistication before it could be meaningfully used.

Despite constant warnings issued by legal assistance groups — including Legal Aid, the Legal Resources Centre, the law clinics of the University of the Witwatersrand and Rand Afrikaans University, Industrial Aid,

Lawyers for Human Rights, the Black Sash, the Consumer Council and the South African Institute of Race Relations — exploitation of the illiterate remains a hideous mesh that continues unabated.

"The problem seems virtually impossible to solve. It is like a hydra, you cut off one head, and another springs up," concluded Mrs Pauline Lipson, director of Legal Aid.

Although many spokesmen agreed that exploitation could be tempered through intensive and extensive consumer education, others viewed these efforts as only a marginal solution and called for the "complete eradication of the status quo."

Leading black spokesmen, including Dr Ntatho Motlana, chairman of the Soweto Committee of Ten, Mrs Sally Motlana, president of the black Housewives League, Mr Ishmael Mkabela, publicity secretary of Azapo, and Mr Sam Buti, chairman of the Alexandra Liaison Committee, said exploitative trends would continue unless the country's political system was overhauled and effective power-sharing introduced.

According to Dr Motlana the black man is at the mercy of every charlatan, crook and slick operator merely because he has no access to a representative with effective power to act in his interests.

Mr Eugene Roelofse,

an independent ombudsman, said every facet of the black man's life was regulated by the Government, and he called for government legislation to protect the black consumer.

Ready material for the unscrupulous exploiter, the black man is often tricked into signing blank contracts, leaving room for the crafty dealer to manipulate the document.

South Africa's con-

plaints.

A court will always assume that the signer of a contract read and understood what he was signing unless evidence to the contrary is presented. No court will assume you are foolish.

The doctrine of caveat emptor (let the signer beware) must be accepted as basic law.

It is up to the signer to be aware of the true information and to un-



Mrs Sheena Duncan . . . machinery to counteract

sumer law does not prevent businessmen from compiling blatant one-sided contracts which strip the buyer of all legal rights, and contain no legally enforceable obligations on the seller.

Unscrupulous dealers take advantage of this.

Contracts are often well disguised with barely legible print. After signing, many buyers discover they have forfeited all their common law rights and have no means of redress for their com-

derstand the terms of the document he signs. Your signature is your most important possession. Anything you own can be signed away — even money you hope to earn in the future.

Many salesmen use any ruse to get customers to sign legally binding contracts.

Once the contract is signed the salesman gets his commission and the customer finds he has landed himself in a tricky situation with a skilfully drawn



"It must be remembered that it is beyond the capability of most purchasers to inspect a car with a reasonable degree of accuracy."

up contract which negates the salesman's promises.

Often only the seller has the right to cancel the contract according to the fine print, and the customer must pay up or face the expensive and almost impossible task of proving fraud or misrepresentation in court.

Here are a few examples of the types of contracts often causing misfortune and some comments relating to them:

● "The seller does not warrant that the



exploitation is essential.

township will be approved or proclaimed within any particular time if at all."

This clause underlines the risk taken when purchasing a plot in an unproclaimed township. Buyers should watch for vague verbal assurances that "proclamation will not take long" or that "you cannot lose." The fact is that you can lose. If there is an undue delay you could lose a fair return on your money. You could also

lose the major part of your investment should the seller go into liquidation.

● "Should any amount due in terms of the agreement not be paid on due date the full existing balance will become due and payable forthwith."

This clause is widely used and is commonly known as an acceleration clause. Should the buyer find himself unable to make a monthly payment he could be faced with a bill for the immediate payment of the full outstanding balance. This could lead to a court order instructing an employer to deduct a fixed amount from the debtor's salary until the debt and the legal costs are paid.

● "A 10-year guarantee is given." This imposing undertaking is commonly used for home improvements and should be viewed objectively. Precisely what is guaranteed? The guarantee will lapse if the contractor goes into liquidation.

● The purchaser acknowledges that he has carefully inspected the goods together with all fittings and equipment."

This clause is widely used in the car industry. It must be remembered that it is beyond the capability of most purchasers to inspect a car with a reasonable degree of accuracy.

Should this clause be included in a contract, the buyer should insist on a prior inspection

by an impartial technical expert, preferably from a motoring organisation such as the Automobile Association or Roodalia.

● "The Provisions of this clause shall constitute any consent in writing for the purpose as may be required by Section 45 of Act 32 of 1934."

Never agree to any clause you do not fully understand. This is an important principle to follow at all times.

● "The seller shall nominate the carrier and delivery to such carrier shall be deemed to be delivery to the purchaser."

This clause is vague. It does not define the term "carrier." It could be the South African Railways or a friend of the seller who happens to be travelling in the direction of the buyer's home. In this clause it is the buyer who accepts the risk of ownership before he obtains possession of the goods. The buyer is therefore responsible for any loss or damage during delivery.

The cooling off period in the Credit Agreements Act aids those pressed into signing contracts by door-to-door salesmen.

Under the Hire Purchase Act door-to-door salesmen could coerce people into signing contracts which were binding.

Now the Credit Agreements Act gives the customer the right to cancel the contract within five working days. This is applicable only where the initial

agreement came from the seller and the document was signed away from his business premises. The provision also covers contracts signed at exhibitions and cultural shows.

The removal of the Hire Purchase Agreement and its replacement by the Credit Agreement is detrimental to the consumer in certain ways. One of these ways is that previously the purchaser could terminate the agreement at any time as long as the seller did not lose money through the cancellation of the deal. This is no longer the case. The right to cancel a contract is now limited to agreements made away from the business premises of the seller with the important difference that the purchaser can claim his money back when he returns the goods.

The Credit Agreements Act makes it impossible for companies to shrug off responsibility for latent defects through the small print in their contracts.

Disputes, however, still have to be settled in court and the consumer, particularly the less sophisticated, can ill afford costly litigation. Besides, companies are often more familiar with litigation procedures than their customers.

Several spokesmen from the legal fraternity believe the institution of a small claims court would greatly benefit hard done by

consumers.

In Australia this type of court handles consumer disputes over goods worth up to R600. These courts streamline litigation procedures and cut legal costs. According to spokesmen a similar court in South Africa could be set up to handle even bigger disputes.

Mr M E de Jager, chief executive of Assocom, believed a small claims court would be highly effective as it would deal quickly and effectively with the unscrupulous businessman. He said one solution to the problem of exploitation lay in ongoing consumer education programmes. He called on consumer bodies to take the initiative by approaching Assocom for advice on consumer education techniques.

According to Professor Leon Wyers, chairman of the Consumer Council, the country's black consumers were the least informed and the least aware of their rights than any other consumer group. He said discrimination in the market place engendered frustration and enmity in the black person, who was continually exploited by dealers who were aware of his unsophistication and the limited machinery to assist him.

He called for the introduction of a small claims court — "One of the few solutions to the problem," but expressed fear that its practical implementation would be a major hurdle.

# Mac's cool customers start a heated row

Star 16/9/82

By June Bearzi  
Star Line

Angry consumers in Johannesburg and on the Reef say they have been paying an all-time high price this year for what they believed was anthracite — only to find they had bought low quality coal which smoked, clogged stoves and heaters and emitted little warmth.

Macphail Ltd, which has a monopoly of domestic coal supplies in these areas, reacted to consumer dissatisfaction by saying householders would have to dig deeper into their pockets if they wanted better quality.

Triton Energy, which trades as Macphails, has come under fire from householders, the supplier of a well-known anthracite heater and a Johannesburg chimney sweep, all of whom claim that the fuel being sold is the worst they can remember.

### USELESS

Some say they have paid for a large percentage of useless coal dust and stones in the bags. A woman said she had two full bags of dust and another householder said he estimated he had lost about R50 because of the waste in his coal.

Many Soweto residents have had to pay for modifications to their anthracite stoves to burn the poor quality coal they are getting.

Dozens of other householders say they had to pay for repairmen to call to inspect heaters which they believed were faulty only to discover that the fuel was causing the problem.

Some put their heaters out in the middle of winter and reverted to electricity because of their frustration with the poor quality coal which gave



This handful of reddish stones made up part of a quantity which was found after a householder had burnt a bag of anthracite.

## Anthracite and coal — how do they differ?

Here is a guide to the difference between anthracite and low grades of coal:

Coal is classified by rank, with anthracite the highest and sub-bituminous coal and lignite at the bottom of the ladder. The lower the volatile (gaseous) matter in coal the better is the fuel. Fuels with a high percentage of volatile matter will give off a great deal of smoke, as under combustion these volatiles or gases escape as black smoke.

Anthracite, which emits an intense heat and very little smoke under combustion, has a volatile rating of between one and 10 percent, lean coal rates between 10 and 20 percent, and the rate for bituminous coal varies from 20 to 30 percent.

off little heat and blackened walls, curtains and furniture.

Mr Peter Jagger, a chimney sweep, and Mr K F Godwin, an anthracite heater retailer, are anxious about the

situation as they believe it reflects on their products and workmanship.

Mr Jagger told Star Line: "It is so bad that I have to carry two jars of ash — one of

anthracite and the other of poor quality coal — to show my clients what type of ash to expect if they have good fuel."

Consumer dissatisfaction began when Macphails insisted that customers had to take delivery of 10 bags of anthracite amounting to 70 kg at a time. When many discovered the quality was extremely poor they were furious.

Complaints streamed in to Star Line from consumers who thought they had bought anthracite, a smokeless clean-burning fuel which gives off intense heat and a small amount of ash.

They complained that:

Several experts told Star Line that the fuel sold could not be anthracite and all agreed it was low-grade coal. Tests conducted by a Johannesburg laboratory established that one woman had paid for three bags of anthracite but two of the bags contained poor quality coal.

Mr Cyprian Msibi, of Soweto, said he had to repaint his soot-blackened ceiling five times this year and pay R100 to have his new anthracite stove converted to burn the low-quality fuel he had been given.

### CONVERTED

Mr Msibi told Star Line: "Many people in my area first thought their smokeless stoves were faulty. But, when they found it was the fuel, it cost them a lot of money to get them converted to burn this smoking coal."

A Greenside resident said she was at her wits end with the problems she had with the fuel she had bought for her anthracite heater this year.

"In the 22 years that I've used this heater I've never had so much trouble and such a mess. My grate was constantly jammed with large red stones and chunks of slate and the heat was so

MUST enter in each question in which it has columns (2) and

poor I had to buy an electric heater. In disgust I let the heater go out before the end of winter."

Mr P Artias, of Kereville, claimed: "I have a big box of coal dust and plenty of stones which came in the bags."

He said he had cracked the glass in his heater three times in efforts to remove the black left on it each day.

Mrs C Lee of Springs said she too had a problem with smoke and had to use a scouring powder and a hard pot scourer to remove the black substance from the window of her heater.

### SORTING

A technical expert from the Transvaal Coal Owners' Association said anthracite and coal should not have large stones and pieces of slate in them.

"This shows incompetence on the part of those who are sorting the coal — they're apparently taking shortcuts to get as much as possible on the market regardless of quality," he said.

Mr Paul McNaughton, MacPhails marketing manager, admitted to Star Line that there had been a great deal of consumer dissatisfaction this year.

"Because of this we've decided to put up the price and supply local consumers with export quality anthracite," he said.

He claimed that Natal coal mine was responsible for offloading large quantities of extremely poor-quality coal on the market.

He maintained that problems often arose especially in Soweto because MacPhails' deliverymen were taking good quality coal and anthracite out of bags and replacing it with inferior quality coal.

He said the colour twines indicating bags of anthracite and bags of coal often became mixed up so a consumer might get a bag marked anthracite which was, in fact, coal.



# Row looms over whites trading in townships

30  
Sowetan  
17/9/82

THE SOWETO Chamber of Commerce and Industry and the so-called "front" companies seem set for a confrontation over who should trade in the townships.

The SCCI is holding a meeting this Sunday to work out a strategy to fight all black-run businesses in Soweto that are financed and controlled by whites. The meeting will be held at the Dube YWCA.

Among the targets of the organisation is the off-course tote in Dube and a R500,000 supermarket-cum-bakery business, whose director is Kaizer Chiefs' supporters chairman Mr China Ngema.

The row erupted last week when an SCCI executive meeting resolved to fight against white businesses encroaching into the black townships. The organisation also resolved to boycott all products by companies who are using black businessmen as their fronts.

SCCI chairman Mr Veli Kraai said yesterday: "These white companies should leave Soweto because they take our people's hard-earned cash back to town. As for the off-course tote nowhere in the world do you find such a place situated right in the heart of a residential area."

Mr J. Classon of the Totalisator Agency Board yesterday launched a scathing attack against the SCCI. "If the chamber is against the existence of the Dube off-course tote, then it's their own business. I don't understand what the fuss is all about because we got permission from the Transvaal Provincial Board to open a tote there."

Mr John Mavuso, whose company has been accused in the past of fronting for whites in its multi-million-rand project earmarked for Jabulani, refused to comment on the matter yesterday. "I'm not interested in the whole thing," he said and dropped the phone.

Mr Mavuso's company intends to build a business complex that will include an international hotel.

The row comes two weeks after the Soweto Council chairman, Mr David Thebehali, announced that his council had set aside 11 sites for business development in a bid to bolster the R1.5-billion spending power of Sowetans.

## Industrial and business review

# Good spices the key to success

TRADITIONAL Indian curries and other savoury dishes taste as good as the quality of the spices used to flavour them, says Mrs Logie Goverder, whose family owns a highly successful spice factory in South India.

The art of blending different kinds of masalas runs in the blood and she, with her husband, Mr N R Goverder, and son, Mr Thirupathi Goverder, have opened their own spice works, Kitchen Pride, in Jacobs Road, Clairwood.

'With our method of operations we keep a close check on the quality of our spices — a thing that is not so easy in mass production through machines,' says Mr Goverder, jr, the company's young managing director.

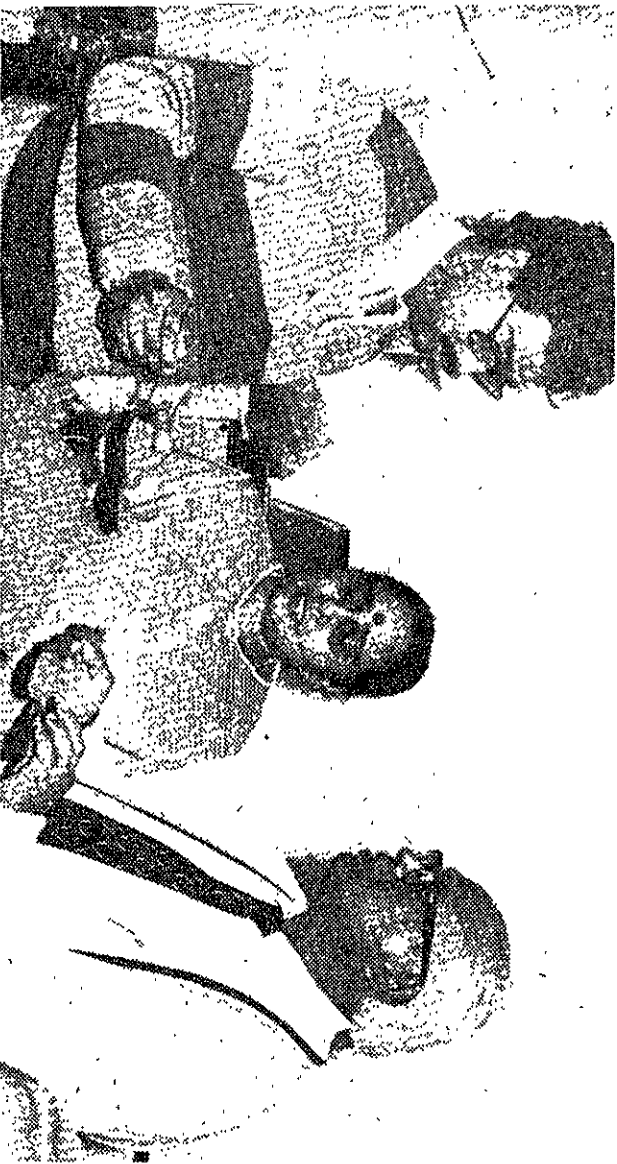
Each curry — mutton, chicken, vegetable and

breyani — needs a special type of masala to bring out the best flavour.

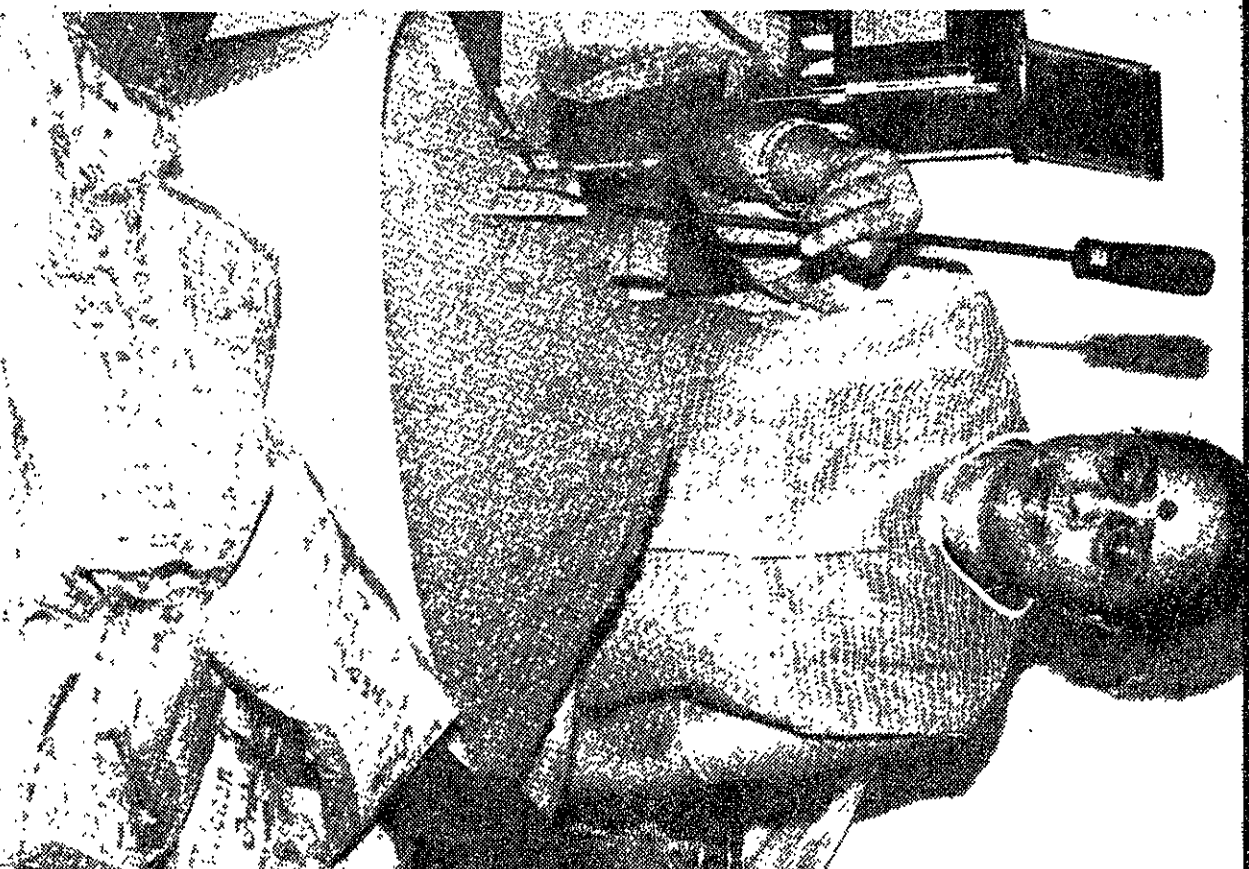
'I have experimented with different blends over the years and I feel I have finally perfected the blends for each curry,' Mrs Goverder says, adding that although Kitchen Pride spices have just been launched, all products were doing well on the local market in and around Durban.

Mr Goverder says: 'We will go all out to make Kitchen Pride the number one spice on shelves in the supermarket as well as the corner shop.'

Kitchen Pride spices are different in that they undergo a special roasting process, an important part of the production process which brings out the flavour of the various ingredients.



ALL in the family — managing director Mr T Goverder with parents Mr and Mrs N R Goverder checking quality control.



SPICE blender Mrs Logie Goverder at work at her Kitchen Pride Spice Works.

## Industrial and business review

# Company serves all race groups

THE Southern Natal Insurance Brokers (Pty) Ltd, which produced more than a billion rands worth of life in-

surance in its 10 years of operations and now rated as the biggest of the 'independent' life broking

companies, has yet another ambition — to buy out any of the existing smaller insurance companies

that may come on to the market.

Most of its business comes from the Indian sector, but the company's reorganised marketing policy has enabled it to branch out into all race groups, says chairman Roy Singh.

Mr Singh says the company's target for the current year — R1 000 000 in premium income or R100 million in sum assured — has already been achieved in eight months.

As more and more families are beginning to appreciate and understand the values of life insurance, industrial growth and the accompanying increases in salaries have resulted in a tremendous rise in premium income, to give us our most successful year', he says.

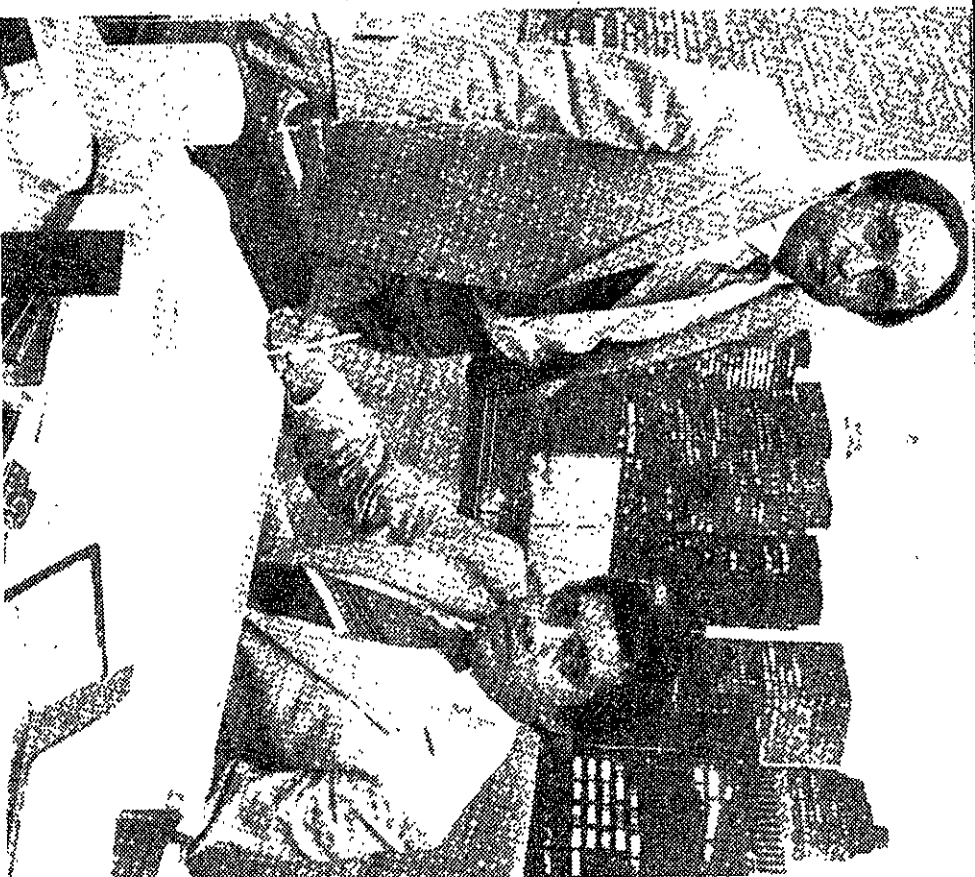
### Teachers

The company was formed by former school teacher, Mr G B (George) Singh, of Umzinto, in 1972, and a little later another school teacher, Mr Roy Singh, of Greytown, joined him as a sales representative — and rose to become chairman.

Says George in the company's well-appointed offices in Nedbank House: 'Although multiracial our staff and management work as a happy and contented family unit and our fully trained staff earn well above the average rates of pay.'

Why does he yearn to buy an insurance company?

'We were big enough to stand up and let it be known to some

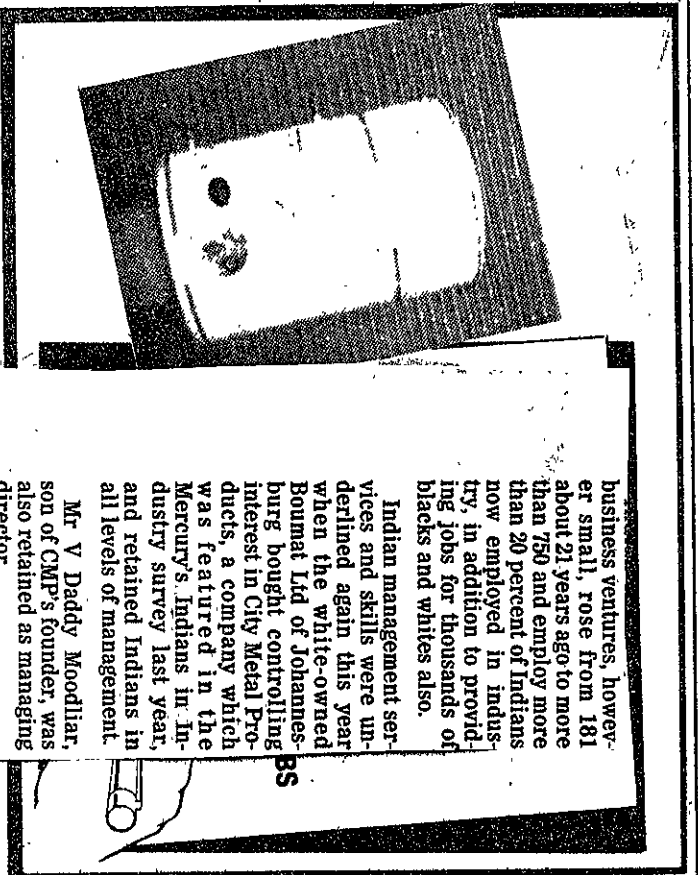


**CHAIRMAN** Mr Roy Singh (seated) in discussion with company founder and co-director, Mr George Singh.

insurance companies how we feel about policies they were offering Indians and other blacks on a discriminatory basis by levying higher premiums than for whites.

### Parity

'We have largely succeeded in our endeavours to bring about parity in rates. We'd like to run our own insurance house. And why shouldn't we — after all as a broking company we are already writing more policies than some of the smaller insurance houses,' says Mr George Singh, whose young son, Avin, alone already wrote more than R30 million of sum assured in the past eight months alone.



business ventures, however small, rose from 181 about 21 years ago to more than 750 and employ more than 20 percent of Indians now employed in industry, in addition to providing jobs for thousands of blacks and whites also.

Indian management services and skills were undervalued again this year when the white-owned Bonmat Ltd of Johannesburg bought controlling interest in City Metal Products, a company which was featured in the Mercury's Indians in Industry survey last year, and retained Indians in all levels of management.

Mr V Daddy Moodliar, son of CMP's founder, was also retained as managing director.

The community's rising entrepreneurial class has succeeded in spite of hurdles and lack of proper opportunities, and is turning more and more to national organisations such as chambers of in-



& Silver of PVC footwear

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THE company's accomplished salesman, Mr Avin Singh, who wrote more than R30 million of the sum assured in the past eight months.



## Industrial and business review

# Employer with concern for his staff

FROM rags-to-riches clothing factory owner, Mr S Reddy, says in all modesty: 'I wouldn't be where I am today without the loyal support of my staff — from the general manager to the cleaner.'

'I owe them a debt of gratitude,' he adds in an interview in his plush offices at Redbro Clothing in Chatsworth's Unit 10 industrial estates where up to about 40 000 garments are being turned out every week mainly for his six retail outlets in Durban alone.

He describes his general manager, Mr Dwarika Shah, as his mentor and tower of strength.

Mr Reddy, 46, personally sees to it that everyone in his workforce of more than 600 is paid well above the fixed rates of pay and has provided what are believed to be above-average comforts such as transport for workers from outside areas, piped music and TV shows during breaks.

He says with obvious concern for contentment among workers: 'I have been through the mill myself and I know all the hardships. I also understand how workers yearn for job security and my management has firm instructions to ensure all-round worker satisfaction.'

Poverty haunted the Reddy home in the early days, and in 1952 when he was barely 15 he began work as a machinist in a clothing factory — a chance he grabbed from selling cakes outside the factory gates.

Every time he saw the manager, he used to pester him for a job until he got one. But when the time for staff reduction came, he was one of the first to be shown the gates.

Redbro, with an annual turnover of about R5 000 000, has reorganised its operations to produce a bigger variety of clothing for men, women and children.



GENERAL manager Dwarika Shah and works manager Ronnie Pillay at the company's Adler gauntlet machine. BELOW: A section of the inside of the Redbro factory at Chatsworth's Unit 10 industrial estate.



## Industrial and business review

# Banking careers for young Indians

BANKING today is not merely an occupation, but a professional field of finance which constantly represents a challenge to its employees to maintain the utmost degree of versatility, says Mr D M Govender, secretary and public relations manager of the Durban-based New Republic Bank Ltd.

Many changes that give modern banking exciting and attractive career appeal have been intro-

duced by the NRB in recent years, he says.

'Of all the professions, banking offers perhaps the widest diversity of jobs. As well as the traditional banking activities like savings bank accounts, there are career opportunities in the fields of credit control, insurance broking, investment programmes for clients, HP and leasing, discounting, finance advice, bond loans and many others.

'You can become a bank manager, computer analyst, investment adviser, marketing officer, personnel manager or any of the many other positions.'

Computerisation, he says, has taken a great deal of the 'donkey work' out of banking, but the human element is vital and always present with even more opportunity and specialisation.

Mr Govender says promotion and merit increases over and above salary scales are granted to bank employees who perform their duties with above average efficiency, and the only limit to

progress which can be made is the individual's ability.

The New Republic Bank, he says, pays the rate for the job, irrespective of the colour of the employee. 'The bank is an equal opportunity employer, and whether you are male or female, you will have the same opportunities to progress,' Mr Govender says.

The bank has established its own training

college and courses usually run from one to two weeks during which instructors assist young men and women to overcome difficulties encountered in their day-to-day branch work and help them to acquire the confidence and skills needed in personal relations.

The bank opened its doors to the public on February 1, 1971 and in its 12th year of trading activities assets have increased to R30 million.

These staff members have made tremendous headway in the bank today:

● Mr P Algu, general

manager and chief executive who is also responsible for bank advances, training and personnel, premises and property, branch representation and business development.

● Mr D M Govender, secretary and chief accountant, who is also responsible for strategic planning, the bank's budgetary control, head office accounting, the bank's resources, money desk operations and investments and public relations.

● Mr G P Govender, manager of the Durban branch, with overall control of the bank's main

branch activities with an average staff complement of 29.

● Mr T K Moodley, operations manager, responsible for data processing and systems and internal inspections.

● Mr A R Gangat, manager of the bank's Johannesburg branch.

● Mrs Indira Singh, sub-accountant, responsible for preparation of statutory returns for submission to the Central Bank and Registrar of Financial Institutions.

● Mrs Premwathie Srikiissoon, sub-accountant, responsible for the 'resources' department at

the bank's Durban branch.

After preparatory work by present chairman, Mr J N Reddy, the NRB was launched 12 years ago under the guidance of the Standard Bank Group, more particularly Mr Neil Lillelund, the Standard's former Natal general manager, who became the NRB's deputy chairman after his retirement.

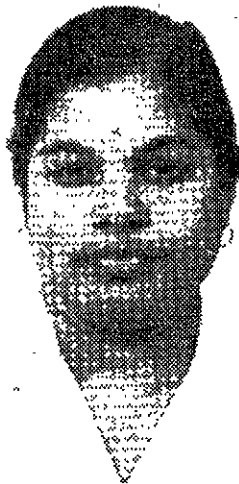
It came into being not only to provide a banking service but probably a greater importance to open the profession to banking generally to members of the Indian community, Mr Govender says.



MANAGERS at work — scene at a management meeting with, from right, Mr D M Govender, secretary, Mr P Algu, general manager, Mr G P Govender, manager, Durban branch, and Mr T K Moodley, operations manager. INSET: Mr A R Gangat, Johannesburg branch manager.



MRS Indira Singh.



MRS P Srikiissoon.

## Industrial and business review

# New units for producing special labels

FASHION Trend's young and dynamic managing director, Yana Pillay, will leave for the United Kingdom soon to finalise delivery of new, ultra-modern machinery for the manufacture of special labels for the clothing and textile industry.

The new plant, which when fully complete, will have cost R250 000, is the latest addition to existing plant and equipment at fast-growing Fashion Trend's factory in Clairwood.

The new venture is believed to be the first of its kind among Indians in South Africa and possibly

among blacks anywhere in Africa.

In addition to his existing embroidery works, for which Mr Pillay recently turned down an offer of R500 000, his diversification programme includes tie and T-shirt manufacturing.

### Screen printing

This division was expanded to include four imported screen printing machines.

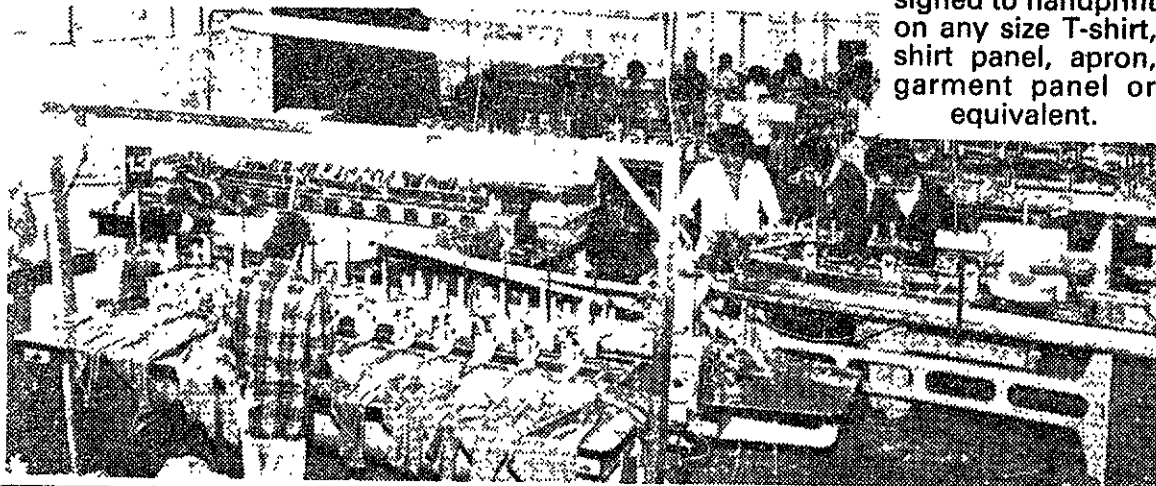
Mr Pillay says his plan for the near future is the building of a large factory on company-owned land at Chatsworth's Unit 10 industrial section.

Fashion Trend — its holding company is Natal Badge and General Embroidery (Pty) Ltd — produces a wide variety of embroidery, industrial badges, club and sports badges, school monograms, fashion embroidery on garments for men, women and children, jerseys, pockets, slippers, shoes and sandals.

It also produces names and numerals on overalls and dustcoats, flags and pennants of all kinds and sizes, corporate logos on ties, epaulettes, hat bands and embroidery work on pillow cases, bed sheets, towels and place mats.



THIS highly accurate machine, Fashion Trend's latest addition, is designed to handprint on any size T-shirt, shirt panel, apron, garment panel or equivalent.

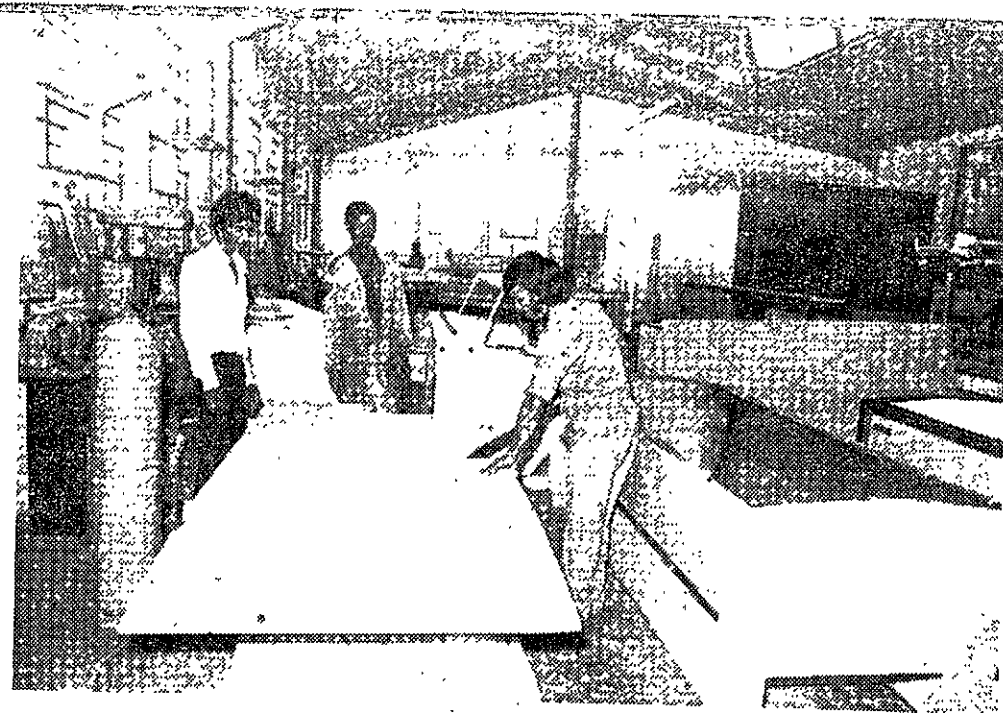


LEFT: A section of the company's factory in Seaward Road, Clairwood. ABOVE: Part of the tie and T-shirt division in Pinedene Road, Rossburgh.

## Industrial and business review



MR PERRY Govender, Igloo's managing director, with a freezer still in the making.



A SCENE in the factory at Ispingo's industrial estate.

# An eye on the export market

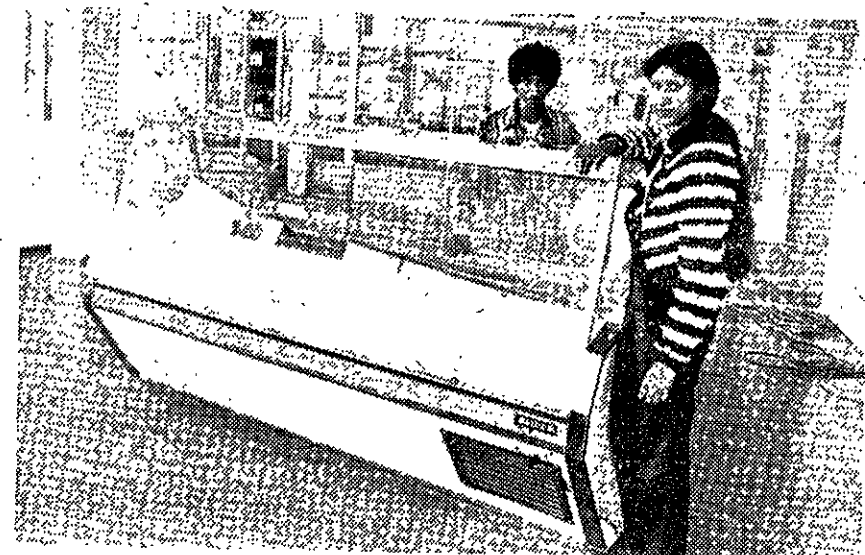
WITH an eye on the export market, Igloo Commercial Refrigeration's young founder and managing director, Mr Perry Govender, is replanning his operations.

'We have received many inquiries from outside South Africa about our products and through reorganisation we are hoping to be in a position to enter the export field in addition to meeting local demands,' he says. in an interview in his bustling Ispingo factory.

In today's tough world of commercial refrigeration, Igloo is making a breakthrough in sales that continue to justify founder Perry's confidence in his light industrial entrepreneurship.

Rated now as one of the country's top black manufacturers of commercial refrigeration units, Mr Govender's early training was obtained in a rather expensive way, he says, adding: 'I had learned the finer points in refrigeration by trial and error.' With hard work and determination he made his dream come true — Igloo's successful debut in the commercial refrigeration field.'

The family-owned company is manufacturing more than 10 different types of fridges, freezers, knock down freezer boxes to customer's requirements, chest freezers, counter fridges, delicatessen freezers, under bar coolers, beverage coolers, self-service and serve-over freezers, island freezers, and reach-in freezer units.



ONE of the company's exclusive lines, a serve-over freezer ideal for frozen foods.

## Industrial and business review



### Recipe for success

IF YOU are baking for a birthday, for an Easter party, Eid, Diwali or Christmas or some other special date on the calendar, it is most satisfying to be able to produce a cake that is appropriate to the day, and tastes every bit as good as it looks, says Mr R S Reddy, a baker and confectioner, whose creations, some unique and exquisite, often find their way to places all over the world.

With more than 30 years of experience, Mr Reddy says in his busy family-run bakery in Reservoir Hills that making wedding cakes is, for him, still a most rewarding and really exciting project.

He says if you enjoy making cakes, you already know how satisfying it is to put a cake on the table that not only tastes delicious, but looks really attractive.

Widely recognised as an artist in his field, he says some of the daintiest effects, especially for weddings and christening cakes, are achieved when sugar lace edgings are incorporated in the design.

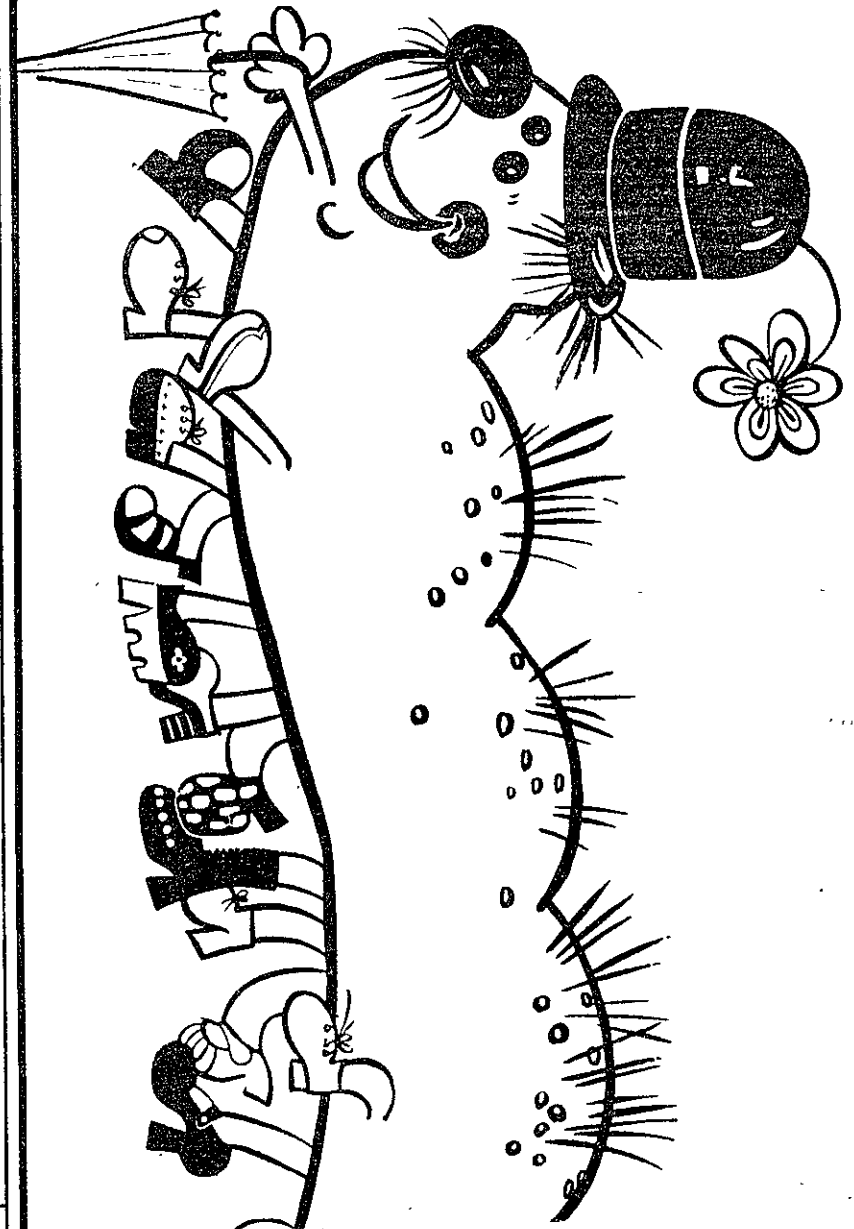
An icing bag can produce its own minor masterpieces of craftsmanship which provide a means of self expression and satisfaction and give the same pleasure as floral art, embroidery, or painting.

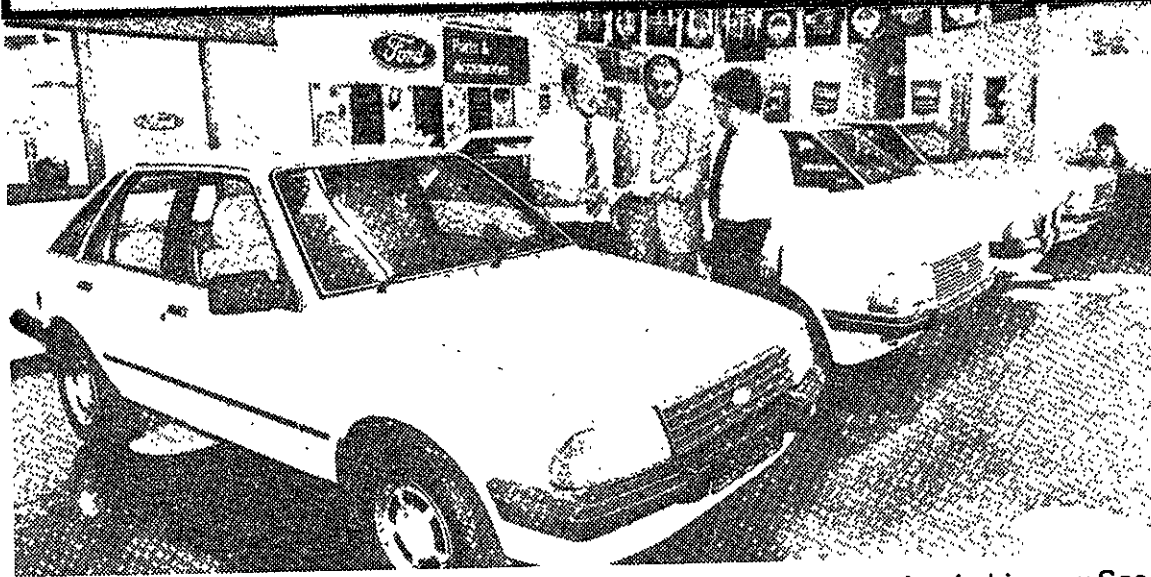
BAKER and confectioner Ruthnam Reddy and son Bala busy at work in their Reservoir Hills, Durban, bakery.



A RECURRING scene in the bakery with dad and younger son Jeeva at work.

# Simon-e





COMPANY managing director, Mr R S Naidoo (centre), in discussion in his new Sea Cow Lake showroom. BELOW: Any takers for these imported Ford models, Mercury and Continental? Showing off the cars here is salesman Sham Miseer.



# Two-car families 'not so rare'

NATAL'S pioneer Indian Ford franchiseholder, Mr R S Naidoo's breakthrough in the local world of Ford has also brought breakthroughs for other Indians in managerial positions in car sales, workshops and motor spares.

After 12 years in the motor trade through his service stations at Isipingo Beach and Merewent, both of which he had let out, Mr Naidoo set up a new service station at Sea Cow Lake, which he predicts would become the future Ruhr of Durban — something on the lines of the famous industrial estates in Germany.

He then obtained a franchise to sell Ford products.

Within six months of his opening he won a Ford Motor Company first prize for outstanding performance in his particular category — an award that would enable him and his wife to leave for Europe and Britain next month with a visit to this year's international motor show in Birmingham as one of the highlights of a fortnight's trip.

Numerically Indians form the largest single group in Durban.

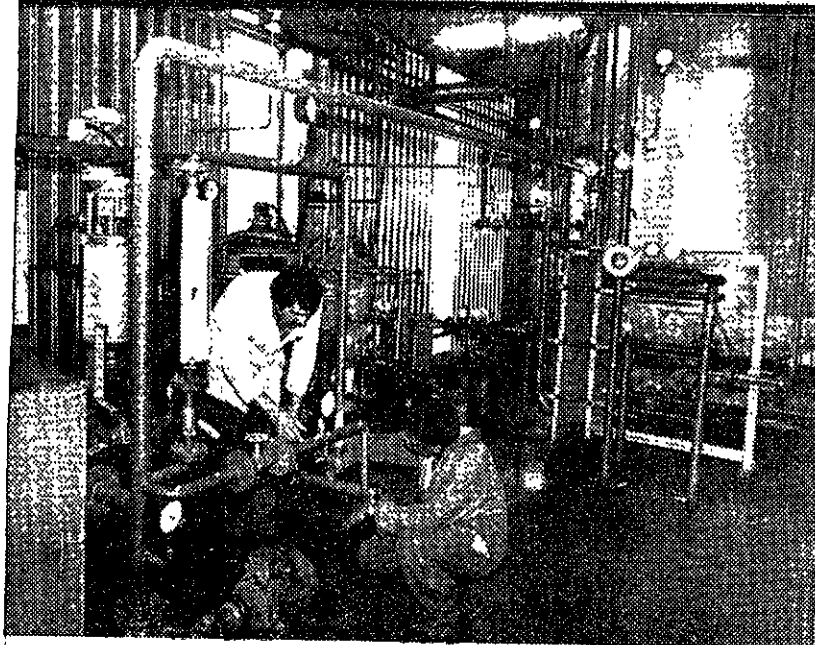
He says this provides an interesting potential for sales as well as for leasing of new vehicles to the community's increasing number of doctors, lawyers, accountants and other professional people.

### Increase

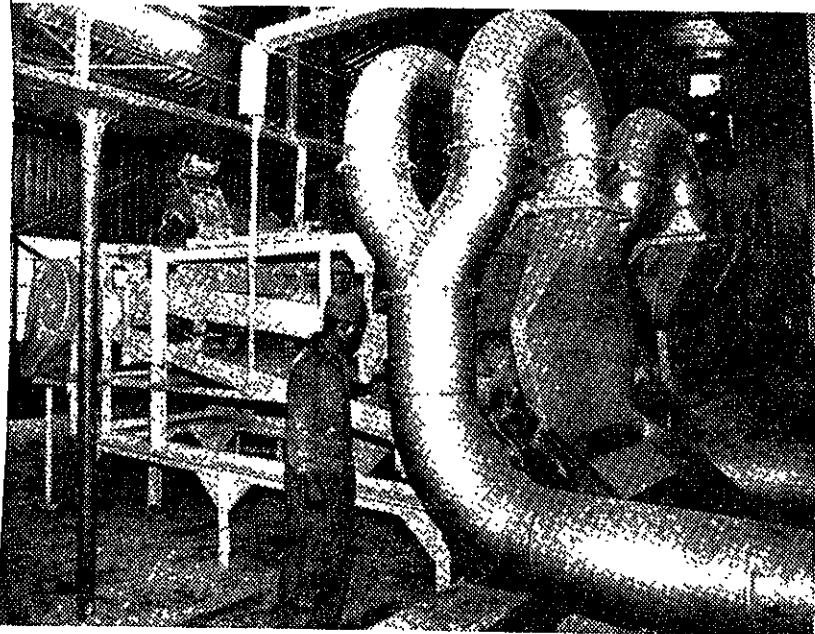
There is a marked increase in the number of Indians leasing cars, and also in the number of women drivers. 'An interesting feature is that the number of families owning or leasing two or more cars has increased, indicating that the days of two cars in a family being counted as a status symbol is fast becoming a thing of the past,' he says.

Coming from a family of teachers headed by eldest brother, Mr R S Naidoo snr, Mr R S (Aress) Naidoo quit the classroom many years ago to take the plunge into the world of cars — and, he says, he has not looked back.

## Industrial and business review



PART of the company's centrifuges plant at Willowton which separates water from oil.



PART of the decortication plant which shells and cleans sunflower seeds.

# Modern plant for soap factory

IN ITS new diversification programme, family-owned Sealake Industries (Pty) Ltd has ordered new, highly sophisticated plant from Italy and Germany at a cost of more than R1 000 000 to manufacture a wide variety of soaps for washing, laundry and toilet use.

The machinery is expected to arrive soon and will be installed in Sealake's new factory additions completed at Pietermaritzburg's Willowton industrial estates.

Soap making will be an addition to Sealake's existing products which include refining and bottling of edible oils at plants in Willowton and at Sea Cow Lake in Durban, and candle making.

### Expansion

The current expansion programme is expected to cost altogether about R3 000 000, says Mr Haroon Essack, general manager of Sealake's vast operation, who runs the Willowton plant under 10 000 m<sup>2</sup> of covered factory on 5 ha of company-owned land, with his cousin, Mr Goolam Essack, as production manager, and Mr E S Patterson, recently appointed as works manager.

Large silos for storage of bulk sunflower seeds have just been installed, and work has started on the construction of two new boilers at a cost of about R500 000. Sealake

has just completed and commissioned a large capacity oil refining plant, also at Willowton, at a cost of about R600 000.

Sealake, which at present packs more than 1 000 000 bottles of cooking oil every month, plans to enter at a later date a completely new field in food manufacture by Indians — making of margarine.

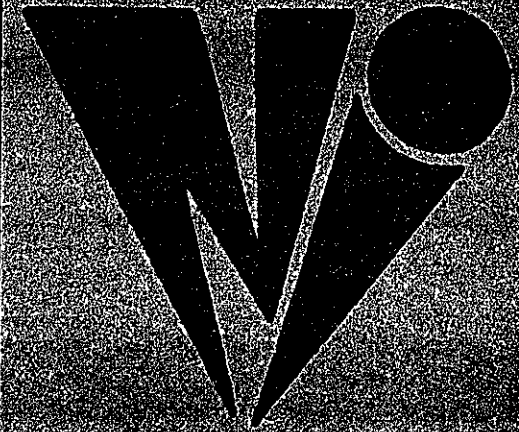
Additions to plant at Pietermaritzburg last year included a sunflower seed and ground nut-kernel crushing and solvent extraction works.

The company produces more than 3 000 000 candles every month in a separate division at Sea Cow Lake, using paraffin wax and string for wick in a complex process in which the candle is drawn rather than moulded to give the candle longer burning time, according to Mr Gaffar Essack, the company's Durban production manager.

Sealake Industries, a multi-million-rand undertaking, was started a decade ago by Mr A T Essack and his brothers, Mr M Essack and Mr A S Essack and the sons of the founders — numbering nine — provide most of the executive manpower.

It has its own road tankers and trailers to transport crude oil as well as refined oil from Willowton to Sea Cow Lake, and it also exports edible oils in bulk to some European countries.

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TASTE LIKE GRANDMA'S



**OSMANS SPICE WORKS (PTY)  
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# Monument to its founders

THE biggest Indian-owned glass works in Natal, Cutrite Glass, stands as a monument to its founders the late Mr A P Govender, who was a pioneer in the field, and his partner, the late Mr P C (Dick) Chetty

With wide experience in glass which he obtained in his managerial capacity at the then Natal Glass Works, where he was employed for about 22 years, Mr Govender decided to branch out on his own after NGW was taken

over by Woods Glass Works.

Mr Govender enticed his close friend Mr Dick Chetty, also a pioneer in the clothing industry, to join him in his venture in 1958 — and they set up shop in small premises in Durban at the corner of Cross Street and Lorne Street.

Their debut into glass was not easy because others in the field at the time, all whites, saw Mr Govender as a threat and made takeover offers,

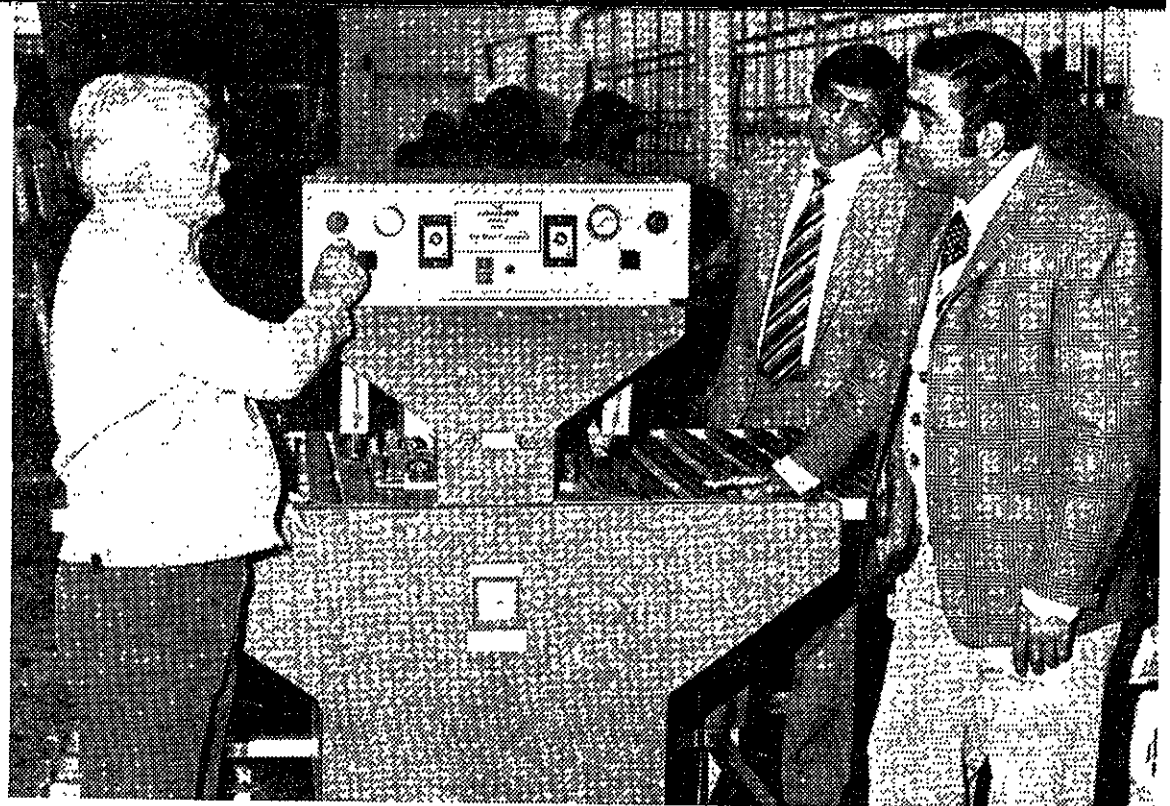
even before Cutrite had actually got off ground, with a view to checking competition from his end.

Partners, AP and Dick, as they were affectionately known, were determined to succeed even against odds — but a real threat to their endeavours came when some suppliers were reluctant to supply them with glass, presumably through pressure from others in the glass business.

When the founders died — Mr Govender in 1968 and Mr Chetty, three years later — their sons, Mr Krish Govender and Mr Krish Chetty, took over the reins on behalf of their respective shareholding families to ensure Cutrite's continued success.

Cutrite Glass Works was then moved to larger premises in the heart of Clairwood's industrial area — and, says Mr Govender: 'We are indeed proud to have been appointed as the first non-white glass distributors in Durban, unlike some others who are plain glass merchants.'

Cutrite plans to move to yet bigger and better premises in the future.



COMPANY directors Krish Govender, middle, and Krish Chetty with their latest addition to plant, an imported glass grooving machine demonstrated here by their works manager, Jack Sutherland.

RIGHT: Unloading of a regular consignment of glass from manufacturer Pilkington Bros in





Star  
28/9/82 13

**NEWS**

**Fair play  
campaign  
launched**

A campaign called "Operation Facelift" has been launched to support local businesses which practise fair play and to discourage support for unscrupulous businessmen.

The campaign, launched by a steering committee based in Lenasia, has called for support for businesses that conform to a set of standards to be worked out together with township residents.

"The power wielded by the economic strength of each individual, if used on an organised and collective basis, will form a major threat to unfair businessmen and business organisations," said a spokesman.

The campaign will focus on issues such as the problems of domestic workers, price increases affecting consumers and commuters, and high rentals imposed by landlords.

The steering committee plans to hold a meeting in Lenasia to select a committee to run the campaign and claims to have the support of civic and religious leaders and prominent businessmen.

The steering committee can be contacted at PO Box 351, Westonaria, 1780.

Rom 22/9/82

# 'Migrant labour' ad angers union

By STEVEN FRIEDMAN  
Labour Correspondent

A REFERENCE to migrant labour in an advertisement for BMW motor cars has drawn an angry response from the general secretary of a major Tucs-a-affiliated union

Mr Athol Margolis, of the Garment Workers Union, has lodged a written complaint with the Newspaper Press Union, charging that the ad makes "distasteful" use of the

term "migrant labour"

In a letter to the NPU, Mr Margolis said the advert referred to the "horrendous" and "pernicious" migrant labour system in a "flippant" way and asked that "prompt action be taken to amend or remove" it.

But yesterday Grey Philips, the advertising agency which devised the ad said it had appeared in papers throughout the country over the past few months and no

complaints had been received

"We did not mean anything derogatory and I believe this is clear from the ad," an agency representative said

The advert, for a leasing scheme at a BMW dealer, Auto Bavaria, is headed "BMW presents the Executive Mobility Plan: The end of migrant labour"

It suggests the scheme "could well mean the end of the wandering executive"

In his letter, Mr Margolis said his objection "arises from the distasteful use of the term 'migrant labour'.

"The term is generally understood to refer to the pernicious system which inhumanely governs the daily existence of millions of black South Africans.

An NPU representative said the letter had been received and Grey Philips would be approached for its response

FM 24/9/82

## TRACTOR TROUBLES

30

As expected, the hard times in the tractor market continue.

In August only 875 were sold, a 55,5% fall on the corresponding figure for last year. Sales for the year to date are down 58,4% to 6 621 units from 15 922.

Strengthening its lead in a shrinking market, Massey-Ferguson (MF) achieved August sales of 249, a market share of 28,5% for the month.

It was followed by Ford which sold 168 units or 19,2% of August's sales. John Deere ousted Fiat from third place in the league with sales of 166 or 19,0%. Fiat sold 101 or 11,5%.

Year-to-date rankings of the "big four" producers — who hold more than 80% of the market — are: MF 1 397 or

21,1% (23,3%), John Deere 1 255 units or 19,0% (13,4%), Fiat 1 240 units or 18,7% (21,5%) and Ford 1 208 units or 18,2% (23,9%).

With much depending on rains during the rest of the year, nobody appears to have much faith that demand will improve materially this year.

Keith Berning, Ford's manager of tractor operations, comments that dealers continue to hold large stocks.

"If climatic conditions favour the wheat and maize crops total sales may exceed 10 000 units," he says.

Prospects for next year are also not too rosy. Berning expects a total market of 12 000-13 000 units in 1983 against an average of 15 000-16 000.

# Coal merchants clash over prices

30  
Sowetan 24/9/82

By STAN MHLONGO  
THE SIMMERING row between coal merchants in the Vaal Triangle started to boil this week when claims that residents were being ripped off by traders were made by another merchant.

An Evaton coal merchant, Mr John Dube, told The SOWETAN that the month-long row, which has embraced places as far afield as Viljoensdrift and Sasolburg, was "between licensed and unlicensed traders."

The misunderstanding allegedly started when some traders decided to increase the price of the 75kg bag of coal from R2 to R3 early this year.

"The public is being ripped off as the Government control price for a 90kg bag is R2,88

— while local traders charge R3 for a bag weighing 75kg," said Mr Dube.

Mr Dube, who is a licensed trader, said he was worried by the other traders who were taking the unlicensed traders to task for trading without licenses. "while it was decided by members of the Vaal Coal Merchants Association that people would be allowed to trade without licenses."

This was because many people who were coal traders were found to be pensioners Mr Dube said, he believed that a mob was busy forcing the drivers who worked for the unlicensed merchants to leave their jobs as they were likely to be prosecuted if the authorities

found them working for the unrecognised merchants.

Mr Dube felt that the Vaal Triangle Community Council should intervene and try to stop this row before things got out of hand.

The former secretary of the Evaton Ratepayer's Association, Mr Tom Nhlapo, said he was disgusted by the whole racket

"If blacks can stoop so low as to fleece their own brothers, then there must be something morally wrong with us," he said.

Another resident, Mr Ledibu Matlawe, felt that "the whole thing deserved to be studied by the authorities and the culprits severely punished."

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NAFCOC PRESIDENT:  
Mr Sam Motsuenyane.

# Nafcoc plans to aid homelands

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THE National African Federated Chamber of Commerce (Nafcoc) has decided to co-operate with "homeland" leaders in a bid to develop "all black areas in and outside the Republic of South Africa".

This bombshell announcement was made by Nafcoc's president, Mr Sam Motsuenyane, at a Press conference in Johannesburg yesterday.

In another shock announcement, Mr Motsuenyane issued a tough warning to Indian traders who ignored invitations to join the organisation while their business survived on black support.

The announcements form part of several resolutions taken by the Nafcoc summit meeting held in a city hotel this week.

Mr Motsuenyane said co-operation with the "homeland" governments could not be seen as acceptance of "the system". His organisation was concerned about the welfare of the Government's subjects, and to help develop them their leaders could not be ignored.

"The organisation is critical of separate development, but I believe when the chips are down you can't disregard homeland leaders and still work with the people in their area. Our

target is to reach these people, to see that their standard of living is upgraded, and that has nothing to do with recognition of the system," Mr Motsuenyane said.

Indians and coloureds were still being invited to join Nafcoc, he said.

Nafcoc also resolved to resort to boycott only after other methods of negotiation and persuasion had failed.

"Before undertaking to boycott, the national body must be informed. We believe that the most effective results can come about when the whole movement sticks together, rather than if it is done by units," he said.

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Orange Breeze

27/9/82 (30) Sowetan 27/9/82

# 'Black consumers will fight back'

THERE is a danger that consumer resistance could develop strongly within black communities unless protection was afforded to the most vulnerable black consumers, Mr Sam Motsuenyane said this weekend.

Mr Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc) and a director of companies, was addressing the twenty-first-anniversary function of the National Consumer Union in Pretoria.

"What is so sad and

deplorable about our South African market is that it is arbitrarily divided into racial components," Mr Motsuenyane said.

This division, he said, opened vast possibilities for exploitation of the weak by the strong and the under-privileged by the more privileged.

Mr Motsuenyane said the black consumer was the most difficult to reach and to communicate with.

He said the Press, magazines, television, cinema and radio were inadequate to supply full communication needs for black consumers, especially those living in rural areas.

He attributed this to a lack of means, electricity and illiteracy.

Racial discrimination made it difficult for blacks and whites to share social and educational amenities.

Mr Motsuenyane said little could be done to protect the uninformed,

defenceless and sometimes unsuspecting black consumer against exploitation.

"In the long run, however, the black consumers will find effective remedies to their exploitation," he said, citing the American black consumer as an example.

The anniversary function, whose theme was "Co-operation; A Better Deal for the Consumer", was addressed

by representatives of the Chamber of Industries, Afrikaanse Handels Instituut, Assocom, SA

Agricultural Union and the SA Co-ordinating Consumer Council.

# Capitalism 'isn't just for white people'

By Stuart Flitton

Africans were not inherently socialist and as soon as African states were independent of colonial countries, they practised capitalism, the president of the Black Management Federation, Mr Eric Mafuna, said at the weekend.

Mr Mafuna was part of a panel of top business people who answered questions posed by schoolchildren who had completed a youth leaders' business programme.

Most of the questions concerned the free enterprise system, socialism and inflation.

Mr Mafuna said he had heard no persuasive argument that blacks were not capitalists.

"If you are born in South Africa you have no idea what communism or socialism is all about. You are a capitalist," he said.

He said that during the colonial era Africans thought the alternative to capitalism, with its political overtones, would be better than capitalism.

"Because blacks ran to the opponents of capitalism, people assumed they were anti-capitalist.

"After the African states used the communists to achieve their independence, they wanted to be capitalist," he said.

Mr Mafuna said that he and most other blacks were "through and through" capitalists and wanted to enjoy the fruits of capitalism.

Answering an earlier question he said the free enterprise system in South Africa was not very free when applied to blacks.

"Its free for whites — to an extent," he said.

Dr Zac de Beer, an executive director of the Anglo American Corporation, said he was in Zambia when the copper mines were nationalised.

"The government felt it wrong that the valuable mines should be owned by outsiders, and they wanted the mines to be owned inside Zambia, and the only people who had the money to buy the mines was the government," he said.

Various panel members agreed that the free enterprise system allowed business people to make their own decisions and was based on "consumer sovereignty."

The panel felt socialism was inefficient because a few politicians and civil servants controlled the market.

# Commerce chamber calls for boycott Traders declare war

27/9/82

Sowetan

30

SOWETO shopkeepers are to intensify their campaign against the so-called "front" companies, their first target being a milling group presently financing a black-run business in the township.

The Soweto Chamber of Commerce and Industry president, Mr Veli Kraai, said yesterday: "Shopkeepers will ensure that no further orders come in from the company after present stocks on our shelves have all been sold. Most shopkeepers have thrown their weight behind this campaign."

By **LEN MASEKO**

The SCCI resolved last weekend to prevent all shopkeepers in the townships from making further orders of the company's products. The company is financing a giant supermarket in Jabulani.

He said the organisa-

tion would in future "screen" businessmen seeking financial help from white companies. Only after consultation with the businessmen's organisation would blacks be allowed to run white-financed concerns in the townships, he

added.

Mr Kraai urged black businessmen to "come together" so that they could form companies. This, he said, would ensure that all businesses in the townships would be black-owned.

Among the targets of the businessmen's organisation is the off-course tote in Dube, which the body has pledged to "fight out of Soweto".



CAMPAIGN: Mr Veli Kraai, SCCI president.

Union

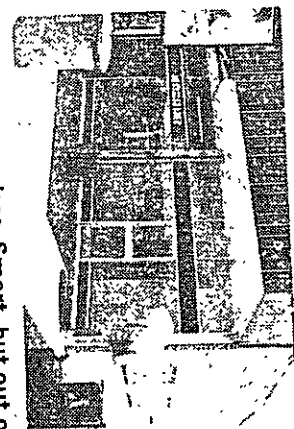


# Indian rebels will defy eviction orders

Rev. 23/9/82 (30)



Dr Ahmed Kaka's premises. Better situation, say Indians.



The new premises. Smart, but out of the way, say the Indian occupants.

By DAVID CAPEL

**TWO** Indian residents of the dusty Western Transvaal town of Lichtenberg — one a doctor and the other a businessman — are making a last-ditch stand against eviction notices ordering them from properties they have occupied for the past 20 years.

But colleagues and friends say when the dust settles the two will have lost on every front.

And while Dr Ahmed Kaka, a general practitioner and Mr A Mia, a motor vehicle dealer, fight their "losing battle", while townsfolk are either not interested in their predicament or know nothing about it.

Dr Kaka, a fiery grey-haired doctor, told the Rand Daily Mail in an interview in his consulting rooms on the outskirts of the central business district he would not move from the premises "under any circumstances".

And Mr Mia, who also owns a small grocery next to Dr Kaka, said he had already obtained a Supreme Court interdict restraining the Department of Community Development from evicting him.

The two were recently served eviction notices under the Group Areas and Expropriation and Urban Renewal Acts.

Dr Kaka and Mr Mia are the only two remaining Indians in the town's central business district. At least 520 Indians have been moved to an "Indian Complex" a few kilometres away.

The complex is full, save for two premises which stand vacant. They have been allocated to Dr Kaka and Mr Mia.

Yesterday Dr Kaka angrily recalled how

his premises were locked and bolted by officials from the Department of Community Development, accompanied by the police, on September 8. He "broke in" shortly afterwards and has continued his practice.

"What would you do?" he asks. "These are my premises and no one has the right to lock me out."

His father left him life-long occupational rights to the premises.

"The Government's own judicial system has caught them", Mr Kaka said. "They have been trapped by their own laws because it is illegal to evict a person under two entirely different Acts which have no mutual provisions to be used simultaneously — as has been done in my case."

Store owners at the new complex expressed similar views — although, unlike Dr Kaka, they moved without a fight. The owners felt the move had a deterrent effect on business. They said although the new shops were nearer to the Indian residential area, a lot of their business came from blacks.

Lichtenberg's white community, interviewed at random, either said they knew nothing of the removal of Indians from the CBD or would not discuss the issue.

But the acting Town Clerk Mr C A van der Walt said the council had gone "out of its way to get the new facilities ready".

Mr Van der Walt said it would benefit Dr Kaka to move. The new premises were more modern and more easily accessible to his patients.

Mr Van der Walt said the area from which the Indians had been moved was needed for development. However, it was not yet known what would be built in the area.



Picture: GARTH LUMLEY

Dr Kaka at work in his premises. He "broke into" his consulting rooms after they were locked by officials of the Department of Community Development.

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**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

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GENERAL NEWS

# Black consumers might hit back...

There was a danger that strong consumer resistance could develop in black communities, said the president of the National African Federated Chamber of Commerce, Mr Sam Motsuenyane.

He warned blacks might be compelled to take united action against "exploiters."

Blacks constituted the most vulnerable group of consumers which most needed protection.



MR SAM MOTSUENYANE

The current reach of the media is totally inadequate to supply the full communication needs of blacks, especially those living in rural areas," said Mr Motsuenyane.

The South African Consumer Union celebrated its 21st anniversary recently by holding a conference entitled "Co-operation: A better deal for the Consumer." Leaders representing consumer groups, commerce, industry, agriculture and Government were invited to speak. COLLEEN RYAN reports...

He said the South African system made it difficult for blacks to share social and educational amenities meant for whites.

"There must be more sharing in our society so that blacks can get the information they need," he said.

He called for improved co-operation and communication between South African consumers.

"There is a great need for mass education among blacks and more money and effort are needed for this important task."

## Watch black buying power - Nafcoc

The buying power of blacks is expected to reach R22 000 million by the end of the century, says the president of the National African Federated Chamber of Commerce, Mr Sam Motsuenyane.

Mr Motsuenyane said the black market was the market of the future.

Over the next 20 years Nafcoc predicted:

- A doubling of the black working population, with a significant increase in the lifespan of working men.
- Increasing urbanisation of the black population, with 60 percent living in cities.
- Growth of the black school-going population to 6 million, with more black matriculants than white by 1990.

The entry of 5 million additional consumers to the market between 1981 and 1985.

Mr Motsuenyane said black consumers were gradually becoming more selective and price-conscious.

"If communication with black consumers remains difficult during a period of increased productivity we may experience dramatic developments in the South African market," he warned.

He said blacks might take united action against exploiters in the future.

question you are answering.

- Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
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unless candidates are so instructed.

- Candidates are not to communicate with other candidates or with any person except the invigilator.
- No part of an answer book is to be torn out.
- All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

# Nafcoc urged to spread to rest of Africa

30  
Sowetan 28/9/82

A LEADING Zimbabwean businessman and company director has called on the National African Federated Chamber of Commerce (Nafcoc) to spread its wings over other African countries.

Mr H Mapondera was addressing the Nafcoc annual general conference in Johannesburg on Zimbabwean "experience in black-white partnerships in business".

Failure to expand outside local boundaries would be a disservice to the organisation and Africa as a whole, Mr Mapondera said.

## CHALLENGE

"Let your ideas spread and let your initiatives extend to the needy world which stretches from the Sahara to the Cape of Good Hope. This generation cannot act like the former which saw itself in the role of teachers and missionaries in a world where the foundations had been laid not in the Hinterland, but along the line of rail."

"The challenge of Africa epitomized by the experience of Zimbabwe, is that we have

By  
**CHARLES MOGALE**

to wake up to what other nations have done. They have entered the age of high technology and trade. We cannot remain the backwater of the world. Africa has to develop itself to the level of a continent with the human material resources which should spell out success and progress instead of poverty and retrogression."

## HUMANE

Defending the system of socialism practised in Zimbabwe, Mr Mapondera said it was a "clear departure from the old system which was based on colour".

The purpose of both public and private policy would be directed at improving the livelihood of

the majority of the people.

"The policy of socialism in Zimbabwe was not more than the spelling out of the new order with its strong emphasis on a more humanitarian policy of rehabilitation of the masses who, over the years, had become the victims of the exploitative system imposed by the colonial era."

"Our system is not designed to be punitive to the hardworking. If anything, it is designed to reward the hardworking and penalize the idle," Mr Mapondera said.

## HOMELANDS

• The conference resolved, among other things, to co-operate with "homeland" leaders in a bid to help develop their citizens.

Nafcoc president Mr Sam Motsuenyane said the decision should not be seen as supporting separate development. He said the homeland leaders could not be ignored if homeland citizens were to be co-operated with.

# Indian traders upset by 50pc rent increases

Mercury Reporter

INDIAN traders in Chatsworth yesterday lashed out at a move by the Department of Community Development to increase their rent by an average of 50 percent.

The traders, many of whom have been resettled in the Moorton shopping complex in Chatsworth after being uprooted from other areas by the Group Areas Act, said the increase would affect them seriously.

'It is barely a year since we've moved to Chatsworth and we are still finding our feet. To push up the rent so suddenly is like hitting the traders below the belt,' said a spokesman for the 21 traders in the Moorton complex. He declined to be identified.

'The increase is exorbitant and it's definitely going to cripple the small trader,' he said.

In some cases, the hike — which comes into effect on November 1 — will push up present rentals of R183 to R256, while in other cases, traders with a present rent bill of R250 a month, will have to pay R100 more.

The traders have approached Mr Amichand Rajbansi, executive chairman of the South African Indian Council, to lodge objections on their behalf.

Mr Rajbansi said the council's executive committee would seek an urgent interview with Mr W J Henning, regional representative of the Department of Community Development in Durban.

But Mr Henning told the Mercury yesterday that the increase was a 'normal yearly review of rentals' and he did not regard the it as exorbitant.

He said resettlement tenants were charged one-third rental for the first year. Rent normally went up by two-thirds in the second year but tenants had been charged much less, he said.

Mercury

28/9/82

50

9  
SHEETS  
RESEARCH UNIT

Tear-gas  
30  
used  
after  
29/9/82  
incident  
at shop

Crime Reporter

TEAR-GAS was used by police to disperse a large crowd of blacks who adopted a threatening attitude while a man was resisting arrest outside the Spar Foodliner at Clairwood yesterday.

A spokesman said there had been a scene inside the store when a black man's parcel, deposited at the hand-in counter, had inadvertently been given to another customer.

The man allegedly became very aggressive and would not accept the store's explanation or accept its promises to try to retrieve his parcel. The police were eventually called.

He struggled violently when police attempted to put him in their van. A large crowd gathered and became threatening, demanding that the police let the man go free.

They were ordered to disperse. When they refused to do so a tear-gas canister was lobbed among them and they dispersed.

570 29/1/82  
**Checkers**  
puts **Big D**  
into retail  
**battlefield**

By David Braun

The sales battle between the retail giants escalated today when Checkers scrapped the name "Hypermarket" for its super stores and renamed them Big D Discount.

The group plans to enter the discount, mass merchandising world with what it terms "the second-generation hypermarket."

The revamped group will complement its sister company, Dion Discount Centres. Both chains are part of the Kirsh group, which has launched an aggressive initiative to corner the discount market.

Mr Gordon Utian, the managing director of Checkers, says the group has defined a new position for itself in the mass merchandising field.

"The Checkers name is associated with the supermarket chain and we thought this led to consumer confusion. So the Hyper stores have now been given a separate and totally new identity," he said.

The changes at Big D Stores range from the cosmetic — new name, new emblem, new colours — to the core of the operation.

More than 300 branded food items, the country's best sellers, have been identified and their prices cut to a minimum, says a spokesman for the group.

"Our second draw card will be the Big Buy system. These are weekly specials on offer from Thursday to Saturday, which will slash the price of popular items.

# Ackerman to cut bread price

CAPE TOWN  
30/9/88

30

## Staff Reporters

FRUSTRATED by a lack of government response to his proposals for holding down the bread price, Pick 'n Pay chairman Mr Raymond Ackerman is going ahead on his own and has earmarked R1-million which will be used to sell bread at the old price.

This will enable Pick 'n Pay to maintain its brown and white bread prices for some three to six months.

Last night Mr Ackerman slammed the government's apathy towards his three-month campaign to prevent the October 1 bread price. He had proposed raising R5-million from the private sector which, with a R30-million government grant, would have enabled the cost rise to be avoided.

## Image

It was put to Mr Ackerman that move was merely marketing strategy to enhance Pick 'n Pay's image.

"I totally reject this. We have devoted three months trying to stave off the price rise to enable both government and the private sector to work together. We are deeply concerned at the impact on social peace, not only in the cities but also in the black homelands.

"The government could easily have used part of the recent one percent rise in GST, which could

net R600-million in a full year, to subsidize bread. Gold revenues have also been running ahead of budget."

Incensed by insensitivity in official quarters, Mr Ackerman threatened to form a consumer's action party to represent consumers in Parliament.

He claimed he had had a "poor meeting" with the Prime Minister on the bread issue, and had been referred to the Minister of Finance and then the Minister of Agriculture, who had refused to see him.

Given the understanding no bread price would be announced before Mr Owen Horwood returned from the International Monetary Fund summit in Canada, he had been most surprised to hear the Minister of Agriculture's announcement.

"Since Mr Horwood re-

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To page 2





A Palestinian child sits on the lap of a French paratrooper in the Sabra refugee camp in Beirut. French and Italian troops are now in and around the camps. Troops of the multinational force returned to Beirut following the massacre of refugees in the Sabra and Chatila camps.

C.7. 30/9/82

From page 37

turned about 10 days ago — and let me make it clear I have great admiration for the Minister of Finance — I have been phoning his secretary some three times a day to no avail.

Mr Ackerman said the inactivity made a mockery of recent attempts at the Good Hope conference to bring the business sector and government closer together.

Asked what response there had been from the private sector to his appeal for R5-million, Mr Ackerman said that there had been a flat rejection. "But we are not discouraged and hope our competitors will also play their part in preventing this increase."

Spokesmen for both Mr Horwood and the Minister of Agriculture, Mr Greyling Wentzel, denied yesterday that the ministers had refused to see Mr Ackerman.

A spokesman for Mr Horwood said there had been no attempt to avoid Mr Ackerman, but Mr Horwood had a very tight programme.

Mr Wentzel's office said that when Mr Ackerman's secretary requested an interview, she had been asked to provide a short memorandum on the subject for discussion. This was still awaited and, when it was received, a meeting could be arranged.

## Backing for bread boycott

Staff Reporter

THE call for a short-term symbolic boycott of bread in protest against the October 1 price-increase gained momentum on Tuesday night when a protest meeting in Paarl voted for a two-day boycott of the foodstuff.

The crowd of about 300 people voted not to buy or eat bread on October 1 and 2 and called on the government to remove general sales tax on basic foodstuffs, to increase the bread subsidy and to provide free bread for pensioners, the disabled and primary schools.

Cafés and supermarkets were asked to reduce their profits on basic foodstuffs.

Another public protest meeting is being held tonight in Kayamandi Township, Stellenbosch.

and one was amazed at the dexterity of some of the competitors.

Midweek was given over to a discussion between Christopher Dingie and the New Zealand policeman who wrote "Red Squad" — an investigation of the Springbok rugby tour of that country. The extraordinary observation was made that a spin-off of the tour was the introduction to sleepy hollow New Zealand of the harsh realities of the modern political world — riots, teargas and special police units previously unheard of in that neck of the woods. Dingle handled the interview well but the policeman stuck to his basic points that the media covering the tour was unfairly pro the demos.

Try as government spokesmen might, their arguments attempting to justify the proposed hike in the bread price rang hollow.

NEIL VEITCH

### TV 2 and 3

IT was unfortunate that so much was left out of the documentary, *Ulimo Leziqhamo*, which featured the Cape fruit industry.

This showed how programmes with a historical background prepared solely for black television, are scantily done.

The documentary should have focussed more attention on the migrant labourers who work in the industry.

Apart from showing the significant role these men play in the production of one of South Africa's major exports, the most important aspect — the living conditions of these men on the farms while they are under contract — was missing.

The issue was probably too hot to handle.

It has been quite some time since we were entertained by a true jazz singer. Freda Payne's superb performance in *The Other Broadway* reminded jazz diehards that this idiom is very much alive.

JOE GUWA

Political comment by A H Heard, G E Shaw, R A Norval, J V Scott and M P Acott. Cartoons by A M Grogan. Headlines and sub-editing by A J Moth and W Odendaal. All of 77 Burg Street, Cape Town.

### Too late for classification

BIRTHS

STERN — To Hilton and Jill (nee Blumberg) a son and brother for Bradley on September the 29th. Both well thanks to doctors and staff at the Somerset.

5.47: *Die Avonture van Lollapott and Kraar* arr: the trail of the villain captive

6 00 Nuus

6.14 *Die Kraaines*. A youth presented by Jannie Keuzenkamp.

6.36: *Platepraatjies*. Johan E kaans recording artists leases. Produced by J

6.50: *Uit en Tuis*. A magazine whole family

7.20: *Die Vakte duskant* is set in the years of Rumours that diamond-er at the small village edge of the Kalahari. Some poor families who Produced by Nic de J

8.00 News

8 28 Weather

8 40 *The Royal*. Amanda aged couple who are hotel in the Transvaal and abiding passion. next train to the coast able to board a ship to nal home. But they are just this for years. proved to be unsuccessful and entertaining film. Ambrose Brown, on a series of events which Natal during the 1920

9.38: *Ipi Tombi*. After great and a record running. South African show us, but this time on

11.11: News

11.21: *Epilogue* The Rev Jo

### TV2 AND

6.30: *Batjha Ithabiseng* M: young viewers by t Choir, Mangaung Lehlasedi Primary School Choir and The Top Monareng.

6.45: *Mo Nageng* (Wild Africa). Nkwa. The app patterns of the leopard. duced by David Shre

7.00: *Ditaba/Dikgang* (News

7.10: *Sidibeng* (Women's F

7.30: *Dinaledi*. A programme ing Pacific Express with Mapule, Zethu Space Cats with Mysic van Rooijen.

8.00: *Ezangolwesine* (Thurs

8.30: *Impi Sesibili Yomhla Yaphuma Ngezimpondo* F ry of a mission who divisions of flying fort many than anyone he order to bomb the Ma Regensburg and Sch

9.00: *Izindaba/lindaba* (New

9.25: *Ophunga Elimnadi*. (Epilogue). Produced presented by A O Z.

## 'No' to town's c

Own Correspondent

SIMON'S TOWN will not be age home on the site of a In a letter from the Director the town council has been to tor-in-Executive Committee sion not to approve of the ex: mortal remains from the Sea

## Bursary Fund tops R600 000

### Latest donations received:

Previously acknowledged	R598 065
Mrs L M Chagan	20
Anonymous	50
Miss M C Vane	25
B.T.B.	1 000
Vilene SA (Pty) Ltd	200
Trek-Petroleum (Pty) Ltd	300
M Z Brown	15
Anonymous	4 000
Anonymous	107
<b>Total</b>	<b>R603 782</b>

### Contributions should be sent to:

The Cape Times Bursary Fund,  
P.O. Box 11,  
CAPE TOWN 8000

message from  
H & Morris:

COLOUR DEVELOPING





Room 30/9/82

# Backyard industry moves to the front

THE Katlehong Industrial Association Complex was unique in that it was the first black-owned industrial park in South Africa, Mr Jan Steyn, executive director of the Urban Foundation (UF), said yesterday.

Speaking at the opening by the UF of the Katlehong Industrial Association Complex on the East Rand, Mr Steyn said each of the participants would acquire joint ownership through a share-block subsidiary. Each of the premises was designed to meet the particular participant's needs and each participant would be helped to license his own business

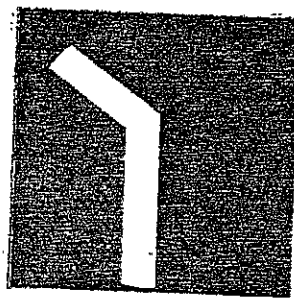
Adequate premises with sufficient power, water and telephone communication — as opposed to uncertain backyard working conditions — would improve output, quality and marketing opportunities

To provide access to more efficient business management for participants in the industrial park, the UF aimed to bring about changes in regulations and practices, Mr Steyn said. These would include

- involving the private sector directly in the stimulation of economic activity in the townships.
- amending the 99-year leasehold to make provision for manufacturing land use;
- amending the requirements of the Factories Act to recognise the characteristics of the informal sector "and make it affordable for emerging backyard entrepreneurs"

Mr Steyn said all community development, including economic had to be within the correct framework. This was where the role of the local authority became critical.

The foundation had studied the Black Communities Development Bill in detail and felt that, subject to amendment, the Bill could, together with the Black Local Authorities Act, become a constructive legal framework



Mr Jan Steyn: "Role of the local authority is critical".

The first black-owned industrial park in South Africa was opened by the Urban Foundation in Katlehong, on the East Rand, yesterday. Mr Jan Steyn, executive director of the UF, disclosed their plans for getting regulations changed to encourage black economic activity, and outlined the UF's attitude towards black local government

for many aspects of black community development

The UF welcomed the decision by the Government to consider the Orderly Movement and Settlement of Black Persons Bill only after it had considered the Black Community Development Bill and after black local authorities had been established in accordance with the Black Local Authorities Act.

"A reasonable inference is that this highly contentious issue will be negotiated with the black leadership that assumes the responsibility and accountability generated by a viable, truly representative system of local government," Mr Steyn said

"Quite apart from the very extensive powers conferred by the Black Local Authorities Act on the elected repre-

sentatives of the people, the Government's decision to hold back any legislation controlling influx until after the election of local authorities, demonstrates the standing authority and real negotiating platform which these leaders may well have.

"This will be even more so if a real devolution of power is also to take place."

If the Government could provide a mechanism for generating the necessary financial resources, the way seemed to be clear for the "emergence of a cadre of black representative leadership" which could play a real role in the future constitutional and socio-economic development of South Africa, Mr Steyn said.

He said business development, housing and education

were the three most important areas of Urban Foundation activity. In housing the foundation had launched some 60 projects at a cost of R13-million, in education some 206 projects worth R14-million and in business some 25 projects worth R2 500 000

The UF had also researched and worked for the removal of barriers which inhibited the growth of business in black communities and has tried to create channels of communication to increase black businessmen's access to finance and expertise in the private sector.

To this end the UF had worked with the various Chambers of Commerce, the National African Chamber of Commerce, the Small Business Development Corporation and the major banks.

experience as above

29/12/82  
Hepworths  
group

buys <sup>30 ROOM</sup>  
Harrowe's

By HAROLD FRIDJHON  
THE old-established re-  
tail clothing and soft-  
goods chain, Harrowe's, is  
to become part of the  
Hepworths group in a  
R536 000 deal.

Atlas Furnishing Stores  
(Pty) which controls the Hep-  
worths group is to acquire  
not less than 68% and not  
more than 78% of Harrowe's  
953 500 issued ordinary  
shares at 75c a share. Most of  
the shares will come from  
the Jacobson/Mendelsohn  
families who control the Har-  
rowe's group.

Mr I Rudick, chairman of  
Hepworths and of Atlas will  
immediately join the board  
of Harrowe's as chairman  
and managing director.

The price of 75c will be  
finalised with effect from  
March 1. — Harrowe's finan-  
cial year-end is February 28  
— when the final price will  
be calculated on the same ba-  
sis as that used to value the  
shares at 75c.

As soon as possible after  
March 1 1983 a stand-by offer  
of not less than 75c will be  
made to minority sharehold-  
ers. Harrowe's price last  
night was 60c.

Harrowe's operates a  
chain of stores trading as  
Leydens, Harrowe's and  
Simon Templar in Johannes-  
burg, Pretoria, Vereeniging  
and along the reef.

The last annual report  
shows that the net asset val-  
ue of the group was 180c a  
share. In the year to Febru-  
ary 1982 the earnings were  
16,2c a share from which a  
dividend amounting to 2c a  
share was paid.

In the half-year to August  
equity earnings slumped to  
1,5c as trading profits fell to  
R183 000 compared with  
R243 000. Interest took  
R148 000 and net profit was  
R20 000 down from R97 000 in  
the half year to August 1981.

# Public shares will contribute to black housing problems

COMMUNITY leaders in the East Rand have praised black businessmen who have embarked on improving the housing problem in the black townships.

A black controlled company, the African Development and Construction Company, a subsidiary of African Development Construction Holdings, has offered 400 000 of its shares to the public. The company which was founded in 1978 includes, among its directors, Mr Sam Motsuenyane, president of the National African Federated Chamber of Commerce (Nafcoc).

According to reports, the company has already signed agreements with the East Rand and Orange Vaal Administration Boards to develop housing schemes in Tembisa, Sebokeng



DIRECTOR: Mr Sam Motsuenyane.

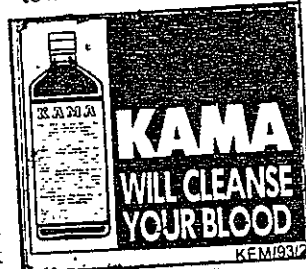
and Bathele townships. The company has also been allocated stands in Vosloorus, Daveyton and in Mamelodi near Pretoria.

The company is offering the shares at R1,00 to raise capital for developing housing, commercial and business properties in the townships.

Mr J H Opperman, senior director of the East Rand Administration Board confirmed that the board had signed an agreement

with African Development and Construction Company with the aim of providing more houses in the East Rand.

Mr Andries Kheswa, chairman of the Tembisa branch of the Inkatha movement commented: "The problem of housing is not experienced in South Africa only, but throughout the world and it is great to see black businessmen doing something towards the improvement of the problems. We hope that more black businessmen will come forward and contribute towards this project."



30

30

love fan

22/12/82

~~57~~ 30 Stan

**R25 000 to aid  
black Tukkies**

The SAB Community Trust has given R25 000 to the Unit for Entrepreneurship at Pretoria University.

The unit, which will research and help develop black entrepreneurs, has received R125 000 from the SAB Community Trust since it was established in 1978.

## RETAIL

# A danger of overkill?

If developers have learnt one thing over the last 15 years, it is the wit to build new projects in the downturns to catch the property market on the ensuing upgrade.

It is not surprising, therefore, that yet another retail centre of district proportions has been announced for Alberton. Hot on the heels of Retail International's R16m project on Swartkoppies Road (*Property* December 3), come details of another solid shopping centre for Alberton, with Checkers as major tenant.

Developer Martin Janit, of Martin Janit Holdings, has been planning the R17m project since 1979. Alberton, he believes, will get price competition benefits from a Checkers outlet in opposition to the Swartkoppies Road project which has Pick 'n Pay as magnet.

An additional 9 000 m<sup>2</sup> is justified, asserts Janit, because until now the area has not enjoyed significant development on the retail front. Client catchment, he reckons, will extend over a 20 km radius, with the bulk of custom expected from the CBD itself.

Financing details are still under wraps, but Checkers will take 4 500 m<sup>2</sup>, Edgars 5 000 m<sup>2</sup> and 5 000 m<sup>2</sup> will go for line shops. The centre, to be built on two levels, will have 2 000 m<sup>2</sup> of offices on the upper floor. Plans include the closure of Clinton Road at the rear and the rezoning of seven residential stands to provide on-site parking for 650 cars.

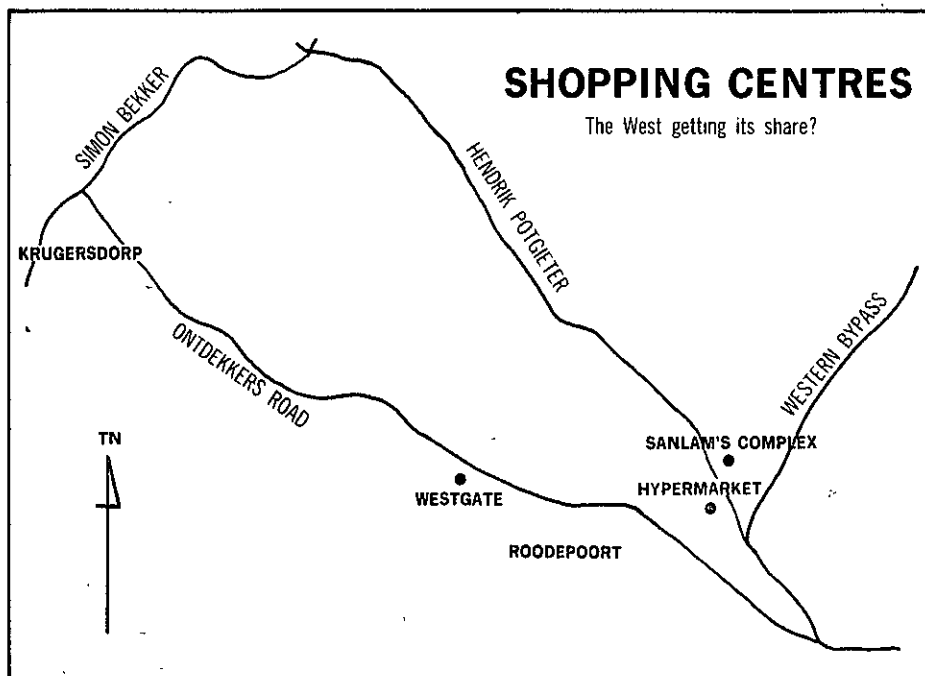
Construction will start in May 1983. However, the letting programme has already commenced for occupation in September 1984 — when consumer spending will hopefully be in happier shape. Rentals are pitched at a competitive R17,50/m<sup>2</sup>-R25/m<sup>2</sup> against the R22/m<sup>2</sup>-R30/m<sup>2</sup> being asked for the Retail International project, says Janit. Leases will run for five years.

If Janit's calculations are correct, the additional space will meet Alberton's retail needs for the present.

The other view is that the central Witwatersrand as a whole is in danger of becoming critically overshopped. And, with the cream attaching to turnover clauses already falling away, returns may well be less sweet than they have been for the last few years.

Developers of the new projects, which include huge regional size new space on the West Rand, are naturally hoping that spending will be back on the upgrade by the time their schemes come to market.

But Amaprop's Gerald Leissner, for one, worries that the space now being planned will create a surfeit which will hurt retail centres on the Reef as a whole. Retail



developers, he says, appear to be going ahead without doing their homework, just because the land is available.

He could have a point. Plans for major new centres announced in the last three months alone total 115 000 m<sup>2</sup> (Alberton 22 000 m<sup>2</sup> and West Rand 95 000 m<sup>2</sup>).

As Leissner sees it, the two western centres planned by Mondu, the I Kuper & Coled consortium (*Property* November 19) and Sanlam, cannot be justified if they are to serve only white shoppers. The centres, after all, will be off public transport routes and custom will come from car-reliant customers.

There will not be enough shoppers or retailers to justify the 95 000 m<sup>2</sup> development, frets Leissner, and "we (Anglo) would not go ahead with a retail development on the scale planned for Roodepoort in the west right now."

Predictably, Sanlam, which is investing between R90m-R130m in its 60 000 m<sup>2</sup> Roodepoort complex, disagrees. Four research exercises have confirmed that the west can accommodate two regional centres to complement the existing 28 000 m<sup>2</sup> OK Hyperama. Separate studies undertaken for the Roodepoort council, Jomet, Mondu's consultants and Sanlam show that if phased in between 1985 and 1990, the shopping space will do no more than cater for a growing need — and leave room for additional development besides. Says Sanlam's Koos Smith: "The assumption that because we have announced plans today the scheme will open tomorrow is

ridiculous."

Sanlam was approached by Roodepoort City Council to develop the Hill Fox drive-in site on Hendrik Potgieter Highway. It acquired three additional adjacent stands (two of which belonged to Sanlam subsidiary Ster Kinekor) for the 22 ha site on which it is to build its complex.

Almost as a matter of course, it lodged an objection to Kuper's plans for a 60 000 m<sup>2</sup> shops complex early last year. Kuper, in turn, objected to Sanlam's scheme. The outcome is an agreement between the two developers that Kuper's complex will not exceed a limit of 35 000 m<sup>2</sup> retail and 5 000 m<sup>2</sup> service shops until 1990. The Sanlam scheme, to come to market in 1986, will have 60 000 m<sup>2</sup> of retail space in phase one. There will still be room for development of a further 30 000 m<sup>2</sup>, drawing only on Sanlam's catchment area, says Smith. Custom, he says, will come from separate primary catchment areas divided by the Witwatersrand Ridge. There will be negligible overlap in the secondary area.

According to Smith, Roodepoort's 105 000 people are now served by about 44 000 m<sup>2</sup> of shopping centre space. By comparison, the combined Sandton/Randburg populace of 130 000 has proportionately three times as much with 140 000 m<sup>2</sup> of shopping centre space. And spending power alone does not account for the gap, because research has shown that 80% of Roodepoort citizens have incomes equal to residents of Sandton and Randburg.

Projecting ahead, Smith sees numbers in

# Free market system lashed

By J S MOJAPelo  
Pretoria Bureau

BLACK South Africans are becoming increasingly disillusioned with the so-called free enterprise system in the country, according to the National African Federated Chamber of Commerce (Nafcoc).

In a memorandum to the economic committee of the President's Council reproduced in the current edition of the monthly magazine, African Business, Nafcoc said there was overwhelming evidence in the laws and policies of the country negating the claim that South Africa had a free market system.

Nafcoc, the biggest organisation for black chambers of commerce in the country, said the negative attitude of blacks towards the free enterprise system in the country was a direct result of frustrations arising out of their deliberate exclusion from the main stream of economic life in South Africa.

Nafcoc said the free enterprise system demanded a climate of social justice and complete freedom in which individuals had free choice and equal rights and opportunities.

"It is Nafcoc's strong contention that these conditions do not exist in South Africa and will continue not to exist until the present political system based on racial and ethnic segregation is abandoned," Nafcoc said.

It said the present political system encouraged discriminatory practices that were contrary to the objectives of a free market system and prevented blacks from making a more meaningful contribution to the country's development.

Nafcoc called for the elimination of regulations or policies which impeded the effective operation of the free market system. These were contained in laws such as the Land Acts of 1913 and 1936, the Group Areas Act, the Black Urban Areas Consolidation Act, the Separate Amenities Act and the Population Registration Act.

"Unless South African policies can cease to see black South Africans in the so-called white areas mainly as workers and consumers and not as citizens entitled to the same basic rights and opportunities as citizens of other races, there will always be racial conflict within the country which will adversely affect the economic development in general," it said.

# Shop <sup>30</sup> refuses to serve blacks

Sowetan  
10/12/88

By LEN MASEKO

A LEADING Rosebank boutique is refusing to serve blacks because of their colour — a situation which the shop owner denies.

But investigation has revealed that only whites are served at the Just You Boutique — which sells exclusive fashionable women outfits — and blacks are turned away.

"Sorry, we don't allow blacks to buy at his shop," a woman used by The SOWETAN as bait, was told by two black assistants at the shop this week.

But a woman, who said she was the owner of the boutique but who did not give her name, denied that blacks were barred from buying from her shop when The SOWETAN phoned her.

"No, no, it's not true. We do sell to blacks although there are people working around Rosebank, who come to the shop and look around but don't buy anything," she explained.

Told that blacks who had been to the boutique claimed they were refused entry, and told only whites were served, she said: "Never, never. No black has been sent away after coming to the shop."

Mrs Thembi Radebe, who was used as the trap, said this was the second time the shop refused to serve.



APARTHEID: Blacks are not served at this shop.

Pic: JOE MOLEFE.

## Soweto traders <sup>30</sup> face the courts for rent arrears <sup>Soweto fan 10/12/82</sup>

HUNDREDS of Soweto traders may face court action for being in arrears, in some cases of up to 200 percent, with their monthly rentals.

As a result the Soweto Council has introduced a new regulation to prevent the recurrence of the problem in future.

The council's director of finance, Mr Irwin Florence, said business sites would now be allocated only after the prospective businessmen paid rent three months in advance. This, he added, would not apply to large multi-million rand businesses to be built in Soweto.

Mr Florence said rent defaulting among businessmen was worsening and added that action would be taken against those in arrears. "It has

been evident for a considerable time that numerous traders are constantly in arrears and this situation cannot be allowed to continue indefinitely because the amounts are rising."

Meanwhile more than 500 householders appeared in the Orlando Magistrate's Court in the past three weeks for owing rent. Nearly half the number offered to pay their arrears while the rest had their furniture sold by the messenger of court to recover the money.

The council's director of housing, Mr J J Oosthuizen, said yesterday arrears in most townships were decreasing. He said Orlando West and East residents had begun paying their outstanding rentals.

## Neighbours save home from fire

MYSTERY surrounds the burning of an Evaton house and the damaging of goods worth about R7 000 just hours after a family quarrel.

Mr Peter Magaqa of Small Farms described how prompt action by neighbours averted the complete gutting of his house early on Wednesday morning.

"The previous night I had a quarrel with my wife. We even discussed a trial separation. When I left for work at 4.15am we had not yet made up. I was shocked to find everything I owned burnt and my wife gone," Mr Magaqa said.

He was told that overwhelming clouds of smoke had woken the neighbours who rushed to put out the fire.

When The SOWETAN arrived at the scene, furniture, clothing and almost all household items were burnt.

Mr Magaqa, who was busy cleaning up the mess, said: "There was a

## Black Sash placard protest

The Black Sash will hold a silent demonstration to commemorate Human Rights Day at street lights in Jan Smuts Avenue this morning from 7.30 to 8.30.

A statement released by the Sash yesterday said: "We will be remembering the extent to which the rights and liberties of the people of our country are circumscribed. Posters will read: 'Human rights day in South Africa,' 200 plus; detained in 1982; 55 died in detention; eight million robbed of citizenship; millions uprooted and dumped; families broken and homes destroyed."

"South Africa is not a signatory to the United Nations declaration of human rights and its behaviour in regard to human rights bears this out. The new constitutional proposal, which

## 'Fun' killed i

By ELLIOT MAK-HAYA

TOP RADIO deejay and the man behind the entertainment mecca, Fun Valley, Jerry Cohen died in a car accident yesterday morning on his way home from Club Status in Fun Valley.

According to his brother, Barney, Jerry was involved in a car accident on the M1 motorway where it splits to Pretoria and Johannesburg.

"It doesn't look as

though the that bad," raught Ba must have it took help that

Mr Cohen of the fa brothers pleasure Valley, for as Van Wyk outside Joh

Jerry C oneered Ch a deejay w founded to Cocky Two

Come in

CLUB

MINT





# Plea to foster small business

ARGAS 16/11/82 30



Dr Frans Cronje

## Call for more floral reserves

**Environment Reporter**  
THERE were too few floral reserves to ensure the future of South Africa's wide variety of plant life, Mr P J Grobler of the National Botanical Gardens told the President's Council planning committee today.

Giving evidence during an investigation of environmental matters, Mr Grobler said that while surface area was not the only criteria on which conservation should be judged, South Africa's 3,7 percent reserved for conservation was not sufficient.

Besides the total land set aside for conservation, reserves should be of sufficient size to preserve a representative ecosystem.

### KRUGER PARK

The Kruger National Park and Kalahari Gemsbok Park covered vast areas, but each was representative of just one ecosystem.

Conversely, virtually every mountain peak in the Cape represented a

different plant community

While it was obviously impossible to conserve each and every flower-type in a reserve, it was necessary to find a balance between conservation and development.

### CORTISONE

Referring to the importance of conserving plants, Mr Grobler said the drug cortisone was originally discovered in the elephant's foot plant, which grows only in the Clanwilliam district.

A small percentage of South Africa's plants had been thoroughly investigated for their medicinal value and this in itself was a good enough reason not to allow any species to become extinct.

Mr Grobler said the Botanical Gardens had primarily an educational function and that although rare and endangered plants could be grown artificially there, this was not the answer.

The plants should be protected in their natural habitat.

**Political Correspondent**  
ONE of South Africa's leading bankers, Dr Frans Cronje today made a strong plea for encouragement of the informal sector of the economy.

Giving evidence to the President's Council's Committee for Economic Affairs, Dr Cronje called for greater freedom in small business

### Standards

The committee's hearing today was part of its investigation of measures for an efficient free market

Dr Cronje said although South Africa was largely part of the third world, first-world standards were applied to many aspects of the economy.

He felt that the following should be investigated:

- The sometimes unnecessarily high and strict standards set by the Shops and Offices Act, which made it impossible for the small entrepreneur to get on his feet and to compete with bigger entrepreneurs;

- Legislation which made it impossible for hawkers or the self-employed to do business in certain areas;

- Unnecessarily high building standards which in a sense wasted the country's scarce capital resources and which hindered "self help".

### Surfeit

And he said the sooner the country questioned many of the standards and surfeit of regulations which had become part of Western civilisation, the sooner it would be on the way to greater self-employment of part of the population.

"We must as soon as possible investigate and try to remove the impediments that prevent people from creating work for themselves," he said.

Dr Cronje said the ideal was to reduce as far as possible measures which hindered the efficient functioning of the free-market system

There already existed a vicious circle in this regard

More Government action was essential in order to create the basis for greater entrepreneurship

### Education

This should include more equal education opportunities, improved business and technical training and the removal of factors which limited trading, hawking and the establishment of business undertakings.

Dr Cronje said a publicity campaign to introduce the advantages of the free market system to "less sophisticated" people would either have no effect or a negative one.

A large part of the black population would attach no credibility to a campaign launched by the authorities if these authorities had not already removed the largely political obstacles in the way of a completely free economic system.

Such a campaign could also be seen as a defence of the status quo.

Dr Cronje said there was also a need for a thorough investigation into State interference with marketing.

Anomalies in production and distribution of food products, specifically in the case of bread, and limited licensing of traders in liquor and meat, were examples

# Joint move to open city centre to all

mercury 12/11/82

30

Industry,  
commerce  
in talks  
with council

## Municipal Reporter

ORGANISED commerce and industry are joining forces with Durban City Council to make new and stronger representations for the city centre to be opened to mixed trading.

This follows top-level talks between the Chambers of Commerce and Industry, the Afkikaanse Sakekamer and the city's Management Committee yesterday.

While they also agreed on the need to streamline the decision-making process on council matters, differences arose over the extent to

which this could be done and also on the system of electing councillors.

The committee chairman, Mr Neil MacLennan, said it had been explained that there was no way a council could be run on purely business lines. The democratic process tended to be slow and unwieldy and there were statutory procedures that had to be followed. The council had however introduced a corporate management system to streamline the process.

Chamber of Commerce general manager Ken Hobson said while they appreciated the council's problems the present situation was not ideal. The council should be as businesslike as practicable.

The lengthy decision-making process was adversely affecting commerce. And the council's committee procedures were so time-consuming businessmen did not have the time to serve on council.

## Politics

On the election system, Mr Hobson said even if a businessman were prepared to sacrifice the time there were not many who would go through the degrading process of door-to-door canvassing.

The chamber president, Mr Jeremy Whysall, said businessmen also shied away from party politics, which was increasing in municipal elections. They felt it imperative to introduce a corporate vote or to allow commerce and industry to nominate representatives for some council seats.

Mr MacLennan said the council had serious doubts about a corporate franchise or nominated councillors and had recommended to the Department of Constitutional Development that the existing system be retained.

The chambers had decided to prepare their own memorandum to promote their views on the subject.

Spar 18/11/82

# Springs to open doors to traders

By Sarah Pennell,  
East Rand Bureau

A section of the Springs central business district has been opened to traders of all race groups.

Although many Indian businessmen have had permits to trade in the city centre for some years, the move is seen as significant.

Traders in the town are pleased that the idea of separate shopping areas for different race groups — which is being considered in other East Rand towns — has been rejected.

The area, which covers about six blocks, was opened to all races in terms of Section 19

of the Group Areas Act following a public hearing into the matter.

Although there were objections, mainly from white businessmen who believed there would be an influx of Indian traders to the area, most feel Springs' CBD will benefit from the move.

Mr Marius Nel, chairman of the Springs Management Committee, feels the decision will promote development in the town.

Mr Aboo Kahn, chairman of the Springs Indian Consultation Committee, said the proclamation was a step in the right direction.

"It does not go far enough, however. We are looking for the whole CBD to be thrown open so that free enterprise will really be able to flourish," he said.

Mr Kahn said the Indian Council was aiming towards Section 19 areas in other East Rand towns, specifically Benoni.

Springs is the 22nd town in South Africa to have such an area.

Wage talks (30)  
Start 19/1/82  
continue

Labour Reporter

Talks continued this morning between the Central News Agency and the Commercial, Catering and Allied Workers Union over wage increases

Talks between the union and the management of Teitron are still deadlocked after a strike by workers earlier this week.

Workers struck at the electronic firm's Johannesburg plant over the dismissal of a colleague and wage demands

R. Relanus  
B. Sash  
S.A.L.L.

**OCTOBER VEHICLE SALES**

**CARS**

30  
FM 19/11/82

	1982 Oct	% of Market	1982 Jan to Oct	% of Market	1981 Jan to Oct	% of Market
Toyota .....	4 362	21,56	50 755	20,99	37 193	14,76
VW .....	2 917	14,42	33 797	13,98	44 302	17,58
Datsun .....	2 737	13,53	23 253	9,62	25 482	10,11
Ford .....	2 606	12,88	35 875	14,83	41 633	16,52
Sigma .....	2 528	12,49	39 759	16,44	42 541	16,88
GM .....	1 739	8,59	19 647	8,12	28 240	11,20
UCDD .....	1 300	6,43	13 627	5,64	9 501	3,77
BMW .....	1 107	5,47	12 645	5,23	11 317	4,49
Alfa .....	529	2,61	7 016	2,90	6 904	2,74
Leyland .....	403	1,99	5 325	2,20	4 693	1,86
Other .....	7	0,04	146	0,06	250	0,10
Oct total .....	20 235	(26,1% down on 27 394 last year)				
Jan-Oct total .....	241 845	(4,05% down on 252 056 last year)				
Sep total .....	22 125					

**HEAVY COMMERCIALS**  
(5 001 kg and over)

	1982 Oct	% of Market	1982 Jan to Oct	% of Market
Sigma .....	370	21,66	4 122	20,33
UCDD .....	360	21,08	4 345	21,43
GM .....	286	16,75	2 152	10,62
Datsun .....	203	11,89	2 378	11,73
Toyota .....	137	8,02	1 847	9,11
Leyland .....	137	8,02	1 515	7,47
Ford .....	55	3,22	1 254	6,19
MAN .....	51	2,99	767	3,78
Int Harvester .....	42	2,46	714	3,52
Vetsak .....	19	1,11	255	1,26
ERF .....	18	1,05	248	1,22
Malcomess-Scania .....	16	0,94	215	1,06
Fodens .....	7	0,41	123	0,61
Oshkosh .....	6	0,35	255	1,26
Magirus-Deutz .....	1	0,06	72	0,36
VSA .....	—	—	11	0,05
Oct total .....	1 708	(47,69% down on 3 265 last year)	20 273	
Jan-Oct total .....	20 969	(19,67% down on 26 103 last year)	20 969	
Sep total .....	1 849			

\* Based on revised Naamsa statistics.

**LIGHT COMMERCIALS**  
(Up to 5 000 kg)

	1982 Oct	% of Market	1982 Jan to Oct	% of Market
Toyota .....	2 774	29,44	31 541	30,78
Datsun .....	2 561	27,18	29 569	28,85
GM .....	1 215	12,89	11 512	11,23
Ford .....	1 124	11,93	11 492	11,21
VW .....	977	10,37	9 916	9,68
Sigma .....	578	6,13	6 209	6,06
Leyland .....	137	1,45	1 002	0,98
Alfa .....	46	0,49	1 054	1,03
UCDD .....	11	0,12	192	0,19
Oct total .....	9 423	(17,32% down on 11 397 last year)	102 487	
Jan-Oct total .....	101 791	(0,40% up on 101 389 last year)	101 791	
Sep total .....	10 376			

\* Based on revised Naamsa statistics.

# Hard times for HP car buyers

CAPT Tink 20/11/82

(S) (S) (30)

By **STEVE GORDON**  
REPOSSESSION of cars by finance companies has become so frequent that one company must clear its City warehouse of vehicles in an auction this morning to make way for a new batch of repossessions expected next week.

Investigation among finance houses showed that the tight money situation is causing a large number of people to fall behind with their payments, resulting in what one firm's credit manager acknowledged was an unprecedented number of repossessions for this time of year.

The managing director of Wesbank, Mr Dennis O'Brien, said yesterday

that while the number of repossessions had increased, he did not feel this to be out of proportion to the overall increase in business experienced by his firm in recent months.

Pointing out that law obliged companies to store repossessed vehicles for 30 days before reselling, Mr O'Brien nevertheless emphasized that an auction was a "last resort" after normal sales to motor dealers had been exhausted.

Although finance charges on new cars have risen from 20 to 24 percent since January this year, it appears that it is the effect recession has on the cost of living which is causing default of payments.

"People have to pay their rents and buy food. Something like a car becomes a luxury in these times" commented a City banker.

The regional manager of another finance company confirmed a marked increase in repossessions. Some people were also voluntarily coming to hand in their cars. He also has a large number of cars in "custody" while customers try to catch up on payments.

For sale in the City yesterday were repossessed cars ranging from the latest in computerized luxury to a two-door economy model. A Green Point garage contains more than 50 recently reclaimed motorcycles.

# Soccomi chairman slams commissioner's office

By NORMAN NGALE  
COMMISSIONERS engaged by the Department of Co-operation and Development had immense powers and their offices controlled almost every aspect of the black community's life, according to Mr George Maluleke, chairman of the newly formed Soshanguve Chamber of Commerce and Industry (Soccomi).

Mr Maluleke was addressing a gathering during the inauguration of Soccomi — the latest branch of the Southern

Transvaal Chamber of Commerce — this week.

“He is the executive political head, the judicial officer, the receiver of revenue, the foreign minister, the marriage officer, the registrar of births and deaths — he is the whole government,” Mr Maluleke said.

Referring to the Soshanguve commissioner. Mr A Boon, Mr Maluleke said he was pleasant and well disposed as a person, but that the system he represented could never be sufficiently con-

demned.

The frustrations the black man was exposed to, he said, were to be seen to emanate from the office of the commissioner. Mr Maluleke cited several grievances which, he said, formed the background and climate under which Soccomi had come into existence. He argued that the water and electricity supply was poor and unreliable, that the removal of garbage and the state of the roads were a constant irritant and that the people of

Soshanguve had no adequate representative civic body.

Mr Maluleke went on to say that the people of Soshanguve lived under the worst insecurity and that the traders and small industrialists suffered the frustrations of seeing their counterparts in other townships benefitting from recent concessions such as limited land ownership and the right to expand their trades.

“Whilst in Soshanguve the most archaic system still applies

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- ③ Maintain a "healthy"
- ④ Ensure an equitable

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## Call for business owners to form common front

SOSHANGUVE entrepreneurs should stop being used as fronts and co-ordinate their efforts in an aggressive number in order to create giant commercial houses like Black Chain, in the townships, says Mr P S Ramapubya.

Mr Ramapubya, president of the Southern Transvaal African Chamber of Commerce (SOUTACOC) said this while addressing the inaugural function of the Soshanguve branch of the Chamber last week.

The Soshanguve Chamber of Commerce and Industry (SOC-COMI), under the chairmanship of Mr George Maluleke, a Pretoria attorney and member of the Nafcoc's legal committee, was inaugurated at a function held at the local community centre.

Mr Ramapubya, also a director of Black Chain in Diepkloof, said many blacks were content to sit back and helplessly watch other people collecting money from under their noses and that some were even enthusiastically keen to become front men for such people.

These practises are rife in our townships and if you are a chamber, do not reverse the situation, you'll be doomed, said Mr Ramapubya.

Mr Maluleke called on the local commissioner, Mr A Boon, who was among speakers and officials of the Corporation for Economic Development to help SOC-COMI so that the spirit of free enterprise system could be seen to be working in the township.

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Mercury 23/11/82

# Shoppers will spend R250m next month <sup>(30)</sup>

Financial Editor

**SHOPPERS** will spend R250-million in Durban next month and most of the spending will come from black people who now have more to spend, in total, than white consumers.

But, with prices having risen by about 15 percent, the volume is barely keeping pace with last year's record spending of R220-million. And the gloomy views of shopkeepers will determine what stocks they will carry.

The Durban Chamber of Commerce has surveyed shopkeepers and says 'the

ring of cash registers is likely to be muted.'

The reasons are: overtime has been cut for artisans, higher unemployment is affecting black workers and salary and wage increases are below the inflation rate.

## Decline

'A minority of traders is expecting increases, in real terms, of about three to five percent on December 1981', Mr Ken Hobson, general manager of the chamber, said.

'The less optimistic expect trading to show a comparative decline of as much as 10 percent after adjustment for inflation'.

Stores expected to equal last year's sales are hypermarkets, supermarkets, liquor outlets, jewelers, toy shops, clothing and photographic stores.

Department stores expect to better last year's results while sales of consumer durables are expected to be down.

One of the most optimistic sectors is the hotel and holiday flat trade.

One five-star hotel is fully booked for Christmas, but others report slower bookings than last year while still expecting a good season.'

Tourists are expected to spend about R46 million in Durban this Christmas.

Durban shops (but not liquor stores) have permission to stay open until 5 p.m. on Saturday (December 4, 11 and 18) and until 9 p.m. on December 23 and 24.

The chamber says that most stores are expected to stay open on December 18, some on December 11 but few on December 4 and evening shopping just before Christmas will get 'only mixed support'.

Reuter reported that the Johannesburg Chamber of Commerce expects that retail sales will reach a record R4 600 million in November and December.

Chamber economist Mr Ed Verburg said the signs show the average customer is looking for more value for his rand and that cash availability has become more restricted.

# Grand Bazaars to open four Transvaal stores

CAPE TOWN (30)  
25/4/82

By PAUL DOLD  
Financial Editor

GRAND BAZAARS is heading for a major expansion which will more than double trading area in the next two years with the likelihood of yet another doubling by 1985, as this Cape-based chain becomes truly national.

The group is budgeting to double trading area by the end of next year to 95 000m<sup>2</sup> and is on target for achieving sales of R100m in the year ended February 1983.

Disclosing details of the group's forward expansion programme, the new managing director, Mr Jackie Sachar, said that the prime growth target was the Transvaal.

Grand Bazaars' first Transvaal store opens at Rosettenville, Johannesburg, on Tuesday. This will be followed by a store at a new Vanderbijlpark shopping centre next year and two more Johannesburg stores. Negotiations are already far advanced on the latter two sites.

The 6 000m<sup>2</sup> Rosettenville store with butchery, bakery, fish sections, as well as Grand's new expanded delicatessen and fruit and veg, will also have large clothing, textile, appliance and hardware departments.

Grand's ultramarkets are about 5 000m<sup>2</sup> with a minimum 3 000m<sup>2</sup> selling area and a typical store attracts 20 000 customers a week and has more than

30 000 items.

"The ultramarket is Grand's answer to the European hypermarket. It is about half the size of a hyper but large enough to have an extensive range of merchandise but not too large to make shopping tiring.

"There are a number of reasons behind the move to ultramarkets. The substantial increase in the number of customers now shopping in our stores has made it essential to provide larger trading areas. The larger units are far more economical with their higher volume, leading in turn to lower prices.

"Our policy is to locate stores close to residential areas and transport. This easy accessibility minimizes travelling time and costs."

Mr Sachar, who was appointed both managing director and vice-chairman, this week says Grand is substantially accelerating its store programme.

"The change in pace can be seen from the tempo of openings. Before we opened Diep River, Cape Town, last month the group had not launched a new store for some two years. Now we have some four openings scheduled for next year.

All the new stores are ultramarkets and Grand sees some 20 to 30 new store opportunities over the next five years. Mr Sachar, 34, who is a graduate of New York

University (MBA), has been part of the Grand Bazaars team for the past six years, and his appointment signifies a new infusion of young management at top level. As part of his training, he worked for the 500-store United States chain — Grand Union — and is a specialist in computerized retailing and particularly scanning.

He is openly a consumer advocate believing the consumer has to be given a fair deal and acutely aware of the social responsibility of business.

"Our buyers have firm instructions to discard any line which may be suspect, particularly when it is considered for our Grandware range of housebrands. In addition, the group is proud of its guaranteed refund or exchange of goods if customers are not satisfied."

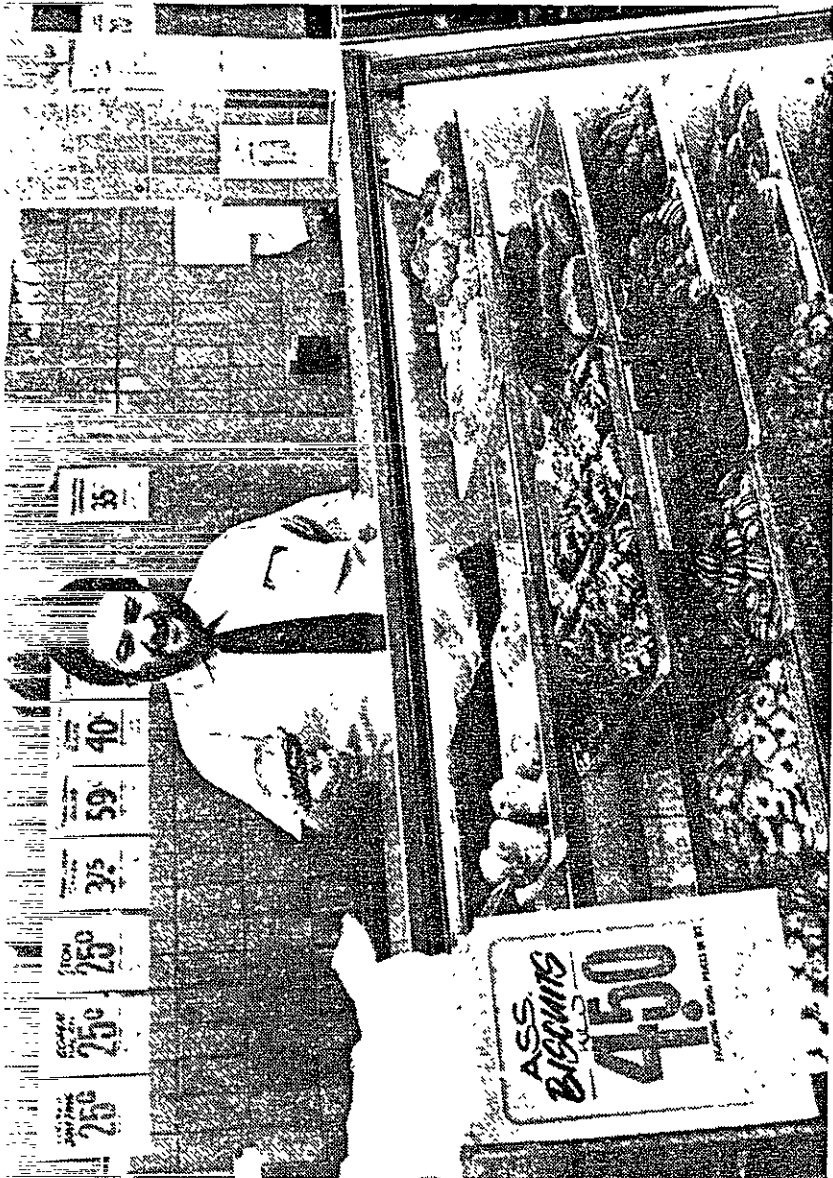
Although Grand is relatively small compared with the other retail giants, and competition is increasing, Mr Sachar says Grand is gaining market share.

The group target market is the lucrative middle segment, but in times of recession it normally captures a fair slice of A and B group spending.

## Kruger rands

JSE Closing

Buyers	Sellers	Sales
1 oz	539	540
1 1/2 oz	278	280
1/4 oz	14800	15000
1 1/2 0.87	6200	6200



Ready to move into the Transvaal market... Grand Bazaars' managing director, Mr Jackie Sachar, in the new bakery of the revamped Elsie's River, Cape Town, store. The revamping has just been completed at a cost of R1m.

Picture by Clarence Muller

# Checkers denies claim

30

THE COMMERCIAL Catering and Allied Workers' Union of SA (Ccausa) is investigating claims that women cashiers at Checkers were locked in a refrigerator because their daily takings did not cash up correctly.

The union's general secretary, Mrs Emma Mashinini, yesterday told The SOWETAN

that the "humiliating" actions had caused concern and the union had called a meeting of all Checkers workers at Khotso House on Sunday.

According to workers at Checkers in Hillbrow they were locked in the refrigerator whenever there was an inconsistency in their takings.

Mrs Mashinini said that immediately after the reports the union probed the matter and the management said they knew nothing about it.

The workers say they have been threatened with dismissal if they talk to the union.

we can be divided into four sections; namely protective union practices, industrial colour bar, equal work for equal pay and customary barriers. In terms of protective union practices the main feature is restrictive clauses in terms of close shop agreements. Under the White Paper Commission on this night fall away. Previously

In the first few decades the demand for skilled laborers has increased and in terms of the industrial colour bar black have up to now, by and large, been prevented from entering into the fields. The industrial colour bar incorporates protective union practices, legislation, equal work for equal pay and to an extent customary barriers which have had a detrimental effect on black workers entering into the skilled laborers force. In terms of protective union practices the main feature would be closed shop agreements. Apart from this you have had the problem that certain departments do not employ workers from the townships, in order to enter into an apprenticeship it was necessary to have a minimum of a standard seven pass and this did in fact pose a barrier to a large number of workers but however this has largely been decreased due to increased educational programmes for the black children. You also had restrictive practices in that it was not possible to have more than a certain number of learners employed with a master craftsman & the ratio was fixed at four blacks under one white or craftsman. The White Paper Commission has recommended that closed

# Chain <sup>(30)</sup>

## store

*SOWETA*  
26/1/82

## boss

## looks

## into

## 'fridge

## claim'

By CHARLES  
MOGALE

THE managing director of Checkers chain stores, Mr Gordon Utian, has promised to look into the allegations that two women employees were locked in a fridge by the Hillbrow branch manager.

The women were allegedly locked in for more than 15 minutes after one had submitted less cash than the till had registered and the other had brought in more.

Co-workers claimed that when the women were brought out shivering and near tears, the manager simply burst out laughing.

Although the allegations were denied by the manager, Mr D Govender, Mr Utian said in a telex to The SOWETAN: "We will not tolerate situations where staff are even threatened with punishment. Even threats such as those reported in The SOWETAN are not acceptable and we have taken action to ensure that all staff are aware of this. I am giving my personal attention to the alleged incidents."

Mr Govender said the "grossly exaggerated" claims were untrue and he had only jokingly told the women employees that they would go into the fridge if they were 'short'.

It was company policy to dismiss cashiers on the third warning, but he could not bring himself to that kind of action because the women would not get jobs with

The reason that the short and long-run barriers to entry of between the 2 time safe to assume that in his profit making is faced with no ca

Since according to the monopolist to at this position in the supra-normal or exceed assume that there should not make to relatively elastic

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is no reason for v-normal profits since  $TC = TR$  - therefore no, it is also safe to - why the monopolist - is faced by a - for his product. *circumstances? alternative*

mercury 30/11/82

# Small businesses should be promoted, says Rupert

(30)

Finance Reporter

SMALL businesses should be promoted in times of economic hardship as they help to maintain employment opportunities, said Dr Anton Rupert, chairman of the Small Business Development Corporation (SBDC), in Durban yesterday.

He was speaking at the opening of the new SBDC Truro Industrial Township in Tongaat.

During the recession period of 1974 to 1976, when large concerns showed a drop of 1.1 million jobs, job opportunities in the USA's small undertakings increased by 300 000, Dr Rupert said.

But referring to the SBDC's granting of loans, he said there were bound to be some disappointed applicants as the SBDC had to pay special attention to the applicant's ability to service the loan.

In the light of current economic trends, it would not be in the interest of small entrepreneurs, nor in that of the country, if financial assistance were to be granted to enterprises which cannot be expected to survive this downward phase, he said.

## North Coast

He said the SBDC had, to date, committed itself to just over R4 million on project development on the Natal North Coast. Nearly 1 300 employment opportunities will result from these projects. The SBDC had already made granted loans worth R 800 000 to small businesses in its first year of operation in Natal.

Truro Industrial Township, which is named after the ship which brought Indians to Natal 122 years ago, is 9 298 m<sup>2</sup> in extent. Building on the first phase began in mid-1982 and is now complete. Construction of the second phase is expected to be completed by April 1983.

The development consists of 21 small factory units ranging from 140 m<sup>2</sup> to 280 m<sup>2</sup>, most of which have already been let. The total development cost will amount to nearly R1.5 million.

It is estimated that approximately 230 people will be employed in the complex.

The emphasis is on manufacturing and tenants include an engineer, manufacturers of built-in units, toys, plastics, burglar-proofing, clothing, cycles, hand-cleaners and an upholsterer.

# Destocking by retailers hits Romatex

Argus Correspondent

Dec 1982

DURBAN. — Large stocks of imported fabrics and hessian were still flooding the South African market and prospects for the textile industry in the year ahead were gloomy, Mr Jack Ward, chairman of Romatex, said here.

He told the annual meeting the company did not expect "any material improvement in the mills and fabrics divisions in the short term."

In the first two months of the new financial year the group had performed much as was predicted in the annual report for the year to September 30, when Mr Ward said he did not expect any improvement in profitability in 1982-83 because of economic conditions.

In an interview after the meeting, he said the big retail groups such as OK Bazaars and Edgars were destocking because of reduced consumer demand and this was affecting every division of Romatex, but more especially its large carpets and floor coverings business.

## REMAIN FRIENDLY

There appeared to be little or nothing the Government could do to curb imports apart from maintaining the level of duties which already applied.

Most imports of fabrics and cheap footwear stemmed from Far Eastern countries, with Taiwan in the forefront, and South Africa had to remain friendly with them to protect the export markets which would emerge when the world economies recovered.

He was confident that in the longer term the group would return to a high level of profitability since its strong capital base — it is a member of the giant Barlow Rand conglomerate — would allow it to take advantage of any opportunity which presented itself.

In the year to September 30, Romatex reported taxed profit of R29,1-million, compared with R34-million a year earlier, but maintained the dividend at 56c.

*Handwritten signature*

# Call for protection 'dangerous'

NRG 2  
2/12/82

30



MORE than 90 percent of the clothing sold in South Africa today is locally manufactured, says Mr Brian MacLeod, director of the Cape Town Chamber of Commerce.

This is his comment on a suggestion that more tariff protection is needed to reduce imports of clothing and textiles from the Far East.

More than 1 000 textile workers in the Western Cape have lost their jobs in recent weeks and Mr Mike Getz, chairman of the Cape Clothing Manufacturers Association, has disclosed that employment in the clothing industry has dropped.

## DEMAND FALLING

Mr MacLeod said the downturn in the economy was "having its expected impact on unemployment as invariably happens when, as a result of falling demand for goods and services, inventories have to be reduced and industry itself has had to cut production."

But it would be a dangerous course for the industries concerned to look for a solution to their problems through tariff protection, particu-

larly when demand for imports was falling.

"South Africa cannot allow its cost structure to rise unnecessarily. With an inflation rate double that of many of its trading partners, South African producers will soon find themselves priced out of world markets."

Local industry should "look less toward protection and rather improve its efficiency through greater productivity and training, particularly at management level."



MR Kobus Roetz, top, has been appointed general manager and Mr Jerry van Vuuren assistant general manager of the Trust Bank's personal banking services division.

# <sup>Sowetan</sup> **New junior chamber of commerce** <sup>3/12/72</sup>

**THE first junior chamber of the National Federated Chamber of Commerce (Nafcoc) was inaugurated in Katlehong, near Germiston, on Wednesday afternoon.**

The life president of the Southern Transvaal African Federated Chamber of Commerce, Mr A M Khumalo, conducted the inauguration ceremony.

Mr Khumalo said it was a great idea for young men, especially students, to decide to form a junior chamber of commerce which will work hand in hand with the local

Chamber of Commerce and Industries to fight for the progress of the black businessman.

<sup>(30)</sup>  
The junior chamber was formed some months back to achieve and maintain unity among black businessmen and women, to promote black manufacturers and to organise train fares, conferences, symposiums, seminars and meetings.

Addressing the meeting, which was attended by more than 50 businessmen at the D H Williams Hall, the chairman of the

Katlehong Chamber of Commerce and Industries, Mr Joshua Namane, called for residents to support the black businessman in the township and to come forward and form more companies.

New office bearers of the Chamber were also elected at the meeting. They are Mr Namane, chairman; Mr P Vilakazi, vice-Chairman; Mr E Sikubati, treasurer and Mr H Hlahatsi, secretary.

Others are: Mr S Mashinini, the assistant secretary, and committee members Mrs K Legoale, Mr J Dlamini and Mr J Shozi.



# How black business 30 S. Express 5/12/82 may soon be freed from red-tape tangle

By WILMAR UTTING

A NOVEL solution to bypass red tape that hampers the development of South Africa's small black businesses — formally known as the informal sector — has been submitted to the President's Council.

Early this month the Free Market Foundation gave the Economic Advisory Committee two plans to cut a swathe through the labyrinth of legal restrictions which frustrate aspirant black entrepreneurs.

One suggests less restrictions in getting a small business off the ground and the other outlines enterprise zones where stringent First World industrial laws need not be applied.

Economists have estimated that over-restrictive controls cost the country a staggering R500-million a year.

Efforts to find a solution have intensified. Two studies are being done to define all legislation, ordinances and by-laws which inhibit the growth of small businesses — one by the University of the Free State and the other by the University of Pretoria which was commissioned by the National Manpower Commission two years ago.

Dr Hennie Reynders, the commission chairman, said this week there were indications that some things would have to be changed.

"We will be looking at about 50 to 60 pieces of legislation, the Factories Act for one. Then there are the by-laws and we will probably look at the licensing laws too."

But the Free Market Foundation's director, Mr Leon Louw, predicted that nothing could come of an attempt to change existing legislation.

"The jungle of laws and legislation is so big that no individual group could meaningfully review it and recommend changes," he said.

He submitted a 55-page glossary of such restrictions, listing 432 statutes, 33 Transvaal ordinances and 25 municipal by-laws, to the

Economic Affairs Committee.

Several organisations are anxiously awaiting Government guidelines, among them the Urban Foundation, National African Chamber of Commerce and the Small Business Development Corporation.

All of them are involved in assisting the small industrialist or trader to come out of his backyard and develop his full potential as an entrepreneur.

Mr Louw said suggestions that fledgling entrepreneurs be allowed to operate under restrictions less strict than those which applied to big business would not work either.

"The idea sounds fine, but I cannot see it working in practice," he said. At what stage would a small businessman advance to becoming a big businessman, subject to big business controls?

He suggested the law be changed to assume all businessmen, not only blacks, were innocent until proven otherwise and be allowed to open a business without having to prove beforehand that he was responsible, capable, honest and hygienic.

He said anyone should be able to open a business simply by informing the licensing authorities and enclosing the registration fee.

It would then be up to the inspectors to show, and prove, that some minimal standard was not being complied with, and the final decision should be a judicial one, the inspectors would have to take the suspect offender to court.

If this was not acceptable, he suggested the Minister of Economic Affairs create "enterprise zones" where only the simplest and most basic regulations would apply.

Areas which qualified to become enterprise zones were those such as Soweto and KwaMashu, where residents had few skills, and low wages and there was high unemployment. Geographically speaking they formed only a small part of South Africa.

REMEMBER Mr Fanie Botha's unusual plan to set aside R2-million of Unemployment Insurance money to help "loyal" motor workers who couldn't work because strikes by "disloyal" workers had closed plants?

This was in response to requests by the white Iron, Steel and Allied Workers' Union whose members could not work in Eastern Cape plants during the strike by black and coloured workers.

Cynics suggested the main aim of the novel scheme was to prevent white workers harming the national interest by voting for a rival party.

And employers said they refused to try to judge which workers were loyal and which were not.

Well the R2-million is still there, but judging by a discussion with manpower chief Dr Piet van der Merwe, no-one is rushing to give it away.

He says no rules on how to dispense it will be drawn up. It will only be used if there is another "big" strike and then only as a last resort.

Are Mr Botha and his department hoping the move has served its (electoral?) purpose and can be allowed to gently fade away?

# Store pays R1 000 each to sacked three

By STEVEN FRIEDMAN  
Labour Correspondent

CLOTHING store group Foschini have paid three fired black workers R1 000 compensation each after the intervention of the Commercial, Catering and Allied Workers' Union (Ccawusa).

This decision comes in the wake of growing worker militancy in major chain-stores and follows suggestions that the sacking of the three workers could prompt conflict between workers and management at Foschini.

Foschini offered the compensation as a substitute for meeting the union's demand that the three workers be taken back. It refused to reinstate them because, it said, it believed their sacking was justifiable.

The payout also comes as the union and major stores are negotiating on an agreed

labour relations system and Foschini's chief executive, Mr Hugh Mathew, said the company had reached this agreement with the union partly because it did not want to hamper these talks.

Ccawusa general secretary, Mrs Emma Mashinini, revealed the agreement yesterday after the union received three cheques for the fired workers.

She said Foschini insisted the workers had been fired justifiably and refused to take them back. But it had offered the money because it conceded that the correct procedure was not followed, Mrs Mashinini said.

"We are not entirely happy with this. We don't believe companies should be able to wash their hands of fired workers by paying them out. But it was the decision of the Foschini workers that we should accept it," she said.

Mr Mathew said the workers were suspended before being fired and the money represented back-pay for them while they were suspended, as well as notice pay.

"This must not be seen in isolation, but in the context of our negotiations with the union on mutually acceptable terms and conditions, which will still take some time.

"We did not want to prejudice these talks by creating an impasse but at the same time we refused to take these workers back," he said, adding that the settlement "is not meant to set a precedent".

Meanwhile, members of Ccawusa who were fired from electronics distributors Teltron after a recent strike finally admitted defeat yesterday and collected their pay from the company.

**ADCH** ~~1981~~  
*Some say*  
**sells to** 30  
*8/12/82*  
**public**

THE African Development and Construction Holdings is offering 400 000 shares at R1 each, to the black public in order to raise money for the development of housing schemes and business properties in black townships.

A spokesman for ADCH said his company had already signed agreements with two administration boards to develop housing schemes in various parts of the Reef and the Vaal complex.

He said ADCH had been allocated 300 stands in Tembisa, 29 in Bethel Township, Sebokeng, 10 in Daveyton and many others in Kwa-Thema, Vosloorus, Boksburg and Mamelodi.

"Arrangements to sign agreements to develop these stands is in progress and the company is still negotiating for more stands in the different townships.

"At the moment, we require R400 000 and we hope to obtain a wider spread of shareholders through this public offer of shares," he said.

- Two senior mine managers have their houses built and furnished, almost entirely free by business "friends". In return the mine managers see that major company contracts are granted to these "friends" by the mining groups which employ the newly housed mining men. The deals are eventually uncovered and the two mine managers are sacked.

- Jobs, contracts or orders are reserved for "pals" who return the favour in kind or services (for instance a new fridge car or even a new house) obtained virtually free from other "contacts" who owe favours.

- The manager of the main branch of a major banking group accepts free rides on luxury safaris and hunting trips. In return, he grants the organiser of the trips — the head of a large but overstretched business — extraordinarily large overdrafts and other banking facilities on excep-

tionally favourable conditions

He also accepts 200 bottles of expensive whisky, several hundred bottles of different estate wines, a portable freezer, an imported hunting rifle and many other such goodies as "Christmas gifts" from customers who likewise then receive privileged treatment from the bank.

- A gold mine assayer tests a new sample and discovers it reveals an exceptionally rich new mining opportunity for the mine. He tips his "friends" with another company.

They buy large parcels of shares in the mine concerned before the new find is announced. After the announcement, the share price leaps, the "friends" sell and the tipster takes a juicy slice of the profits. (Naturally refinements have been developed as the original method is now too risky.)



Mr Denis Etheredge... "Culprits of business malpractice are seldom charged in court because witnesses are afraid of losing their jobs"

THESE are but a few of the documented examples of corruption, graft and dishonesty in South African business — as revealed by a Sunday Times survey this week.

They represent a drop in the ocean compared with the hundreds of other cases uncovered by the survey.

The survey was conducted to test the shock allegations made by Anglo American director and gold chief, Mr Denis Etheredge, at a major conference in Port Elizabeth.

In his address — to a joint meeting of the Institute of Personnel Managers and the SA Institute of Management, of which he is president — Mr Etheredge told startled delegates that the South African business world was "shot through with dishonesty".

He said he was deeply saddened by the trend.

The Sunday Times investigation strongly suggests that he is right.

"The dishonesty I'm referring to," says Mr Etheredge, "takes the form of men defrauding their own companies, offering and accepting kickbacks, supplying products that are not required, or fewer than are ordered."

### Pretty poor record

In general, South Africa has a "pretty poor record and more should be done about it," he advises.

"Culprits of business malpractice are seldom charged in court because witnesses are afraid of losing their jobs and even their lives."

The inquiry by the Sunday Times this week covered all mining houses and more than 25 businesses in six industrial sectors, banking and insurance.

On condition that they and their companies were not identified, the executives of these organisations described from personal experience a large number of corporate sins which they

# A dishonest day's GRAFT



## SPECIAL REPORT

by STEPHEN ORPEN,  
Editor of Business Times

had encountered

Almost all the executives stressed that:

- The most serious breaches of ethics, with the widest consequences, are often the most difficult to counter.

- This is because these breaches are the result not of overt crime, but rather of widespread collusion — a symptom of South Africa's relatively tiny business elite.

- This elite tends to work on ethnic lines — Afrikaner, English-speaking Jewish and English-speaking non-Jewish, although trade-offs between the three are not uncommon.

Within each of the three groups, favours are passed around with cavalier abandon — jobs, contracts, orders and so on — to members of their group, regardless of merit.

- In the public sector, there are also many cases where those who speak with the right political voice, or who provide material "rewards" to the right officials and bureaucrats, are favoured with business worth, collectively, astronomical sums — whatever their com-

petence or prices.

Commonly mentioned specific cases were:

- Collusion or trade-offs in negotiating covert or overt monopolistic practices, price fixing, closed-shop markets and similar arrangements

- Collusion agreements, which cost the country hundreds of millions of a year, involving the granting of contracts.

Such unrecorded agreements are fixed between senior employees in charge of producing tenders and senior people closely involved in the assessment of tenders and subsequent granting of contracts to the "best" tender.

### Deep-rooted caste system

For instance, Mr X of XYZ Ltd will examine all but one of the tenders for, say, the supply and installation of equipment for a R100-million processing plant.

He will then reveal to his friend, Mr Y, who works for the last of the tenderers, the conditions and prices of all the other tenders so that Mr

Y can put in a tender which is more attractive than any of his competitors.

Mr Y's company pays Mr X a fat sum for his "co-operation" — or a rake-off for both Mr X and Mr Y may be built into the terms surrounding the granting of the contract itself.

In the mining industry, consulting engineers are said to have had a powerful say in such matters.

- The same type of operation is rife in the granting of orders for the supply of goods — for instance, to a chain store group. There may be simple kick-backs or "double accounting".

In the second case, special "margins" may be billed separately under the guise of holding, forwarding, shipping or other such costs, despite the fact that these costs have already been allowed for in the basic contract price.

- There is also no doubt that, especially in some mining houses, there is still a deep-rooted caste system.

A relatively small cadre of men with "the right" basic family, social and image qualifications, as well as the "right" academic qualifications and references, are alone in the running for the top jobs — especially outside the strictly technical areas like engineering.

Similar class distinctions play a large part in deciding who will rise, and how far, down the line.

- Over-ordering. The buyer orders 500 000 packets of biscuits when only 300 000

are necessary, and his company pays for 500 000.

The seller pays the buyer half of what the seller's company is paid for the extra 200 000 packets and pockets the rest for himself.

The buyer sells the surplus 200 000 packets — possibly back to the original seller at a knockdown price — and divides the proceeds between himself and the original salesman.

- Over-invoicing. The seller invoices for 500 000 packets but supplies only 300 000, which are entered by the buyer as 500 000, or as the correct 300 000 at an artificially inflated unit price.

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## Inflated party invoices

The spoils are divided in much the same way as in over-ordering. Such blatant operations depend on sloppy auditing and cross-checking in the companies concerned.

However, there are refinements which make this kind of theft extremely hard to uncover even when auditing and controls and safety checks are tight.

- Collusion between transport controllers and transport operators. In one case, weighbridge operators were found to be overstating the loads carried by lorries so that more could be charged for these loads.

- "Ghost" services. A plant maintenance chief may report the contracting of a R100 000 maintenance job which is not strictly necessary and is never, in fact, undertaken.

- Overstating or overvaluing stocks. Very common in companies being sold, or which need the overstatement (or understatement) to improve the appeal of their annual accounts, or of the figures made available to the prospective buyer of the company.

- Double expense or entertainment claims. A managing director throws a lavish party at his home for 300 valued customers, business associates, employees and so forth.

The caterers are old friends who grossly over-invoice him. They then pay back much of the inflated margin. He submits the inflated invoices to his own company for re-imbusement.

Guguletu  
business  
centre in  
pipeline

Staff Reporter

PLANS to build a business centre in Guguletu next year at an estimated cost of R2-m, are to be finalised next month. This project, the first of its kind in Cape Town, is being run by the Small Business Development Corporation which promotes private enterprise in the small business sector among all population groups in South Africa.

**SUPERMARKET**

The first phase of the centre will include 25 small shops, a supermarket, a service station, doctors' and dentists' consulting rooms and banks.

The construction of the centre, which will be near NY 1 Day Hospital, will begin next March. Mr A L Ochse, property manager of the corporation, said today they were waiting only for "an official green light" from the Department of Co-operation and Development.

**30-YEAR LEASE**

The Administration Board has already approved the plan and has leased the land to us for 30 years with another optional 30-year lease. We are really optimistic that the department will give us a positive answer next month.

"Then construction will start in March next year and should be completed by November. After that we shall move on to the second phase, should a need arise," Mr Ochse said.

He said all the premises in the centre would be leased to township businessmen and rentals still had to be decided.

"As we are not investors who put up buildings for profit, we shall charge fairly low rents. The amount will depend on the paying ability of a businessman. In fact, we intend to interview all shopkeepers and seek advice on this matter", he said.

Mr Ochse talked about making the supermarket a public company.

The corporation also plans to build about 30 flats costing R250 000 on the same site.

# Split views <sup>AKC&S</sup> on liquor at <sup>2/11/82</sup> supermarkets <sup>USA</sup> <sup>30</sup>

PUBLIC opinion is sharply divided over the proposed sale of liquor in Sea Point supermarkets — a move that would increase the present 12 liquor selling outlets in the area to 19.

Several residents yesterday spoke out in favour of wine licences for supermarkets at a meeting of the Green and Sea Point Ratepayers' Association.

"If its going to drop the price of wine I'm all for it," said one ratepayer.

"I heartily agree," said another.

## SPIRITS

But their spirits were dampened by guest speaker Major P J Wesels, head of the Green and Sea Point police.

"What you don't realise is that all liquor premises are controlled and inspected by the police. If there are more liquor

outlets it will mean one less policemen each day to attend to your complaints," he said.

The chairman of the association's amenities committee, Mr Chris Joubert, felt there were enough problems in the area without creating new ones. He pointed out that no one had complained of difficulty in obtaining liquor from bottle stores.

## FOOD

"The existing outlets are sufficient. We have a middle class and a poor class in this area. Why expose them to wine where they buy food?" he asked.

A ratepayer warned that the sale of wine in supermarkets would ultimately lead to control of the lives of residents by a handful of supermarket owners.

F110C



# Goods taken without court authority

ing court orders to do so, and what was worse, most of them did so while people were at work.

The boycott, which Mr Ndhlazi vowed would be complete among members of his party, followed several complaints he claimed to have received from party members about furniture which was re-

possessed under unfair circumstances. The furniture shops, he said, were taking advantage of the ignorance of the prospective buyers of their legal rights and made them sign several documents while taking up higher purchase agreements without explaining the implications.

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**BOYCOTT**  
**Pretoria stores told to stop fleecing blacks**

By NORMAN NGALE

MR B Z NDLAZI, president of the Mamelodi Vukamehlo Vukani People's Party, said yesterday he would call for a boycott of all Pretoria furniture shops selling their wares directly to blacks.

He said he would hold a meeting with the executive council of his

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# Motor trade hit by high stock levels

By LOUIS BECKERLING  
Business Editor

THE malaise underlying the superficially buoyant car sales statistics of pre-September vintage were revealed this week.

While sales apparently boomed, stock levels and interest burdens began mounting as early as June this year, judging by the latest financial statistics for the motor trade just released by the Central Statistical Office in Pretoria.

The statistics reveal that wholesalers of motor vehicles and accessories were carrying stocks valued at R398,4 million for the quarter ended June this year — no less than 60% up on the comparable figure last year. Understandably, the interest burden on financing these stocks was way up on last year's levels — R11,1 million compared with R4,1 million (a 168% increase).

At the retail level statistics told the same sorry story. Stocks up 36% from R614,9 million to R840,4 million, and the emergence of a crushing interest burden, practically doubled from last year's R11,7 million to R22,8 million for the quarter ended June this year.

And clearly as the economic downturn began to

bite things could only have gone from bad to worse in the following quarter.

Small wonder, under the circumstances, that discounting has become a feature of the trade as both wholesalers and retailers attempt to unburden themselves of expensive stock-holdings. And a measure, too, of the relief with which the trade has greeted the downward trend in interest rates signalled by last week's one per cent cut in the prime rate from 20% to 19%.

An analysis of the sample survey by the CSO of retailers in the motor trade (including vehicle and accessory sales), shows that no less than 46% of the capital employed in the trade was devoted to the financing of stocks in the quarter ended June, 1981, and that this increased to 51% in the same quarter this year. Trade debtors added 36% to this total last year, and 33% this year.

A similar increase is seen in the ratio of stocks to total capital employed at wholesale level: R248,6 million, or 50% in the quarter ended June last year, rising to R398,4 million, or 56%, in the comparable quarter this year.

In the case of the wholesale trade the stock levels may usefully be contrasted with those achieved by mo-

tor companies in Japan and the United States.

During a lecture tour of South Africa in September, British management consultant Dr John Pendlebury told a gathering in Port Elizabeth that Honda of Japan carried substantial stocks of finished goods (69,6 days stock), contrasted with a low 14,4 in the case of Ford. The emphasis in the Japanese case was to divert finance from the production end of the business to the distribution side.

In the light of this wisdom the most positive comment that can be made of the South African experience is that the motor trade is well poised to exploit the next boom whenever it arrives.

John A. Fox

Mercury  
4/11/72  
20

# Chatsworth shopkeepers to meet

Mercury Reporter

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SHOPKEEPERS in Chatsworth and surrounding areas, worried by Durban City Council moves to provide sites in Chatsworth for chain stores and giant supermarkets, are meeting tonight to safeguard their interests.

Mr Daddy Naidoo, a supermarket owner who is convening the meeting, said yesterday the main purpose of the meeting at

the Savera Hotel, Kharwastan, at 7 30 p m, would be to form a Chatsworth and District Traders Association to act as a mouthpiece for shopkeepers.

He said the coming of giant chain stores to the sprawling township would ruin many of Chatsworth's smaller corner shops and the proposed traders' association would be entrusted with the task of opposing the council's move.

# Business call to sack

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St-8/11/82

## grafters

By Michael Chester

Company staffers at all levels found guilty of graft in business deals will be sacked on the spot if firms follow new Chamber of Commerce guidelines.

The threat of instant dismissal is the spearhead of a crackdown on bribery and fraud inside industry and commerce being mobilised by business leaders.

The Chamber of Commerce movement has advised all member companies to make instant dismissal an automatic penalty for em-

ployees found guilty of graft.

Controversy has been triggered by revelations by Mr Denis Etheredge, chairman of the Anglo American Corporation gold division and president of the Institute of Management, that business is "shot through with dishonesty."

Mr Etheredge told a business conference in Port Elizabeth that virtually no single deal with purchasers in the

mining industry could escape "palm greasing."

But it was not confined to the mines. Fraud and kick-backs were evident in all sectors.

The instant sacking of guilty employees has been strongly urged by Mr Douglas Stewart, president of the Johannesburg Chamber of Commerce.

It was a policy already followed by a number of large compa-

nies, he said, but the penalty should be adopted universally.

The November issue of the JCC news bulletin devotes its entire front page to extracts from a speech on the issue delivered by Dr J A Stegman, chairman of Sasol, at Pretoria University.

Member companies are given reminders on the key points in the JCC code of business practice and how they should stamp out "all acts characterised by bad faith, deception, fraud, oppression and bribery."

# Cautious welcome for centre

Staff Reporter

PLANS to build a new business centre in Guguletu next year have been welcomed by several shopkeepers trading in small stores on the edge of the proposed site

However, some fear the new centre, which will include a supermarket, will be a threat to their businesses

The complex, planned for a site in NY1 near the bus terminus, will cost about R2-million. The project is being undertaken by the Small Business Development Corporation

## Service station

It will house small shops, a supermarket, doctors' and dentists' consulting rooms, building societies, insurance companies, a service station and smallcraft centres, according to Mr A L Osche, property manager for the corporation.

About 150 applications had been received for

sites within the complex, said Mr Osche

A member of the Cape Town Community Council, Mr Leslie Kakaza, said interest in the complex was so great that a public company had been formed to run the supermarket

"This will involve many people interested in taking up the opportunities opened to them," said Mr Kakaza

Mr Kakaza holds the portfolios of business and finance within the Community Council and said he was "in the forefront" of setting up the public company which would run the supermarket.

"The project will involve not only the communities of Langa, Guguletu and Nyanga, but also people from other townships in the Western Cape," Mr Kakaza said

## Final say

The stipulated minimum entry into the company would be R250 worth of shares

The Small Business Development Corporation would interview those interested in trading in the complex. Although some applications would pass through the Community Council, the council would not have the final say in the selection of businessmen, said Mr Kakaza.

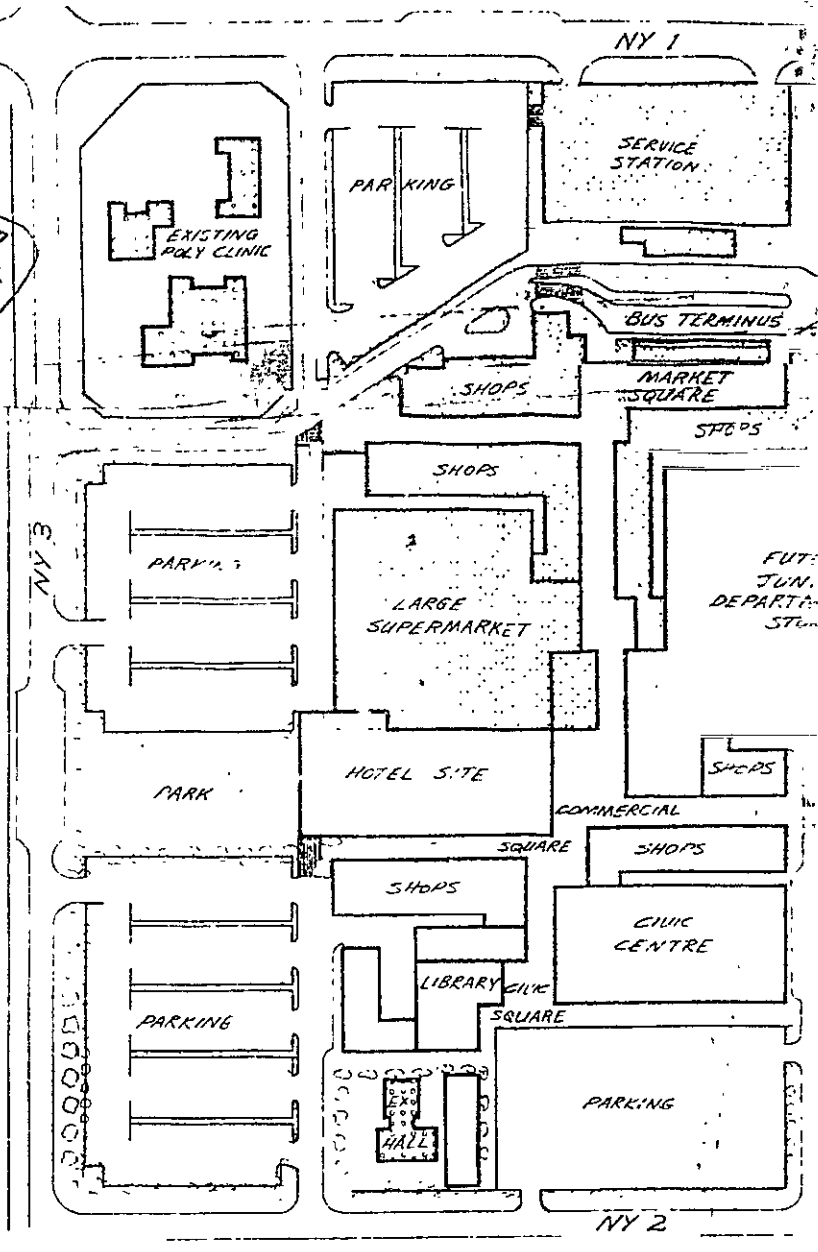
The Argus spoke to a group of shopkeepers in Guguletu who run their businesses on the edge of the planned complex.

Most were reluctant to be named, saying their opinions were not necessarily shared by the rest of the community.

Many were enthusiastic about the proposed complex, although some expressed doubts about whether small businesses would survive its impact.

ARGUS  
9/11/82

30



A layout plan of the proposed shopping complex to be built in Guguletu. Western Cape Administration Board Newsletter, Umkhanyiseli, future expansion of the centre and also depicts how it fits in with Guguletu's civic square.

"A supermarket next door can kill our businesses. The shops here will not fare as they do now," said one.

When asked if he would move into the new complex the shopkeeper said it would depend entirely on the rents

A shopkeeper who belongs to the Western Province Chamber of Commerce (WEPCO) described the complex as a "breakthrough" for black businessmen

"The complex will attract people and would be a great help in harnessing all the money that goes out of the townships to the big chain stores," he said.

"It will also help Africans to unite as a responsible community. They should all feel responsible for running busin-

esses as individuals," he said

It would increase employment opportunities in Guguletu

"The supermarket will employ about 39 people. I would employ about 10 people if I moved there, whereas now I employ five," said the shopkeeper

"I am not afraid that the supermarket will kill small businesses. Small businesses can never be killed. In fact, the wisest thing for a small businessman to do now would be to join the crowd of big businessmen"

Mr Mandla, a former chairman of WEPCO who said he was one of the "initiators" of the public company, said he hoped the complex would help to keep money inside the township

# Indians outraged over scrapping of plaza plans

Mercury Reporter

THE South African Indian Council yesterday called on the Prime Minister, Mr P W Botha, to intervene following the Government's decision to scrap plans for Durban's proposed multi-million-rand Oriental Plaza.

Executive chairman Amichand Rajbansi said at the opening of the council's week-long session in Durban yesterday that the Government was morally and legally bound to honour its undertaking to build the plaza to house

traders who were displaced when the Indian Market was gutted by fire in 1973.

He said the Government appointed a special body, the Van Eysen Committee, at the time to select a suitable site and be in charge of the planning of the project. 'To suddenly back out of its moral obligation is most distressing.'

He said the Indian Council would tell the Prime Minister that failure on the part of the Government to honour its obligation would make any future Government or ministerial undertaking to the Indian community meaningless.

'But by hook or by crook we are going to see that the Government carries out its promise to build the plaza,' he said.

## Clashed

Calling for the opening of trading areas to all race groups, Mr J B Patel said he disagreed with some members that whites should be prevented from opening businesses in Indian areas until Indians were allowed to trade freely in white areas.

Earlier, Mr Rajbansi and Mr Thulkanna Palan, who is also chairman of the Southern Durban Indian Local Affairs Committee, clashed over current moves to allow whites to open supermarkets in Chatsworth.

Mr Palan denied that his LAC had supported the Durban City Council in its bid to get the Government to allow trading sites in Chatsworth to be sold to whites. He said his LAC wanted the two sites to be sold to members of any race group.

The meeting decided to approach the Government to amend the Group Areas Act during the next Parliamentary session to allow trading areas throughout the country to be opened to all race groups as recommended by the Rieker Commission.

## SAIC calls for talks on posts for Indians

Mercury Reporter  
THE slow pace of promotion of Indians in the Division of Education came under heavy fire at a meeting of the South African Indian Council in Durban yesterday.

And in a move to pave the way for an upward climb, the Council directed its executive to hold urgent talks with the Minister of Internal Affairs, Mr F W de Klerk, or the Director-General of Internal Affairs, Mr S S van der Merwe, to immediately create posts for two additional co-deputy Directors of Indian Education and an additional Chief Inspector.

## Little headway

Motivating a case for the creation of the additional posts, Mr Amichand Rajbansi, executive chairman, told the meeting that unlike coloureds, Indians had made very little headway in being appointed to the top positions.

'Although there are many suitably qualified Indians to fill key positions they have not advanced to the extent we would have wanted them to. If this is not rectified immediately Indian promotions in the department will remain stagnant for the next five or 10 years.'

'Mr van der Merwe is willing to assist in putting matters right and we should hold an immediate investigation starting from the lowest position to check every case.'

He emphasised, however, that merit alone would be the determining factor in the appointment of Indians to top posts.

GENERAL NEWS

# Indian shop plazas — boon or cause for bitterness?

30  
2/11

By David Breier,  
Chief Reporter

The neat Indian shopping plaza or bazaar on the edge of Transvaal towns and cities has become a hallmark of the province. But while some regard these centres with pride, others look on them with bitterness.

A spokesman for the Department of Community Development said Indian shopping centres owed their existence, not to politics and the Group Areas Act, but to slum clearance.

He said old-style Indian business areas were in deplorable condition. A case in point was 14th Street in Pageview, Johannesburg, which was cleared when traders were moved to the Oriental Plaza.

Similar slum conditions still existed in the Indian shopping area known as Lappies in Roodepoort and in Germiston's old Asiatic Bazaar where replacement was in the planning stage, he said.

People who lived in poor conditions in slums had also been moved to improved housing.

The list of Transvaal cities and towns where this process had already taken place is lengthy.

There is Johannesburg's Oriental Plaza as well as Lenasia, Pretoria's Asiatic Bazaar and centres in Heidelberg, Klerksdorp, Potchefstroom, Vereeniging, Bronkhorstspuit, Carolina, Coligny, Ermelo, Koster, Lydenburg, Nylstroom, Swart-ruggens, Rustenburg, Ventersdorp, Standerton, Wolmaransstad, Bloemhof, Zeerust, Lichtenburg, Pieters-

burg, Louis Trichardt, Schweizer Reneke, Bethal and Middelburg.

With a few exceptions, these centres were commercially successful, the spokesman said.

## VIABILITY

They had been situated with an eye on commercial prospects and rents were low. Even at Johannesburg's Oriental Plaza where some people regarded rents as high, these were low in relation to those charged in surrounding areas, he said.

The department had also taken requests of Indian shopkeepers into account and in some cases had agreed to provide 50 percent more space than the businessmen previously occupied.

Successful centres included those in Middelburg and Bronkhorstspuit as well as the Klerksdorp centre which was near the station, the spokesman said.

But he added that some centres, such as the one in Rustenburg might be having problems. However, some of these problems might be due to the lack of business skills of shopkeepers, he said.

Mr Boetie Abramjee, president of the Transvaal Association of Local Management Committees, said several Indian centres were not paying propositions.

In Coligny, three bankruptcies had occurred and the new Pietersburg complex was not yet profitable, he said.

"The Rustenburg complex is a complete failure because it is far from the central business district and away

from the black bus terminus," he said.

He said centres that were not full included those in Vereeniging and Koster.

Proposed complexes in Reiger Park, Boksburg (where Indian shops were destroyed in last year's riots), in Nigel and in Kinross had been scrapped, he said.

He added that the proposed complex in Potgietersrus would be completely unviable.

Mr Abramjee rejected the suggestion that slum conditions and not politics were responsible for the building of new Indian shopping centres.

The old business areas had been frozen under the Group Areas Act, he said.

## ACT DEPLORED

"This meant people could not even replace a window or improve their properties in any way," he said. This was why they deteriorated into slums.

"It all comes back to the Group Areas Act," he added.

Mr I F H Mayet, former executive chairman of the SA Indian Council, said the success of Johannesburg's Oriental Plaza could be attributed to the plentiful parking available.

He said the authorities believed their shops were successful, because licences changed hands at exorbitant prices showing a strong demand for shops.

But he said this gave a false impression as Indian families had no choice but to buy shops in official schemes as they were prevented by the Group Areas Act from looking elsewhere.

Plan on Indian shops complete

By David Brefer, Chief Reporter

The Government has almost completed its controversial plan to move Indian business into separate shopping centres. A spokesman for the Department of Community Development said in Pretoria it regarded the task as practically complete. Indian complexes in Roodepoort and Germiston were being planned, he said. The department was considering making land available to Indian entrepreneurs instead of building shops itself.

DELAYING

He said lack of funds was delaying the proposed new Indian business complex in Potgietersrus, but for the rest, the programme was complete. The department has built more than 50 business centres in the country for all races — Indians, for Transvaal

By far the largest is the R162 million Orreental Plaza in Johannesburg, which was built in the 1970s and which would cost far more at today's building costs. The spokesman said the department intended selling shops to existing shopkeepers in the cities and smaller rural centres under the Sectional Titles Act.

CHOICE

He said shops would be sold only to existing shopkeepers who would be given a choice of whether to buy or continue renting. If shopkeepers chose not to buy, their shops would not be sold to anyone else and they would be able to continue renting them. The department maintains that with few exceptions, the Indian business complexes are commercially successful, but Indian community leaders deny this, saying some centres are unsuccessful and bank-ruptcies have resulted.

See Page 11.

- Ceteris Paribus
- Price
- Function
- Inferior Good
- Substitutes
- Complements
- Perfect Competition
- 'Rise' in Demand (or Supply)
- 'Increase in Quantity Demanded' (o
- Equilibrium
- Maximum Price
- Minimum Price
- Rent Control
- Minimum Wages Legislation
- International Trade
- Transport Costs
- Tariff
- Economic Rent.



# Car sales fall to 33-month low—and

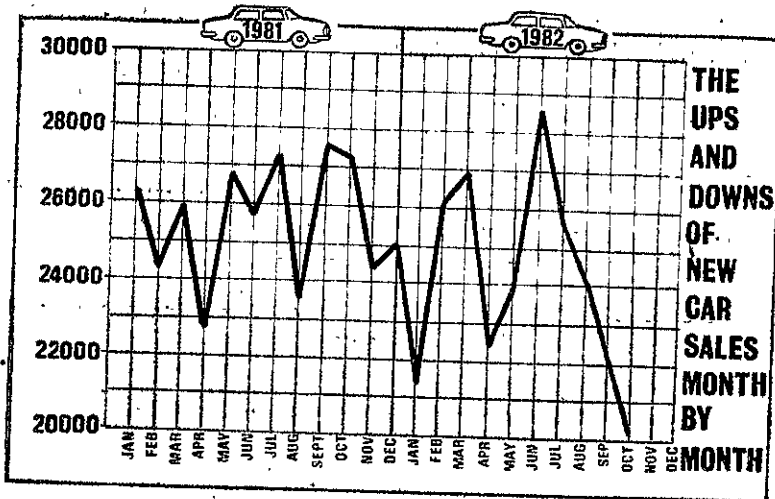
# low—and

# worse is

# to come

30

Stev 11/11/82



By Alec Hogg  
Assistant Financial Editor

Sales of new cars fell to a 33-month low of 20 235 in October. This is 26.1 percent down on the same month last year's total of 27 294.

The figure reinforces the belief that economic conditions are deteriorating more rapidly than previously expected.

**INDICATOR**

Motor vehicles account for roughly 10 percent of the country's economic activity, and sales have proven to be a reliable leading indicator.

October's sharp drop was not expected, and indicates that earlier forecasts for total sales in 1982 were too optimistic.

Only a month ago, motor manufacturers were expecting sales figures of 290 000 for the year. It now appears that the industry will be fortunate to top 280 000, down nearly 10 percent on last year's record 310 500.

With the economic downswing gathering momentum, the outlook for next year's car sales is even gloomier. A further decline of about 15 percent to around 235 000 looks likely for 1983.

**RETAILING FALL**

October's fall in new car sales mirrors the experience of retailers in other durable and semi-durable goods sectors. Executives of SA Breweries' retail interests, reporting their interim results,

also noted the sharp decline in sales in October.

The car-sales figures also show that the Reserve Bank's tight monetary policy, implemented to slow consumer demand, is working.

The Reserve Bank's chief economist, Dr Chris de Swardt, told The Star this morning: "We have possibly seen the end of the motor-car replacement cycle. We certainly see a downward trend in total consumer expenditure on durables. The change has come."

Of the individual manufacturers, only Toyota and Datsun can look back on the month with satisfaction. Ford and General Motors fared the worst when compared with

the same month last year.

Toyota has established a big lead as the country's largest seller. Although sales dropped from last October's 4 906 to 4 362, Toyota's market share rose from 17.9 percent in the same month last year to 21.6 percent because of the shrinking market.

Datsun was the only manufacturer to show an improvement in units sold. Thanks mainly to its new Sky-line series, Datsun's sales rose from last October's 2 157 to 2 737, increasing its market share from 7.9 percent to 13.5 percent.

Ford experienced the sharpest drop with sales halving from last October's 5 221 to 2 606. Market share fell from

19.1 percent to 12.9 percent

General Motors' decline was almost as sharp, from 3 428 units to 1 739, and market share fell from 12.5 percent to 8.6 percent.

**HOW THEY FARED**

Of the other big six manufacturers, Sigma's market share fell from 14.5 percent to 12.5 percent and Volkswagen's from 14.5 percent to 14.4 percent.

Car sales for the year so far are now 4.1 percent down on 1981, although the extent of the drop expected in the last two months of the year is likely to push the decline for the full 12 months nearer to 10 percent.

Commercial vehicle sales dropped 24 percent when compared with October last year.

**NOTE CAREFULLY**

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.
1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University


**UNIVERSITY OF CAPE TOWN  
EXAMINATION ANSWER BOOK**

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

# Downward slide in motor vehicle sales continues

EPOS 11/19/82 30

By LOUIS BECKERLING  
Business Editor

THE slide in motor vehicle sales continued last month and the price war to combat the slump is set to become "hectic", according to one industry spokesman.

October's total of 20 235 passenger cars sold is 26% down on October sales figures last year and a 9% drop on the sales figures for last month. And the impact of declining spending is even more dramatically underlined in the commercial vehicle market, where sales of heavy-duty trucks plummeted by 48%.

Of some consolation to the automotive component support industry in Port Elizabeth is that the share of the "big three" local manufacturers in the passenger car market rose from 33% in September to a shade under 36% last

month. This was due exclusively to Volkswagen bucking the downward trend and boosting sales by 16%.

However, Ford, General Motors and Volkswagen have a long haul ahead to recover the 45% market share held a year ago.

Volkswagen, which forced its way back into second place with total car sales of 2 917, singled out the Passat, which sold 505 units, as the star of its fleet.

Toyota remained market leader, selling 4 362 units in October. However, this reflected a significant 21% drop over sales for the previous month.

Displaced into the third slot by Volkswagen was Datsun, on 2 737 units. Fourth was Ford (2 606), fifth was Sigma (2 528) and sixth General Motors (1 739).

At seventh and eight re-

spectively, BMW and Mercedes's rankings belie the remarkable buoyancy of sales in this upper-end of the market.

For the year to date sales in the passenger vehicle market total 241 845 — 4% down on the comparable period last year.

Commenting on the sales, Toyota sales director Mr Brand Pretorius said the impact of the recession was now clearly being felt in the industry. He nonetheless believed that Toyota's estimate of a total market of 285 000 units for the year would be maintained.

To do so sales would have to increase to around 2 600 units in each of the remaining months (which would imply a 7% increase over October's figures).

"And this implies that manufacturers are going to go all out to reduce stocks

and from the point of view of sales the price war could become hectic," he said.

Features of the commercial vehicle market were:

● A 48% slump in sales of heavy-duty trucks.

● Ford's remarkable performance in the light-duty market.

● A similarly buoyant performance from General Motors in the sale of heavy-duty trucks.

Total sales in the under-5 000-kilogram market were 9 423 — 17% down on the comparable month last year and 9% down on the previous month.

In the heavy-duty sector the bottom dropped out of the market and total sales of 1 708 were a massive 48% down on sales in October last year.

Detailed figures for the passenger car market, with

the percentage change on last month's sales in brackets, followed by the market share held by each manufacturer, are:

Toyota 4 362 (-21%), 25%; Volkswagen 2 917 (+16%), 14,4%; Datsun 2 737 (-21%), 16%; Ford 2 606 (-7%), 13%; Sigma 2 528 (+4%), 11%; General Motors 1 739 (-8%), 9%; Mercedes Benz 1 300 (+24%), 5%; BMW 1 107 (-8%), 5%; Alfa 501 (-21%), 2,5%.

Ranking of the light-truck sales. Toyota 2 774 (-21%), 29%; Datsun 2 561 (-15%), 27%; General Motors 1 215 (+6%), 13%; and Ford 1 124 (+31%), 12%.

Ranking of heavy-duty sales: Sigma 370 (-12%), 22%; Mercedes 360 (-8%), 21%; General Motors 286 (+28%), 17%; Datsun 203 (+35%), 12%; Toyota 137 (-9%), 8%; Leyland 137 (-33%), 8%; and Ford 55 (-37%), 3%

## NOTE CAREFULLY

1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work.
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
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# Traders unhappy about competition from the co-ops

Post Reporter

BEDFORD shopkeepers, who are already suffering because of the recession, are having to compete against large co-ops and they feel it is unfair competition.

One of the unhappy shopkeepers, who did not want to be named, said the Eastern Cape Agricultural Co-op and Eastern Cape Consumers Co-op in the town had an unfair advantage over the smaller dealer.

"They have been subsidised by the Land Bank while we have to take out overdrafts from the commercial banks at heavy interest rates," the shopkeeper said.

He felt co-ops should only be for the use of farmers and not the man-in-the-street, on whose custom the smaller traders relied heavily.

Mr C A Botha, general manager of the two co-ops, said from Queenstown today that it was not their intention to take trade away from the smaller shopkeepers.

"We do not try to stock everything and we do not attempt to take trade away from shops. We do not want those shopkeepers to leave town because then everyone would suffer."

Agricultural co-ops could only sell to members while consumer co-ops could sell to anyone, he said.

Rbm 13/11/82 (30)

# Assocom rejects new influx Bill

Labour Correspondent

THE Association of Chambers of Commerce (Assocom) claims Dr Piet Koornhof's new influx control Bill for blacks is "in some ways even more retrogressive" than a 1980 Bill on the issue which was withdrawn after an outcry.

Assocom, which represents organised commerce nationwide, has told the Government the Bill must be "completely re-examined and restructured".

It says a proposed R5 000 fine on employers of "illegal" black workers is "outrageous to public conscience" and that the penalties are evidence that influx controls are "unworkable".

These comments are made in memoranda submitted by Assocom to the Government on both the Orderly Movement and Settlement of Black Persons Bill, which deals with influx control, and the Black Community Development Bill. The memo was released yesterday.

The influx control Bill has

been referred to a commission for examination

Assocom says the Bill would initially "broaden the scope" of blacks allowed to stay in cities, but would "thereafter severely limit the accrual of future rights".

The Bill would re-impose a curfew on blacks "with increased severity", would require night raids on black homes and would effectively limit the time blacks could stay in a city from 72 to 17 hours

It suggests, like all other immigrants to the Republic, that blacks be able to qualify permanently to live in cities after working in them on contract for five years. The Bill lays down a 10-year qualification

Assocom objects strongly to measures in the Bill allowing the authorities to override the courts and one which allows the Minister of Co-Operation and Development to withdraw any rights granted by the Bill

● See Page 3



...the Sunday Times Glamorous Granny Competition certainly ... Hayes, 48, of Johannesburg and Mrs Heather Fleming, 36, "Estra-terrestrial" in Johannesburg tonight. Pic: RAYMOND PRESTON

## TV sport to kick off an hour early

TV Editor

"SPORT '82" will begin at 1.30 this afternoon — an hour earlier than usual. The corporation was tight-lipped yesterday as to what events

it will screen live. But the main sporting event is the Protea Cricket Challenge at the Wanderers, with Transvaal facing Western Province.

of

## PW plans visit to SWA

Mail Africa Bureau

WINDHOEK. — The Prime Minister, Mr P W Botha, will make an announcement on an interim government for South West Africa after visiting the territory next Friday and Saturday for talks with the Ministers' Council and representatives of the ethnic authorities.

Mr Botha will be accompanied by the Minister of Foreign Affairs, Mr Pik Botha, and the Minister of Defence, Mr Magnus Malan

A Press release said yesterday Mr Botha would discuss the interim government system and international negotiations

## Rent rises forecast

Mail Reporter

RENT rises of 11% to 20% for flats and a continuing strong demand for lower-priced houses in the next six to 12 months are two forecasts made in a survey by the Property Economist.

It predicts a continued downswing in the activity of almost every sector of the

Set the pace at

# 'The R20 000 Executive Fashion Stakes'

with a handsome outfit from The Executive

The R20 000 Executive Fashion Stakes will be run today Saturday, 13 November, at Gosforth Park. Sponsored

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# Views

on

white

traders

sought

Mercury Reporter

THE chairman of the Silverglen Civic Association, Mr V Pillay, said yesterday some Chatsworth residents were against whites opening chain stores in the sprawling township on 'sentimental grounds.'

But he was certain, he said, more consumers would support a move by Durban City Council to allow businessmen from any race group to tender for trading sites in the proposed Chatsworth civic centre.

After all, the Indian community was opposed to the Group Areas Act, which restricted free trading, and was calling for its repeal, he said.

To test consumers' feelings, the association held a meeting attended by about 350 people from 35 Chatsworth organisations this week and appointed a steering committee to canvass views of consumers.

Each of the 35 organisations was asked to nominate a member to serve on the committee, which was asked to report back within a month.

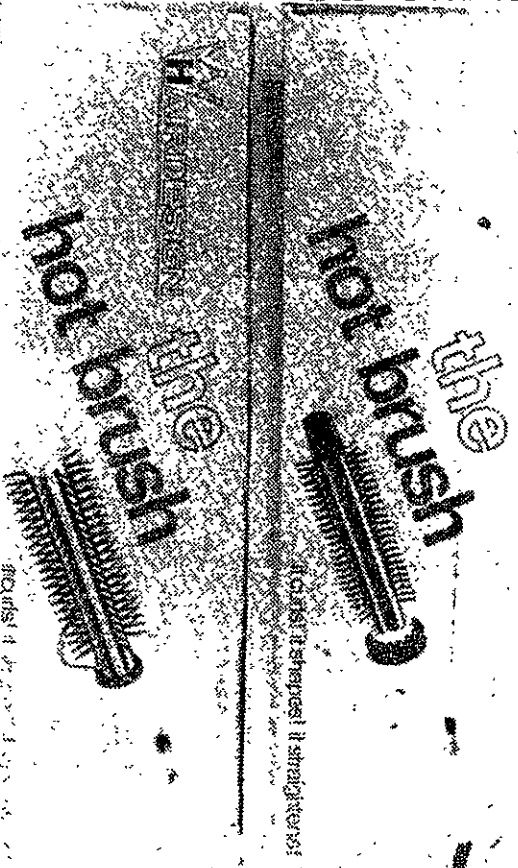
Meanwhile a survey, carried out by the newly formed Chatsworth and District Traders Association showed that generally Chatsworth corner shops — which it described as 'convenient' shops because of their longer trading hours, delivery of goods and credit facilities — were cheaper than a white-owned national chain store by 7.4 percent on basic Indian commodities.

Mercury Reporter

Mercury 13/11/82  
30

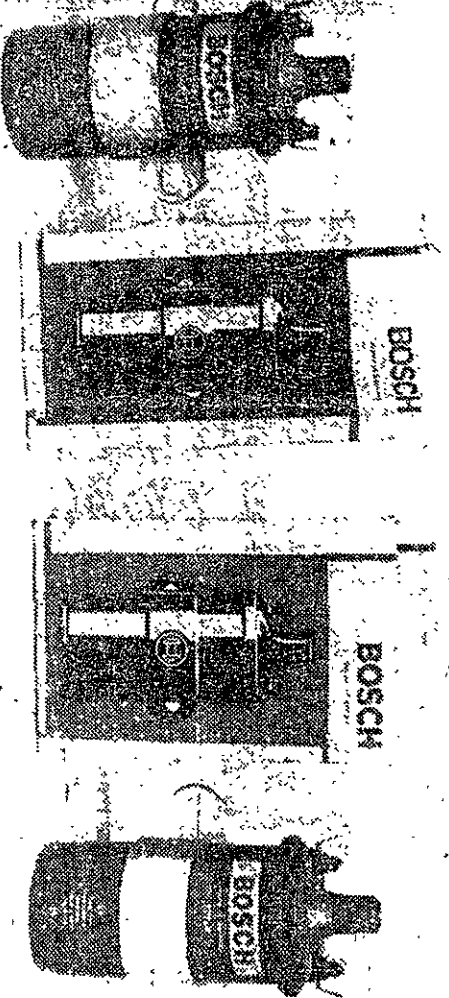
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30



**LEFT:** Examples of patent infringements. In this case a "Chinese copy" made of the hot brush hair curler is close enough to the genuine article to fool many customers.

**RIGHT:** Another complete "Chinese copy" — this time Bosch distributors. These copies are so close to the original that even experts are fooled — the reproduction of the product is identical.



Many fakes are not straight copies, and in the sunglasses case, the "passing off" situation was used to copy the Ray-Ban design. The Ray-Sun copy was close enough to cause alarm.



# A Sunday Tribune probe shows counterfeit goods (plague of the business world) are being sold in South Africa — and consumers are the big losers

**C**OUNTERFEITERS could be pocketing millions as consumers are misled into buying inferior goods, faked under well-known brand names like Christian Dior, Apple or even Weber.

And as counterfeit goods shake the consumer's confidence in the real product, the fakers threaten to destroy legitimate business and reputable dealers. Worse still as they

# THE COPY-CATS

# WORLD-WIDE

it stops working properly," he said.

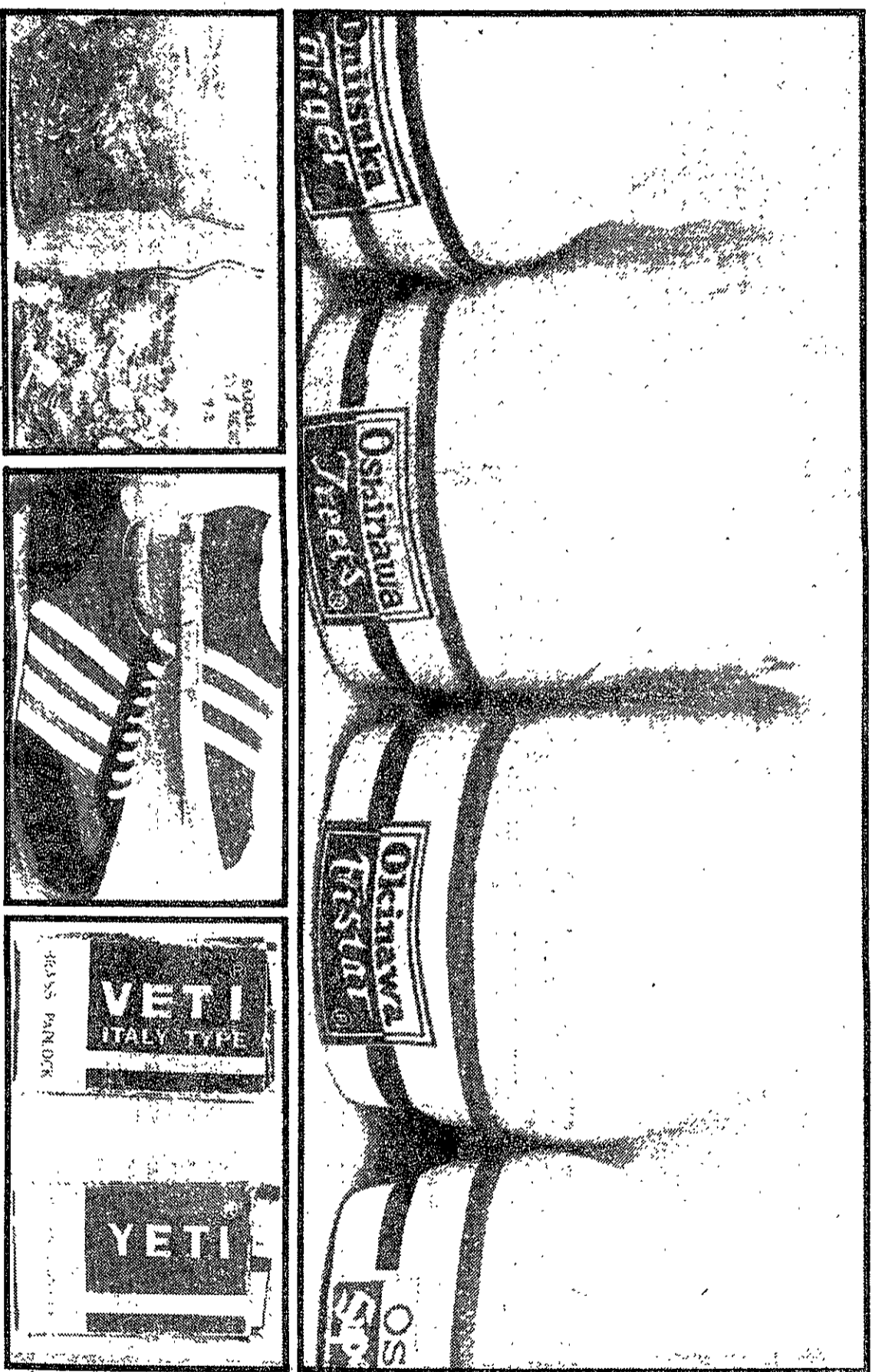
Isolated cases of counterfeiting have been picked up by many manufacturers in South Africa as consumers return products when they be-

# Passing

## Off the

### fakes

In these four examples the original products were copied in the "passing off" situation. Labelling and reproduction is closely imitated and customers are easily misled. The examples include labels on the heels of sports shoes, on sweets and the designs on batteries and running shoes.



BY DOMINIQUE GILBERT in Durban, CHEETAH HAYSON in New York and GARETH PARRY in London

**QUOTE**

I think the approach of the South African authorities is to leave it to the individual trader who is suffering to sort it out himself.

— OWEN DEAN

**QUOTE**

Unless one is an expert there's no way of telling what is fake until it stops working properly.

— JAN CRONJE

**QUOTE**

If you find someone selling counterfeit material they'll tell you they don't know where they bought it. Someone came into their shop and they've never been seen since, and the goods were paid for in cash.

— OWEN DEAN

**QUOTE**

We (Taiwan) want to play an important role in the world economic community and don't want our reputations ruined by copiers.

— MICHAEL WEI

### Tighten laws

Fakers have caused widespread alarm internationally and in several countries pressure has been put on governments to tighten laws relating to counterfeiting — but in South Africa, not only are the consumers unsuspecting, but there is little, if any, check on fakers or importers of fakes.

While many companies are hesitant to admit their product has been faked, others welcome public awareness. In both cases the manufacturers are concerned about their products' reputation.

None could estimate the extent to which the faked products were being sold and their effect in monetary terms to the consumer and manufacturer.

One manufacturer explained the problem as a case of "putting out one fire and another starts — sometimes the same one".

Fakes are often spotted in advertisements, or picked up in leading stores by franchise dealers who know the sole agents for their product.

Sources from four main patent attorney firms who deal solely with patent infringements, confirmed only about 10 percent of the cases reached the courts.

"It's very difficult to get to the roots of some of these. Mafia-type operations," said Mr Dean.

"If you find someone selling counterfeit material, they'll tell you they don't know where they bought it. Someone came into their shop, and they've never been seen since, and the goods were paid for in cash.

"So you fight the symptoms rather than the root of the thing," he said.

It is almost impossible to trap the importer of such goods.

"I think the approach of the South African authorities is to leave it to the individual trader, who is suffering, to sort it out himself," said Owen Jean, expert on patents and trade infringements, or a firm of patent attorneys in Pretoria.

"As the law stands it carries more than sufficient provision to enable counterfeit merchandise to be combated, but it's difficult to curtail the whole thing on a civil basis. You really rely on the authorities to seriously chase up the whole question of counterfeit products."

Often the goods are imported from countries such as the Republic of China, Hong Kong, Singapore, Pakistan, Korea and South America.

Jan Cronje, director of the South African Consumer Council, said most of the faked products being sold in this country slip in with the dumped products from overseas, particularly from the Far East and Taiwan.

"South Africa is trying to maintain good relations with many of these countries, so we accept their trade. It's very difficult to say they can't import and export with us, so they are dumping large quantities of goods in this country," he said.

He said people should be warned to be wary, and not buy anything just because it's very cheap. "Unless one is an expert, there's no way of telling what is fake, until

Some retailers are afraid to divulge their sources, others are counterfeiters themselves. Manufacturers can only fight one offender at a time — making civil proceedings a costly and lengthy exercise. Often lawyers' letters have to do, sometimes working and sometimes not.

In America a group of well-known companies joined forces to form the International Anti-Counterfeiting Coalition in 1978 to fight the problem. The president of the Anti-Counterfeiting Coalition (ACC), James Birkoff, said in an interview with the **SUNDAY TRIBUNE** in his New York office that the United States was about to pass new laws to crack down on the problem.

He said the government estimated the amount spent by Americans on counterfeit goods at thousands of millions of dollars on a range from luxuries such as clothes, jewellery, cosmetics, sports goods, films, records, tapes, tobacco products and health accessories, to health and safety products, drugs, chemicals, glasses, computer components, and car and aircraft parts.

These include: Quality label whisky — a concoction brewed in Honolulu, expensive designer label jeans that are rubbish, and "Everready" batteries that are from a counterfeit batch of 17 million

now shipped all over the world. One in every four pairs of sunglasses is a fake, one of every five records is a fake. In one of the worst counterfeit cases, the entire economy of a nation was jeopardised when in 1979 the Kenyan Government bought counterfeit (and defective) agricultural chemicals. Almost the entire annual coffee crop was lost.

The low risks and huge profits involved — a counterfeit Cartier watch costing three dollars to make can fetch 500 dollars — makes counterfeiting attractive to the international underworld. Counterfeiting is increasingly lined to narcotics deals and organised crime. A new aspect of counterfeiting is the threat it poses to life and to national defence, according to documents drawn up to support the new Anti-Counterfeiting legislation.

There is substantial evidence in the US that aircraft manufacturers and the US military have been supplied with counterfeit parts that are inferior, and do not conform to specifications or are made of scrap metal. Substandard counterfeit parts were found in a batch intended for the F-14 fighter and the Chaparral and Lance missile systems, and counterfeit transistors were among those destined for a space shuttle test.

Bell helicopter officials say millions of dollars worth of dangerously substandard counterfeit Sikorsky and Bell helicopter parts have been sold to America's allies and civilian helicopter fleets. They include critical components such as transmission parts and landing gear assemblies which are believed to have been installed in up to 606 helicopters in the military fleets of Britain, West Germany, France and Belgium.

The document says Bell helicopter officials believe the counterfeit parts may have been responsible for several crashes in the United States. In 1977 counterfeit "Boeing" engine fire and control systems were discovered before they affected a potential market of 100 of the Boeing 737s.

In 1978 the Food and Drug Administration recalled 357 heart pumps used in 266 hospital because 20 000 dollars worth of intracardiac balloons pumps, which maintain the patient's heartbeat during open heart surgery, were believed to contain counterfeit components worth eight dollars each.

The American Medical Association has complained about the growing number of "look-alike" narcotics which imitate the size, shape and colour of amphetamines and tranquilisers and often have counterfeit trade marks. The counterfeit drugs are believed to be responsible for at least 12 deaths. At a time when much of British industry is suffering acute depression, counterfeiting is also booming. The racket has affected export sales which in turn damaged the British economy and even caused job losses.

counterfeit investigations to collect information and statistics on counterfeiting for the Department of Justice. "Also the minister approached the Board of Foreign Trade to withdraw the registration of manufacturers and exporters who were convicted," said Mr Wei. "Periodically statistics of convictions and counterfeit cases are to be published, and sent to banks for licensing purposes and to agencies concerned with import/export licences."

He said the main criterion was making the information available to every government from a world organisation and have it registered in every country simultaneously. In South Africa, the only people with information of this kind are the companies that have been affected and the law-

Kong, and sold in a leading store in Johannesburg. The deputy director of the National Clothing Federation in South Africa, John Lingfelder, said often items of clothing were imitated and given a different name. Although it is virtually impossible to fake well known brands of cameras, George Grant, marketing director for H Platow, has confirmed that one dealer brought in a product marked "For Canon", using the same Canon print on the Canon name. But stocks were confiscated, returned or destroyed.

The list is endless. Last year, in a state-distributed through South Africa, the International Chamber of Commerce (ICC) expressed deep concern about the spreading trade in counterfeit commercial merchandise. The ICC urged national committees and the private sector to bring the statement to

the notice of their respective governments, soliciting stronger government counter-measures. But when the **SUNDAY TRIBUNE** contacted several authorities, they were all either not aware of the problem, or did not see it as a potential threat to the country's economy.

These include the Department of Commerce and Consumer Affairs, the Department of Commerce, Industries and Tourism, the Director of Internal Trade and the Director of Customs. Even the chairman of the Trade Practice Advisory Committee in Johannesburg, Ian Horr, said his committee would only look into practices of undesirable nature that were brought to their notice, and to the Registrar of Trade Marks in Pretoria.

The **SUNDAY TRIBUNE** made several attempts to speak to the Minister of Commerce and Industries, Dr Dawie de Villiers, on the matter, but was unsuccessful.

Republic of China, Michael Wei, in Johannesburg. He said new controls since new counterfeiting controls were implemented last year. In many cases the offenders have been fined, managing directors of guilty firms imprisoned and companies' export licences suspended. This was claimed by the Commercial Attache for the

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COMMERCE — GENERAL  
1982

OCT. — Dec.

# Bread: Pick 'n Pay go it alone

Staff Reporter

**THE major supermarket chains in the country have decided not to align themselves with Mr Raymond Ackerman's plan to maintain the old bread price for between three and six months.**

Mr Ackerman, the chairman of Pick 'n Pay, has set aside R1-million for the purpose

The other supermarket chains have, however, agreed to sell bread at cost or below cost prices, but most cafes and smaller supermarkets will be selling bread at the new control prices today.

## 'Not the answer'

Miss Peta Lomborg, public affairs manager for Checkers, said yesterday that Checkers would be selling bread at cost price, but the company did not believe that subsidies from either the public or private sector were the answer.

She said her company believed money should be channelled directly to the poor instead of being used to subsidize bread which would benefit the public indiscriminately

"We are putting money directly into funds for senior citizens for pension schemes, medical aid and so on instead of subsidizing the price of bread," she said.

Checkers will be selling white bread at 48c and brown bread at 31c a loaf excluding the six percent general sales tax.

Mr R Horwitz, director and general manager of OK Bazaars, said his company would be selling white bread at cost price

and brown bread at a below cost

"The reason we are selling brown bread below cost is because the nutritional value of brown bread should be made freely available to the lower income groups," he said.

"We are probably the largest retailers of bread, selling between 20- and 25-million loaves a year. If we subsidized the bread we would be losing something in the region of R2.5m a year," Mr Horwitz said

Mr M Sachar, chairman of Grand Bazaars, said his firm would be selling bread at below cost but they had not yet made up their minds on the prices.

He said he would not like to comment on Mr Ackerman's proposal but reiterated that none of the large chain stores were prepared to go along with Mr Ackerman's suggestion.

## Control price

Cafe and small supermarket owners throughout Cape Town will, on the whole, be selling bread at the control price which has been quoted by a spokesman for a Cape Town bakery as: 53c for white bread and 35c for wholewheat or brown bread. Prices include the 6 percent general sales tax.

A Rondebosch supermarket owner said the public should be made aware of the fact that a loaf of bread only has a life of one day.

"This means if we do not sell all our loaves in one day we lose a lot of money — we just can't afford to sell the bread below the control price"

**UNIVERSITY OF  
BLACK BUSINESS**  
**Nafcoc's horizons**

30

FM 11/10/82

How does a black SA business chamber with a very small financial and technical base spread its fraternal, and better organised, wings to neighbouring black states? The short answer is: it is proving immensely difficult.

The issue was dealt with by Sam Motsuenyane, president of the National African Federated Chambers of Commerce (Nafcoc), at the chamber's second summit meeting recently.

Since the mid-Seventies, Motsuenyane explained, "serious attempts were made to create closer ties between Nafcoc and black chambers of commerce in southern Africa." In 1975, Nafcoc delegations visited Lesotho, Swaziland, Botswana, Zambia, Zimbabwe, Malawi and Namibia. "Fruitful discussions" were held with black business leaders. Motsuenyane even reached Kenya in 1973 and 1974. And a Nafcoc-sponsored joint meeting took place in Lesotho the next year.

The intention was "to spearhead the establishment of a southern African econom-

ic movement to which black business organisations in the region could affiliate." Although the reception was warm all round, "businessmen feared that political leaders would not allow them to have close ties with SA whilst the policy of separate development was being practised."

So the "project" started at the Lesotho get-together has been discontinued. It was clear, Motsuenyane added, that Nafcoc was undoubtedly the best organised black chamber of its kind and most suited to "take a lead in the proposed new direction."

**Shortage of expertise**

Among the reasons for failure, however, are costs, shortage of expertise and the great deal of time required to market the concept to chambers not as strongly organised. "In Botswana the Chamber was in the hands of Asians besides being very weak," Motsuenyane added. He later strongly criticised SA Indian businessmen for not "identifying themselves with Nafcoc," since it had opened membership to "all non-white population groups."

There can be little doubt, however, that foreign African businessmen's lack of interest in Nafcoc's broader canvas stems from political factors — that is, opposition to SA's internal policies. Thus, although Nafcoc helped form a Namibian chamber of commerce which is affiliated to it, "the question remains what the position after

the Namibian independence will be," Motsuenyane stated.

Likewise, Nafcoc decided in 1980 to hold in abeyance its efforts to create a regional economic co-operation and development organisation "for fear that our initiative would be mistaken for the constellation concept of the SA government."

At about the same time another obstacle was added to Nafcoc's grand designs. The formation of the Southern African Development Co-ordination Conference (SADCC) by nine black African states was designed in part to reduce their reliance on SA. "The question might be asked whether these governments would feel happy to work with Nafcoc whilst at the same time trying to isolate SA from their midst," observed Motsuenyane.

Dealing with issues closer to home, Motsuenyane affirmed that Nafcoc policy is to "recognise homeland governments and co-operate with them fully in the development of the black areas." This does not imply that Nafcoc subscribes to separate development policy, which is seen by the majority of blacks as politically unacceptable and economically non-viable, he explained. Nafcoc's role is to ensure that there is maximum black participation in businesses in the homelands. Also, the chamber hoped to serve as a neutral platform for homeland leaders to forge closer economic and political ties.

Degree/Diploma/Certificate for which you are registered (e.g. B.A., B.Sc.) ..... BA

Subject..... Grow. II  
(to be copied from the heading on the Examination Paper)

Paper No..... II  
(to be copied from the heading on the Examination Paper)

Regarding investments and boycotts, Motsuenyane stated that Nafcoc presently supports a policy of "conditional investment" by foreign firms in SA. This means "we support foreign investments only when they are seen to directly benefit all sections of the population." Investment in the black areas is therefore deemed desirable. Consumer boycotts by regional Nafcoc branches without first consulting the national body are not favoured. Nafcoc's greatest strength lies in negotiation and unity of action, said Motsuenyane.


**NOTE CAREFULLY**

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

**WARNING**


1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

# Business Argus

**SUCCESSFUL BUSINESSMEN**  
and their wives proudly present their

**JAY-BEE EXECUTIVE CARDS**



Supplement to Weekend Argus, October 2 1982

# BLACK WAGES CLUE TO HIGH LEVEL OF SPENDING

Bus Argus  
2/10/82  
1128

**RETAILERS** have been mystified by the continued high level of consumer spending at a time when the economy is supposed to be in a recession.

Other retailers, although not doing as well as they would like, admit that business is still showing growth.

Wage figures issued this week by P.E. Con-  
sulting one of the coun-  
try's leading manage-  
ment consultants, should help to clear up the mystery.

They show that the buying power of blacks is probably growing at a much faster rate than people have appreciated.

Mr Ian Hipkin, manager of the P-E salary and remuneration survey, reported some startling figures in an interview with Business Argus.

While the average wage increase granted to white workers in June had been 14.5 percent, that granted to blacks had been 20.3 percent and to Indians 24.2 percent.

He expected that people getting pay rises in December would get similar increases.

He said the reason blacks, coloured people and Indians as groups were getting bigger percentage pay rises than whites was that they were starting to move into more senior positions.

This applied especially to women who were filling an increasing number of clerical and secretarial posts.

As a result the earnings of black women were not only rising much faster than those of men but were exceeding them.

A recent survey showed that the median monthly wage for black women in the lower semi-skilled job category was R461 while the median wage for black men in the same type of job was R376.

In contrast, the median monthly wage for the unskilled black man was R303 while it was R289 for the unskilled black woman.

### Better paid

The tendency for women to occupy better paid jobs than men was not apparent in the coloured wage figures.

According to the survey, the median monthly wage for coloured people in the lower semi-skilled job category was R474

by Derek Tommey, Financial Editor

for a man and R448 for a woman.

The median earnings of coloured men in unskilled jobs was R392. The figure for women was R309.

Mr Hipkin expected black women to be increasingly employed in clerical and secretarial posts as white women moved up the promotion ladder into other jobs. However, black men did not seem to be making the same progress, he said.

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# Managers beat racialism

AK  
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By Aneez Salie

**A HANDFUL** of black managers in Paarl have scored a resounding victory over racism and the Group Areas Act.

Last month the managers faced the chop. This week their futures look much brighter

Fifteen managers were involved. Their troubles

started when white shoppers in Paarl's central business district objected to being served by black managers

A Group Areas inspector with the Department of Community Development subsequently called at the shops — mostly branches of major chains — with the news that the managers had broken a law.

In terms of the Group Areas Act, a black person has to apply for a permit if he or she wishes to be employed as a manager in a white area. The Paarl managers had not applied for these per-

mits, and had therefore failed to comply with the law.

When informed by the inspector that they would have to make the necessary applications, they refused. They would rather lose their jobs than apply for permits, they said.

Furthermore, they flatly refused to succumb to the racism of Paarl's white shoppers.

Their case received wide Press coverage and as a result, the Paarl Liaison Committee stepped in. They met with the Department of Community Development

to discuss the issue, a spokesman for the committee said.

It was decided that in view of a current official investigation into the Group Areas Act the need for the managers to apply for permits would not be enforced, said the spokesman, who declined to be named.

*After meeting to supply  
could he manage  
of change facing  
store in Paarl?*



30  
3 - Future  
3/10/82  
**'IT'S BREAD,  
BOARDS AND  
PRICE FIXING'**

about. When I said bread, they told me that I had put the minister's back up because of the argument we had over eggs recently.

"They said I should submit a memorandum and they would then give me an appointment, they hoped it would be within the next six months.

"This is the government which asked for closer co-operation with the private sector. It was only when this whole thing was published in the Press that they agreed to see me.

"It is not only bread — this just happens to be the latest issue. They raised the price just after the increase in GST which was supposed to subsidise basic foodstuffs and after statements from Ministers that price wouldn't be raised.

"But there is a whole range of other things. There are agricultural control boards, there is price fixing, there are monopolies," Mr Ackerman said.

"I am not going to be treated like dirt by the Government. I've got great respect for Mr Horwood, who was my lecturer at UCT, and I'm not threatening. But if the Government carries on like this I'm going to start a Consumer Party.

"I don't really want to do it. Everyone knows that South Africa is at the crossroads politically and I'm actually one of an informal large group of businessmen working in a non-political way to bring the PFP and the Nats together.

"So I wouldn't really like to form another splinter party. But the consumer is largely ignored by all the political parties and

unless the Government changes its attitude I'll go ahead.

"In fact I've already drawn up a constitution for the party. It's with my lawyers at the moment."

Mr Ackerman denied he was simply using the bread issue to get mileage for his company in the Press and to bring customers to his shop.

"My business rests on four fundamentals: efficient administration, cheap and good merchandise, social responsibility and the realisation that as a businessmen I function in a community and I have some responsibilities to it; and looking after the people I employ.

"If we just ignore what is happening in the community we will have unrest and we could easily destroy all the markets.

"Sure I'm in business to make a profit. There's nothing wrong with that. But we have to ensure there are markets to operate in."

For the six months ended in August Pick 'n Pay turnover had climbed from R441.4-million to R566.2-million an increase of 28 percent.

The company paid R7.9-million in tax — an increase of 40 percent for net profits of R9.7-million.

Meanwhile, eighteen people were arrested in Paarl this week for protesting about the bread price increase. Placards reading "We are Hungry. Bring Prices Down" and "Low Wages High Prices" they marched towards the Sasko Milling Company. The 18 arrested will face charges in terms of the Riotous Assemblies Act.

# Acts <sup>78</sup> to hold <sup>Sowetan</sup> training <sup>4/10/82</sup> course

THE ALEXANDRA Commercial Training Scheme (Acts), a brain-child of the St. Mungo's United Church in Bryanston, will start a 40-week-long certificate course in business starting tomorrow.

This was revealed to The SOWETAN by Mrs Gladys Mahlangu, a public relations officer of the (Acts).

The scheme will offer lectures in business methods, business English, business economics, business calculations, introduction to business law and basic accounting.

The course will prepare students for the national exams monitored by the South African Chartered Secretaries Association in May next year.

The cost is R6,00 a week, which includes books required for the course. Students will, however, have to pay within the first four weeks of registration.

Only students who have passed J C or a higher standard need apply.

The lecturers will be held at the Minerva High School in Alexandra on Tuesday and Thursday from 5.30 to 7.30 in the evening.

Bursaries are limited but preference will be given to those who are not employed and those who cannot afford the total cost.

Those who are interested can phone Mrs Mahlangu at 789-1390.



# BOY'S BOOK



**DAVID KRAMER**  
songs  
music and  
sketches

David Kramer, and a few hours before the launching of ... off in the pool of his Oranjezicht home. The man ... the rise and fall of Blokkies and Budgie in his book ... goes on sale today.

Picture: Ivor Markman

# Another chain keeps bread price down

By KAREN LE ROUX  
GRAND Bazaars has joined Pick 'n Pay in its fight to keep the price of bread down.

In a bid to protect customers from the substantial bread price increase of October 1, Grand Bazaars is selling white bread at 13c below cost to all social pensioners and at lower income group outlets.

Mr N Bernstein, merchandising director of Grand Bazaars, said yesterday that the group had decided to set aside a large sum of money to subsidize basic foods.

White bread will be sold at 35c — 13c below cost — at the Elsie's River, Matland and Epping branches and at 35c

at all branches to all social pensioners who produced their pensioner cards.

Mr Bernstein said the special offer would continue until the subsidy money ran out.

Before the latest increase, the control price of white bread was 43c and brown bread 29c including GST. The control price from October 1 is 53c for white bread and 35c for brown.

Mr A Baxter, senior buyer for Pick 'n Pay's Western Cape supermarkets, said yesterday that the daily bread sales had doubled on Friday.

Mr Baxter said there was no limitation on the number of loaves a customer could buy.

# City has hottest day since March

Staff Reporter

CAPETONIANS experienced their hottest day since the winter and the second-hottest day this year when the temperature soared to 33,4 deg C at DF Malan Airport yesterday afternoon. The highest temperature recorded this year was 0,01 deg C higher on March 9.

Yesterday's temperature was also the hottest for October at the airport since 1973, when 36,2 deg C was recorded. The hottest temperature ever recorded at the airport was 40,7 deg C in March 1973.

The 12,7mm rain that fell at the airport last month — the hottest September in the past seven years — was well below the 42,4mm average for the month.

It was also the driest September since 1975, when only 9,3mm was re-

corded — the lowest since recordings were first made at the airport in 1957.

In the central City area, 20mm was recorded in the three days that it rained in September. The average for that month is 73,7mm.

In Newlands, 98mm fell over four days in September. The average there for September is 164mm.

The lowest rainfall ever recorded in September was in 1945, when 4,8mm fell in the City and 5,3mm fell in Newlands.

But in spite of the dry September, this year's rainfall was still "well above" the annual average and Boland and Swartland farmers could still look forward to bumper crops, a spokesman for the weather office said yesterday.

● Pictures, page 2

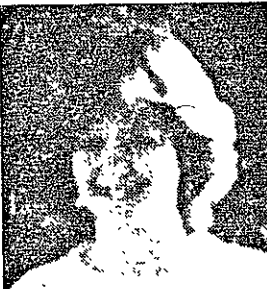
# Missing golfer safe on Rand

By ANDREW DONALDSON

CATHERINE Sarah Dale, 17, the Junior Western Province golfer who disappeared from her Pinelands home last week, was tearfully reunited with her family by telephone late yesterday after she had been traced to Johannesburg.

Catherine's father, Mr J P R Dale, a chief medical technologist at UCT's medical school, said last night he was "very pleased that this little bit of nonsense is over" and that she was being "looked after" until her return.

He said Catherine, last seen by her parents on Wednesday after she had attended a Rotary leadership course in Pinelands,



Catherine Dale

the former neighbours, who were friends of the Dale family, and had told them she was on holiday.

"When they contacted me and said Catherine was staying with them, I told them to try discreetly to keep her there," Mr

YOU PAY LESS AT



# BALL STUD EARRINGS

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# Traders

seek

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5/10/82

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30

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MITCHELL'S Plain Town Centre traders who have options to buy their shops are to seek assurances from the Department of Community Development that they will be given a reasonable chance to raise the money.

This was the worried response from traders to an announcement by the department's property consultants, Real Estate Development and Research Company, that tenants should buy their shops now.

Although the traders have known since 1980 that they would eventually be able to buy, and are eager to buy, they are worried they will not be given enough time to arrange the finance.

#### 46 PREMISES

It was announced last week that 46 premises could now be bought under ordinary title and that the remaining 60 shops were expected to be sold under sectional title soon.

The consultants have said they would not be able to provide the traders with mortgage finance. Because of this the traders said they would meet this week.

It was expected that at the meeting the Mitchell's Plain Town Centre Merchants' Association would resolve to ask the department to arrange the finance or ask for more time for the traders to raise the money.

# 'Make old station open trade area'

39  
Mercury 6/10/82

## Municipal Reporter

DURBAN'S Mayor has called for the 20-ha old station site to be developed as a trading area for all races

Speaking to the Durban Rotary Club yesterday Mrs Sybil Hotz said 'We are fortunate that the area is not regarded as belonging to any one race group. It is not going to be developed overnight and I firmly believe it should retain its identity and be developed as an open trading area.'

The ratepayers should not be burdened with the development plans for the area, other than for the infrastructure, and an open zoning would ensure participation by the private sector and the necessary capital

A triangle bordering on Soldiers Way had already been declared 'open trading' so it was logical for the old station site to be zoned the same.

Mrs Hotz said the city was the centre of a grow-

ing metropolitan area with a sizeable proportion of all race groups. Daily 53 000 people of all races entered the CBD and this figure could leap to 140 000 by the turn of the century.

The City Council had to plan to meet the future needs of a vastly different society.

Many decisions would be unpopular, but they had to be taken for the benefit of all, not for a privileged few. The aspirations of others had to be

borne in mind as well as the economic, social and political changes that were gathering momentum.

She reminded the Rotarians that the French Revolution had ended with the storming of the Bastille — not begun.

## Supported

Mr Donald Smith, chairman of the old station subcommittee, said the Mayor's call was 'very much in line with council thinking'.

The City Council had already supported the opening of the whole CBD to all races. He envisaged the 20-ha area being developed for shops, offices and cultural purposes with a large central park. The only way this would work would be if the area were open to all races.

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# "TOM ISE"

MORE than 100 primary  
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Education Reporter

## Outrage over

THE ARGUS, T

# Commerce 'guilty of discrimination'

AKGus. 7/10/82 .30

Religion Reporter

THE business community and municipalities were as guilty as Government officials of showing racial discrimination and discourtesy in their treatment of coloured people, according to a Sendingkerk survey

The Sendingkerk's congregations felt apartheid was degrading, resulting in low wages, discrimination in employment, inferior municipal services and inadequate housing, the survey added

"All the congregations were unanimous that apartheid at all times gives privileges to whites and neglects blacks."

The church's doctrinal commission said replies to questionnaires referred to separate entrances to business premises, doctors' consulting rooms and public facilities

### POST OFFICES

There were references to contemptuous and discourteous behaviour at post offices and police stations, and the use of derogatory language.

Answers indicated that wage discrimination exists in all sectors. Farm workers were said to be the major victims of underpayment — for example, R10 a week in spite of long hours "

Municipalities were accused of large-scale discrimination in providing roads, street-lighting, recreation facilities, beach resorts, housing and other public services.

Congregations protested sharply against almost authoritarian attitudes in planning housing schemes for coloured people

### SPORTS GROUNDS

"Strong language" was used about a lack of consultation with the community in 'planning housing' and 'uniform' housing schemes were sharply criticised.

Only four congregations indicated satisfaction with sports facilities. Some referred to "stony, dry deserts of open veld" as their sports fields, while whites enjoyed luxurious and well-equipped facilities.

Comparisons were also made between double shifts and overcrowded coloured schools compared with white schools.

All congregations were affected by the Group Areas Act, with "bitter rejection" of the Act's effects

Most communities had been forced to move and resettle elsewhere in poorly-developed areas far outside of the main city or town area.

All communities said they were affected by job reservation. Whites enjoyed preference in appointments and in promotion, regardless of sometimes poorer qualifications and less experience

Summing up the findings, the doctrinal commission said the coloured community experienced exploitation, oppression and extreme injustice

While they knew little of black theology, they knew the deprivation and oppression, which was the "black experience" to which black theology addressed itself

Adopting the report, the Sendingkerk synod said black theology was an attempt to eliminate the unfairness and injustice of the apartheid system

It was not in conflict with reformed theology, since in reformed theology there was "never a division between the Gospel and politics."

The synod said black theology had to be taken seriously by the Sendingkerk.

● See page 25.

## City's 'cackling ladies removed'

AN APPLICATION by city attorney Mr M R Orman for an interdict restraining his office neighbours from "making excessive noise" has been withdrawn.

The application was withdrawn before today's return date by mutual consent with the respondent. Simpson, Frankel, Kruger Incorporated.

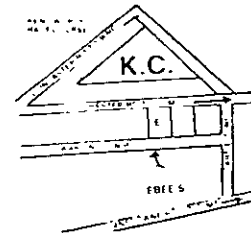
It was heard in Mr Justice Baker's chambers on September 21 and sought an interdict restraining "the ladies next door" from their "unladylike guffawing and cackling".

Mr Justice Baker set yesterday as the return date for the stockbroking firm to show cause why it should not be interdict-

# EBEE'S

## WHOLESALE TO THE PUBLIC

KENILWORTH WAREHOUSE  
Warrington Road,  
Kenilworth  
(Opp Kenilworth  
Centre & opp Venus)  
TEL 61-7513



## LADIES' FASHION FLATS

IN RED — WHITE  
— NAVY  
— BLACK

# Packaging black spending power

Just one look at a client's product and Beatrice Kubheka can tell him exactly what kind of people buy it. That may surprise the businessman, used to seeing people in one anonymous mass. LYN MENGE talks to Mrs. Kubheka, a research manager, about the broad divisions into which black society at present finds itself.

where women in other categories might prefer to tuck their heavier figures into pleated skirts. Next on the way up are the mampantsulas and their "cherries" (girlfriends), the mshozas. They have, mostly, primary school education. At home they form part of crowded, lower income families. They have no ambition, no plans for the future and work in low status jobs such as factory workers or delivery messengers. Mampantsulas and mshozas live for the day. They are the "branded me" because buying and wearing branded clothing, which they can ill afford, is the only way they can achieve recognition and complete with those "cats" on the next rung who manage to look nice in whatever they wear, yet dress inexpensively. Their clothing must have a label, it must be imported if at all possible

and it must be "proper" as opposed to imitation. "They know their fashion," says Mrs. Kubheka, who has closely researched this group's brand consciousness. They know where to find the imported labels, they know

category — the classified, on is very general and many people fall between categories. There are also other trends in the black market which have been identified by the Bates Wells Group from various sources such as Amps (All Media Products Survey). Trends in consumption patterns for example show the following: **LEVEL TREND:** beer, brandy, cigarettes, deodorants, shampoos, toothpaste, rice, headache powders and tablets, insecticides, mealie meal and yellow margarine in tins. **DOWNWARDS TREND:** cold drinks, pure fruit juice, tea, cough/cold remedies, skin lighteners, biscuits, breakfast cereals, condensed milk, yellow margarine in packets, sugar, toilet soap. **UPWARDS TREND:** instant and ground coffee, washing powder, chocolate bars and

ceased cheese, packet soup and frozen vegetables. There is an interesting decline in the use of cosmetics — a modest decline in the use of bath oil, nail polish and face cream, and a substantial decline in the use of cleansers, face cream, hand cream and lotion. Lipstick and perfume. The reason is possibly that blacks have realised their appearance is not necessarily enhanced by "European" cosmetics. Among durable goods, the use of portable radios, sewing machines and record players is declining, while the use of cameras, cassette players, hi-fi sets, car radios and refrigerators is increasing. As the urban black population increases in size — it will overtake the rural population before 1990 — so also its earning power and its sophisticated, discretionary expenditure becomes a crucial factor in the market place.



Mrs. Beatrice Kubheka . . . knows the difference.

## From a mshoza to an executive, but still 'just me'

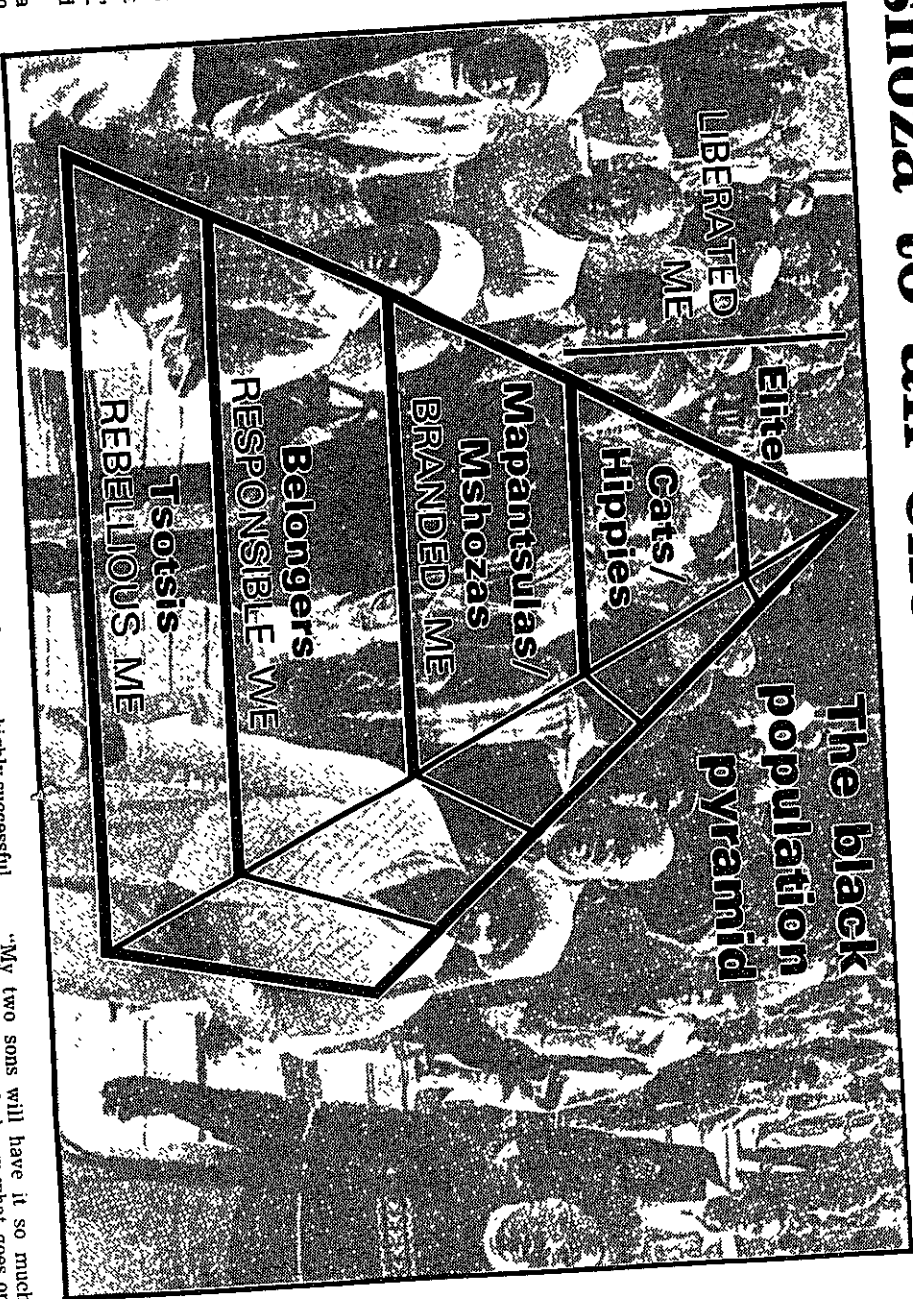
WHERE does Beatrice Kubheka fit into all this? She was mshoza, she says, unsure of herself, always keeping her head covered with a "doek" or a beret. But that was in the days when she was a cotton picker-up in a Fordsbury factory.

Fortunately, as it turned out, she was fired — "They said I picked the garment, not the cotton", Beatrice then landed a job as a beauty consultant and launched a product successfully before doing a stint in a pharmacy in Alexandra Township. "There in the township, where the people needed to talk to someone — not the white pharmacist — about their problems when they went to the chemist shop, Beatrice became "nurse". Once when the trains were late from Soweto, she found the shop packed with waiting customers. The pharmacist had provided them with benches. "They wouldn't talk to me, they were waiting for "nurse," he said afterwards.

"Maybe that was where it all started. I found I had a way with people, I could reach them. They would tell me they had a headache — and then go on . . ."

The pharmacist tried hard to keep the services of "nurse", but Mrs. Kubheka was uncomfortable about doing a job for which she was not qualified, and she left. One day in the train — "You know we talk loudly in the trains, so you hear a whole conversation even if it isn't for you" — she heard about a job going in market research. She went along to the company, who told her market research was a complicated business and they only employed graduates.

"I said I could do the job. I didn't have a degree but I had no problem talking to people. So the company took her on as an interviewer. Soon she was a group leader who could handle discussions about executives. Groups ranging from rural to executives. Now she is research manager for an advertising firm — "a fantastic job for me" in which she works equally in the black and white field, although she does not interview white consumers. How did she do it? She didn't even have



matric when she left high school — she used to take in bachelor's washing on Saturdays to pay for her schoolbooks. Her mother had died when she was tiny, her father a "rural" who had cycled all the way from Piet Retief to Johannesburg to find a job. Yet he became a draughtsman, he drew the plans and built their house in Dube

Soweto. Today he runs a highly successful construction firm in Swaziland. Beatrice seems to have the same persistence. She was a real pain, she says, pestering her colleagues in market research about what happened to the information she had collected. That way she learnt coding, how to punch a questionnaire, and the mysteries of office jargon and office routine.

"My two sons will have it so much easier. They already know what goes on in my office." Today Mrs. Kubheka sits in boardrooms, delivering presentations to large audiences, confident of her subject, yet still feeling the knot of fear inside her before she starts. But then Beatrice has not forgotten her

beginnings, she does not deny them. She was persistent, but she was also lucky. "I can't say I've made it, I'm still just me. I'd like to show other people that progress depends on oneself, it's not some miracle." Reading to be informed, reading everything, is one way she ensures she will "get on".

"And I love housework. I am the type who wants to know what is happening in every corner and to put it straight. When I iron my son's shirts I feel so close to him. The quietness of the room helps me to dream a little — and even wonder about the woman he will marry." Beatrice and her six sisters have their own stokvel — the traditional social and money-help group which brings blacks together at weekends. Close to the point of possessiveness, the sisters feel it is vital that their children too should grow up knowing and caring about each other — hence the importance of the stokvel.

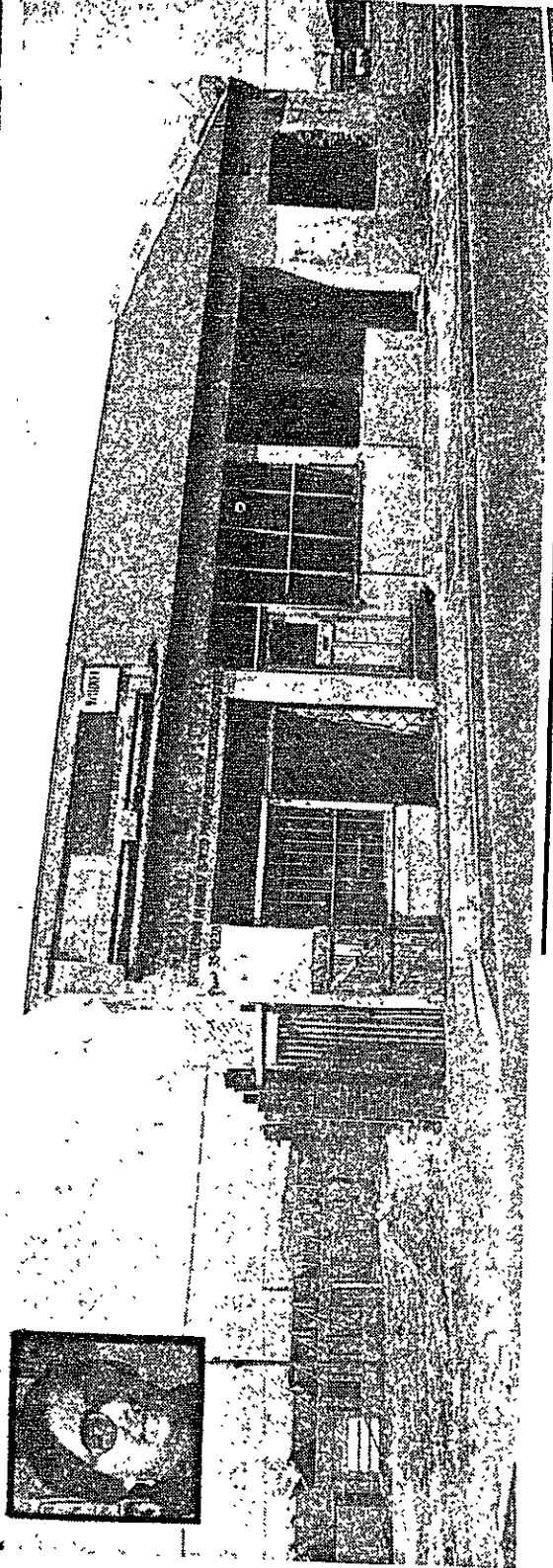
Does she like living in Soweto? "Oh yes! Gee, what else do I know? That is where I belong, the people are my people, I could live here forever. Although, without bringing politics into it, I wouldn't mind being more comfortable where I am."

No boasting for Beatrice, but no griping, no excuses either. That is why she is exasperated by people who expect her to change because she works all day with whites in a smart Rosebank office. "That is the problem with white people. Because I lunch with you — eat oysters with you — you want to group me somewhere. No way can a black ever be anything but black. This rub-off with whites does not really change you, you still go back."

Does she classify whites as she classifies blacks? Not really, although she finds blacks relate more easily to Afrikaners than to English-speaking people they like you, they like you, they are more open, they don't make you uneasy." And her colleagues — English-speaking — agree this may be so.

**PAGEVIEW BUTCHERY IS LAST TRACE OF A LOST COMMUNITY**

● The tiny butchery which has been in the Sahib family for three generations stands alone in 17th Street, Pageview. Mumtaz Sahib (inset) now keeps the shop gates locked for fear of robbers.



# From a rich life to the rubble

S. Express  
10/10/82

By DEBRA CLEVELAND

THERE is only one shop left among the ruins of Pageview — and the owner keeps the iron-grid gate to the tiny butchery locked even during trading hours.

He and his family live in fear of robbers who have already taken advantage of the shop's isolation by twice mugging and robbing his wife.

The owner, Mr Hassen Babe Sahib, has been given notice to vacate the shop by the end of the year but is determined not to move until the Department of Community Development offers him an acceptable alternative site.

He turned down the offer of a shop at the Oriental Plaza because there are already butcheries in the complex.

The Republic Islamic Butchery is in 17th Street in Pageview, demolished to make way for a 125-unit housing project for low-income whites.

Trade at the butchery has almost halted since the coloured and Indian residents were moved to other areas, but Mr Sahib said.

"We have got to keep our doors open in order to get our meat quota."

But Mr Sahib's eyesight is poor so the shop is usually

run by his wife Khairunisa and his daughter, Mumtaz

Mumtaz, 28, said her mother had twice this year been badly beaten in the back and in the chest "and the men escaped with the cash float and the day's takings both times".

"Even with the gates locked I'm still never sure whether someone might be posing as a customer, waiting to grab the money after I let them in."

Mumtaz grew up in the house next door to the shop, which was founded by her grandfather.

She recalls mixing with coloureds, Indians and whites and remembers when "all the shopkeepers knew each other and used to pop in to see how business was doing".

"The community was very strong, everybody knew everyone else. It felt like one big family."

The Sahibs now live in Lenasia. Their former home is part of a brick-strewn parking lot and their shop is mainly patronised by railway workers and builders who are strangers to them.

Acts 20

# to hold *Sowetan* training *4/10/82* course

THE ALEXANDRA Commercial Training Scheme (Acts), a brainchild of the St Mungo's United Church in Bryanston, will start a 40-week-long certificate course in business starting tomorrow.

This was revealed to The SOWETAN by Mrs Gladys Mahlangu, a public relations officer of the (Acts).

The scheme will offer lectures in business methods, business English, business economics, business calculations, introduction to business law and basic accounting.

The course will prepare students for the national exams monitored by the South African Chartered Secretaries Association in May next year.

The cost is R6.00 a week, which includes books required for the course. Students will however, have to pay within the first four weeks of registration.

Only students who have passed J C or a higher standard need apply.

The lecturers will be held at the Minerva High School in Alexandra on Tuesday and Thursday from 5.30 to 7.30 in the evening.

Bursaries are limited but preference will be given to those who are not employed and those who cannot afford the total cost.

Those who are interested can phone Mrs Mahlangu at 789-1390.

# ANC dra

LONDON — The break-ins earlier this year at the London offices of the ANC and Swapo now look destined to become a major Old Bailey trial.

Hours after more serious charges were made against the two men who allegedly handled documents stolen in the burglaries, Swapo's president, Mr Sam Nujoma expressed his concern at the case to Foreign Office Minister Mr Cranley Onslow.

Mr Nujoma saw Mr Onslow for 80 minutes last Thursday.

No details of his discussions with the Foreign Office Minister have been

released. But a Foreign Office spokesman said the break-in "was mentioned during the meeting".

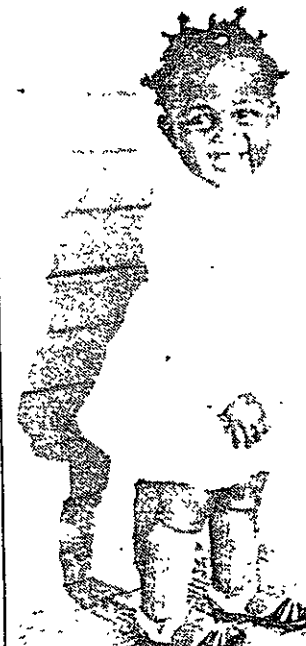
Both Swapo and the ANC have charged that the South African Government is behind the break-ins at their offices in July and September this year.

Swedish freelance journalist Bertil Wedin (42) and former Zim. spy Peter Caseltor (38) appeared again last Thursday at Horseferry Road Magistrate's Court charged with handling documents stolen from the two organisations.

Mr Gerald Adams, representing the Director of Public Prosecutions, told



# Maki in Sep



FIRST: Maki Tsubella.

SECOND:

WINNER of The SOWETAN/Koco Baby of the Month contest in September is Maki Tsubella of Zone 9, Mowlands. Her parents will soon receive a voucher for R100 from Koco Discount Baby World.

The runners-up are Lebohang Dumse of Mofolo Vill (R50 Koco voucher) and Ntombifuthi Buthelezi of Alexandra (R25 voucher).

Send in your black and white photographs soon if you want to enter the October contest. November-born children

# Traders call for boycott of 'fronts'

By NKOPANE  
MAKOBANE

A MEMBER of Soweto Shopkeepers' Association intend calling on Soweto residents to boycott products of businesses operating as "fronts" for white companies.

In an interview with The SOWETAN yesterday, Mr Veli Kraai, president of the Soweto Chamber of Commerce and Industry (SCCI), warned that unless traders, with the help of residents, stood up and fought there would be no black businessmen in Soweto in the future.

"We are calling on residents to join us in this struggle as this would also benefit those who intend opening up businesses in future," he said.

Mr Kraai said his organisation was presently fighting a R500 000 supermarket-cum-bakery financed by a well-known milling company.

By turning the place

into a supermarket, he said, the people involved are now "killing" small businesses in the area.

"We have tried to negotiate with the group concerned recently, but still we have not received a reply. These people are dishonest and forget that the very traders they want to destroy are the ones who through the years have made them what they are.

"We are not jealous or against blacks going into partnership with whites, provided it is a genuine affair. What we are against is a man known to you as having had nothing, but all of a sudden he talks of millions.

"We want to safeguard the small business because we cannot compete with whites with capital. Before whites can be allowed to trade in black townships, they should invite us to trade

in town.

"We view the present kind of partnership as exploitation and we would like to warn these 'front men' that they should be on the lookout that they are not kicked out by the very people who pretend to love them," he said.

Mr Kraai advised traders to be aware of "cunning jackals" who visited them to inform them the boycott was now over.

"The struggle is still on and in fact we are intensifying it. We are much more determined to carry on with the boycott since this decision was taken unanimously," he said.

He added that the SCCI would hold a report-back meeting at the Dube Y on October 24 at 9.30 am. He appealed to all traders to attend to decide on further action against the "front" companies.

CSW...  
12/10/76  
30



# No free enterprise till blacks share — Mohohlo

EAST LONDON — A successful free enterprise economy in Southern Africa was unattainable while the vast majority of

participants remained suspicious of that economy, Mr Michael Mohohlo, of the National African Federated Chamber of Commerce (Nafcoc) said here yesterday.

Southern Africa would not have a free enterprise economy, he said, until there were equal opportunities to contribute to and benefit from economic advancement.

Speaking at the ICM conference, Mr Mohohlo made a strong plea for establishing more small businesses.

"This would improve the welfare of society by creating more jobs, and increase production and distribution of commodities," he said.

"These small businesses and industries can serve as a training ground for entrepreneurial and managerial skill, which is badly lacking among small business."

Large business houses needed to develop a better understanding of the small business, and vice versa, he said, adding that it was disappointing that government and para-government made more initiatives in this field than the private sector.

Small business development would increase the people's stake in the wealth of the land and enhance their patriotism.

One of its consequences would be the "depoliticising" of many people who expended their talents and efforts in political pursuits for which they were unsuited.

"I come from a community where you are either relevant or an informer. Being economically relevant is of no consequence, and many viable and desirable economic ventures and activities are omitted because they are not politically tasty," said Mr Mohohlo.

Large business houses, he said, could not afford these omissions during the 1980s.

Mr Mohohlo also called for closer cooperation between large and small business, saying black entrepreneurial talent had been hindered and stifled by a plethora of "rules and regulations".

"The resultant attitudes and levels of advancement, are often misleadingly interpreted as inherent cultural traits of the black economic human being." — DDR.

# Blacks wield buying power

By Colleen Ryan,  
Consumer Reporter

The sleeping giant is beginning to stir and by the end of the century its power will be irrepressible.

This is how Mr Sam Motsuenyane, chairman of the National African Federated Chamber of Commerce, describes the growing economic strength of black South Africans:

"By the year 2000 black spending power will constitute two-thirds of the total consumer market worth R22 000 million a year," he said.

"Traders who want to stay in business will have to concentrate on this market."

Mr Motsuenyane said that, as blacks became more aware of their economic strength, they would demand a better deal as consumers.

"It is the black man who is most often the victim of exploitation and until now he has accepted that lot through ignorance."

He said that in future black consumers might express their dissatisfaction through their most powerful and effective weapon — boycotts.

"Black Americans boycotted traders who were unfair and this united action could be adopted here in South Africa — especially if blacks continue to be isolated from the

mainstream of business activity," he said.

Mr Motsuenyane said trade unions could also play a big part in educating and representing the black consumer in the future.

"Education is the key to a peaceful resolution of the many difficulties facing blacks today," he said.

Most black shoppers were ignorant of the economic forces behind price increases. "When they hear that prices are going up, they just say: 'White people again!'"

Mr Motsuenyane said unless there was mass education in the future, blacks might use violence to voice their frustration.

"The private sector will have to put a lot of effort into this cause," he said. "It is especially important because it can improve communication among the different race groups in South Africa."

He said that as black consumer groups established themselves in the future, greater attention would also have to be paid to the black businessman.

"As far as we are concerned, ours is not a free enterprise system because blacks are barred from trading in white areas."

"Soon it will be irrelevant to speak of 'white' urban areas. And when that day comes, blacks will demand economic equality."

# Trader defends his white partnership 30

## Clash over 'fronts'

A WAR of words has broken out between a Soweto shopkeeper and the man he has accused of "fronting" for a giant white milling company.

Yesterday Mr China Ngema, the director of a supermarket-cum-bakery, hit back at Mr Veli Kraai, president of the Soweto Chamber of Commerce and Industry (SCCI), and described him as being "selfish and jealous".

The war erupted yesterday in a report in *The SOWETAN* in which Mr Kraai said his chamber intended calling on residents to boycott products of businesses operating as "fronts" for white companies because they were "killing" small businesses in the township.

He warned that unless residents, jointly with the traders, stood up and fought such businesses mushrooming in the

area, there would be no black businessmen in Soweto in the future.

Mr Ngema said he was saddened by the attitude adopted by Mr Kraai and a few others. He said when he opened his business, it had been "for the love of the Soweto people so that they could get value for their money."

He denied that his company was white-owned, explaining that he had obtained a 10-year loan from a milling company he had worked for for 14 years.

Presently he held 51 percent shares in the company while the milling company held 49 percent — the kind of

black/white partnership the National African Federated Chamber of Commerce (Nafcoc) was not against, he said.

"When I started this businesses, I invited traders within the SCCI to buy the milling company shares but they showed no interest. The door is still open for them but they are just not keen.

"It is unfortunate that Mr Kraai is dragging in other innocent traders to fight what I regard as an issue between him and I. I advise traders and residents to look at things in perspective and use their own discretion, he said.

Mr Ngema also refuted claims, that his

business was meant to only to be a bakery. He showed plans approved by the Soweto Council that indicated that a retail shop could be within the same building.

"Mr Kraai owes the council an apology for making it appear as though I had decided on the supermarket after I had already applied for a business site," he charged.

He challenged Mr Kraai to dispute if he and others had not at one stage gone to a giant cash and carry company to ask if they could erect a complex in Soweto selling their products.

"They were running to whites yet at the same time purport not to be in favour of such arrangements. By so doing, they are actually overuling Nafcoc's principles," he said.



### Crosse & Blackwell Mayonnaise payout competition prizewinners

- FIRST PRIZE OF R2 000**  
Mr Samson Masangu, 2802 B Zone 2, Diepkloof, P.O. Khotso, 1864
- SECOND PRIZE OF R1 000**  
Miss Mabel Ntuli, 264 Zone 1, Ga-Rankuwa, 0208
- THIRD PRIZE OF R500**  
Miss Maureen Semanya, Helene Franz Hospital, P.O. Bochum, 0790
- 200 AM/FM Radios**

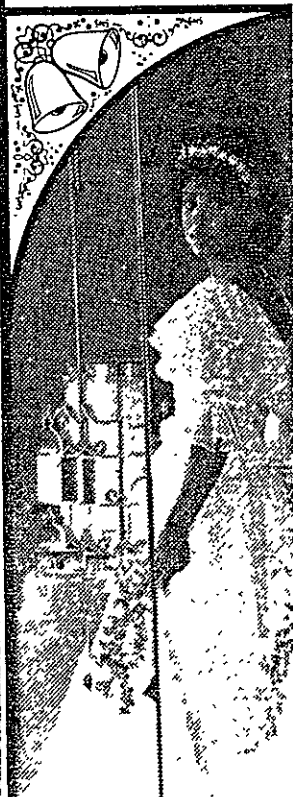
Mrs J. M. Bock,  
Om Aruru  
Maria S. Baloyi,  
Hammankraal  
Ben Baloyi,  
Hammankraal  
Mrs V. Bekezulu,  
Umtata  
Michael Bell,  
Mitchell's Plain  
Macquary Buthelezi,  
P.O. Kofelehong  
Tydd Bane,  
Alberton  
Ishmael Bareng,  
Meadowlands  
Ernest M. Chuya,  
Imbali Township  
Du Stanley Chicono,  
Durban  
Jongse Cwala,  
Lusikisiki  
Sabelo Dladla,  
Ntuzuma Township  
Satchmore P. Dlamini,  
Daveyton  
C. Deynes,  
Mitchell's Plain  
Joseph S. Duthwiling,  
Vanderbijlpark  
Elisa L. Dikeledi,  
P.O. Lengau  
Sylvia Dichaba,  
Kroonstad  
Gloria S. Gumpede,  
Kwa-Mashu Township  
Mama N. Hlungwane,  
Letha  
L. K. T. Hlatshwayd,  
Soweto  
M. Hlatshwayo,  
Kathehong  
Fameza Hlabasa,

Maria Mabena,  
Sebokeng  
Simon Morekure,  
Orlando East  
Ester N. Mizzi,  
Standerfontein  
Joseph Magwela,  
Ollantsofontein  
Joseph O. Motshabi,  
Jankamp  
Nomsizweni Mabitswe,  
Phomolong Location  
Lydia M. Mafokosi,  
Kroonstad  
Archibald Mchumu,  
Durban  
Mrs Roselyn Masibi,  
Seshanganye  
Vusi M. Mangwane,  
Diepkloof  
Grace Magu,  
Chawelo  
Delwe J. Mathanda,  
Ollantsofontein  
Vusumuzi V. Mbewu,  
Guguletu  
Alice N. Mahleka,  
Kwa-Xuma  
Goodwill M. Mashuya,  
Transkei  
Mr Jacob Motumi,  
Odendaalsrus  
Amelia Magina,  
East London  
Joseph Magwela,  
Ollantsofontein  
Gabulile J. Msweli,  
Orlando East  
Samuel M. Mahlrod,  
Venterburg  
Neilson S. Mdaniso,  
Kathehong  
M. L. Mokhele,

Zakhele R. Mthembu,  
Durban  
Alice N. Majivleka,  
P.O. Kwa-Xuma  
Susan L. Mokonoto,  
De Wildt  
Phyllis Moleko,  
Hammankraal  
Enoch L. Masala,  
P.O. Moroka  
Miss Maria Mtshali,  
P.O. Kwa-Xuma  
Anna Z. Malapane,  
Kroonstad  
Florence Meso,  
Judd  
Johannes Morena,  
Gongoma  
Mrs Ntombi Mkhize,  
Empangeni  
Hamosa Majupha,  
Lesotho  
Mr Ivan Nkosi,  
Saulsville  
Michael Mgobuse,  
Ntuzuma Township  
Dorothy Ntsela,  
Lichtenburg  
Mama M. Ntini,  
Bochum  
Mr Jonas Nhlapo,  
Residensia  
Morris M. Ngomane,  
Johannesburg  
Joyce T. Ngenya,  
Balfour North  
Agnes Ngongoma,  
Nlokozwini  
Joyce S. Nkabinbe,  
Diepkloof  
Mrs D. Nxumalo,  
Meadowlands  
Brilliant M. Ntanzu,

Alinah Ranakay,  
Sharpeville  
Mr Victor Seema,  
Diepkloof  
Mrs Z. Sokahleleka,  
Nggeleni  
A. B. Sivhugwana,  
Louis Trichardt  
V. Sibusiso,  
Port Elizabeth  
Augustinah Senkatsie,  
Meadowlands  
Phoebe Sago,  
Orlando West  
Paulinah Silinda,  
Accorhoek  
Patmore Sekhukhune,  
Alberton  
Norah N. Siguba,  
Buurendal  
Sicelo Sigcau,  
Lusikisiki  
Joseph M. Sphuyey,  
Lengau  
Patrick Simon,  
Transkei  
Alexandre Sejwe,  
Kwa-Xuma  
Victress Shabalala,  
Lamontville  
Jacob M. Selohlo,  
Kathehong  
Goodwill Sello,  
Lesotho  
Gladys Sithole,  
Kwa-Xuma  
Z. M. Rabothale,  
Swartkruggens  
Luisah N. Tshangela,  
Orlando East  
Puseletso Tshukuku,  
Kroonstad  
Miss C. S. Tshukudu,

## MIRROR ON WHOLE BRI



# Yours money, not your skin

Kam 15/10/82

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**I**F YOU'VE ever been stopped in the street or interviewed in your home by someone asking about the way you eat, drink, live and feel about things, you're probably one of the thousands of South Africans interviewed each day by market researchers.

What are they up to? Who hires them? There are four or five major market research companies in South Africa. They are hired by manufacturers, service organisations, the Government, the media and the advertising agencies. And they are all after the same thing — wanting to know more about you — the man in the street.

Manufacturers don't simply manufacture items, then try to sell them to you. Nobody can sell you what you don't want. Neither can advertising persuade you to buy what you don't want or need. That is why manufacturers use market research to first find out what you want and only then to make, sell and advertise it.

So advertising is at the tail end of the cycle. Advertising does not create demand. It merely creates awareness that the things you want are available. Advertising does not manipulate people. People are not unthinking robots that can be programmed. Advertising is passive — it waits to be noticed, reviewed and acted on. It serves people — not vice versa.

And, because society and people change all the time, advertisers constantly monitor the changes.

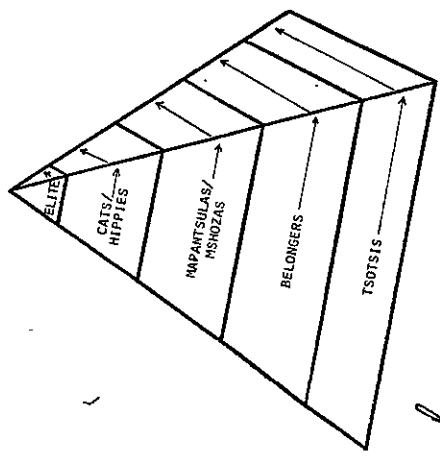
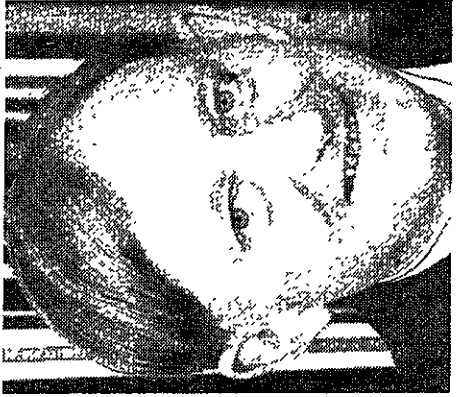
South African society is a particularly interesting and challenging marketing environment, with its wide spectrum of peoples, colours, incomes and languages. Marketers are only now waking up to the emerging black market.

Recent research shows that urban blacks are major consumers of many "white" products. For example, in 1980 total consumption by blacks already exceeded white consumption across a wide range of goods and services as this table shows:

% OF CONSUMPTION BY BLACKS	1977	1980	1985
MARKET			
Food	47	52	60
Clothing & footwear	46	51	57
Alcohol & beverages	44	45	45
Furniture & household			
Goods	35	38	41
Cigarettes & tobacco	31	54	75
Transport	20	27	42
Personal care	39	43	49

But who are these urban blacks? How different are they from whites?

Recent research by Bates Wells has shown they are anything but a homogeneous group. On the contrary, they can be divided into



The emerging black market is only being noticed now — yet the South African scene has changed so much that skin colour will soon cease to be a factor in the market place and in the media. Top advertising man MIKE WELLS, the managing director of Bates Wells in Johannesburg, discusses the deeper significance of the black population pyramid described in Inside Mail last week.

groups clearly identifiable by their lifestyles, their attitudes, the clothes they wear and their buying behaviour.

These lifestyle groups are acknowledged by the blacks themselves, who have tagged each group with its own slang name. They divide as follows: Elites, Cats/Hippies, Mafantsulas/Mshozas, Belongers and Tsotsis.

Most interesting of these groups, from a marketing point of view, are the Cats and Elites.

The Cats are essentially young Elites. Their lifestyle is distinguished from Elites by their age. They are the young professionals, office workers and junior executives. Elites are the blacks "who have arrived", the professional class.

Both groups have an "international" attitude to life. They are peaceful people and have the most to lose in times of trouble. They tend to be materialistic, live in well-furnished homes, drive their own cars.

They travel, stay in white ("international") hotels. Although they are proud of being black, they are not anti-white. They are quite comfortable in white surroundings. They shop where whites shop and increasingly eat and drink where whites eat.

But they have their own Elite bars (shebeens) in Soweto and tend to live in the more Elite areas.

Elites read white newspapers, magazines and they watch TV.

They are increasingly affluent and have discretionary money to spend. Marketers should view them as an extension of the white market. In general, they have the same needs as their white counterparts (and, for that matter, their coloured and Asian counterparts).

They are concerned about job stability. They are determined to carve out a prosperous future for their children. They wear the same clothes, eat the same food as whites and are as aware of the international scene.

This group in fact signals the end of the traditional demographic (by race, income, language and location) segmentation of markets in South Africa.

In the future, marketers will not be concerned with skin colour as a factor. They will rather market to lifestyle groups characterised by buying behaviour.

The South African market will divide into multi-colour groups and the media will reach these groups as people — not as colours. As this development takes place, many of the so-called white media will be transformed into "international" media, where the common denominator of readers will be interests and lifestyles — not colour.

This process is already taking place, as readership research shows.

## NEWSPAPERS

	Total '000	Black '000	%	Col Asian Black '000
Argus	445	23	5	252 58
Cape Times	391	20	5	222 57
Daily News	421	68	16	275 65
Friend	90	68	76	68 76
Rand Daily Mail	784	52	68	576 73
Star	874	43	43	456 52
Sunday Times	3 034	1 215	40	1 803 59

This re-definition of urban target markets will, in fact, simplify the matter for marketers, because they will no longer be confronted by seven major black language groups plus Asian, coloured and three major white language groups, each sub-divided into demographic sub-groups.

Instead, marketers will have a simplified choice where "international" media, such as the Rand Daily Mail, will reach the new lifestyle groups.

So the future South African market is not a black market — it is simply a market made up of people of different sizes, shapes and colours. People who gather together because of their similarities, not their difference.

The far-sighted marketer who recognises this today and fixes his sights on groups whose similarities ignore colour, will be the marketer who succeeds in the next decade. This is not theory. It is fact. It is happening now.

In a statement yesterday, Mrs Val West, regional organizer of the Black Sash, asked: "Has the Administration gone completely mad? Yesterday they razed the Crossroads market, last night they raided the Langa zones. What is the point?"

# SEPTEMBER VEHICLE SALES

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## CARS

FM 15/10/82

	1982		1982		1981	
	1982 Sept	% of Market	Jan to Sept	% of Market	Jan to Sept	% of Market
Toyota .....	5 537	25,03	46 393	20,93	32 289	14,37
Datsun .....	3 479	15,72	20 516	9,26	23 325	10,38
Ford .....	2 790	12,61	33 269	15,01	36 412	16,21
VW .....	2 518	11,38	30 880	13,93	40 340	17,96
Sigma .....	2 440	11,03	37 231	16,80	38 568	17,17
GM .....	1 887	8,53	17 908	8,08	24 812	11,04
BMW .....	1 204	5,44	11 538	5,21	10 163	4,52
UCDD .....	1 051	4,75	12 327	5,56	8 097	3,60
Alfa .....	636	2,87	6 487	2,93	6 255	2,78
Leyland .....	577	2,61	4 922	2,22	4 175	1,86
Other .....	6	0,03	139	0,06	226	0,10
Sept total .....	22 125 (19,91% down on 27 626 last year)					
Jan-Sept total .....	221 610 (1,36% down on 224 662 last year)					
Aug total .....	24 176					

## COMMERCIALS (HEAVY & LIGHT)

	1982		1982		1981	
	1982 Sept	% of Market	Jan to Sept	% of Market	Jan to Sept	% of Market
Toyota .....	3 660	29,94	30 477	27,30	34 061	30,19
Datsun .....	3 147	25,74	29 183	26,14	26 605	23,58
GM .....	1 375	11,25	12 163	10,90	13 681	12,13
Sigma .....	1 281	10,48	9 383	8,41	9 261	8,21
Ford .....	947	7,75	11 567	10,36	12 351	10,95
VW .....	859	7,03	8 939	8,01	5 631	4,99
UCDD .....	410	3,35	4 166	3,73	4 389	3,89
Leyland .....	248	2,03	2 243	2,01	2 575	2,28
Alfa .....	73	0,60	1 008	0,90	1 458	1,29
MAN .....	70	0,57	716	0,64	835	0,74
Int Harvester .....	55	0,45	672	0,60	791	0,70
Malcomess-Scania .....	29	0,24	199	0,18	185	0,16
ERF .....	23	0,19	230	0,21	226	0,20
Oshkosh .....	16	0,13	249	0,22	227	0,20
Fodens .....	13	0,11	116	0,10	97	0,09
Magirus-Deutz .....	11	0,09	71	0,06	74	0,07
Vetsak .....	8	0,07	236	0,21	367	0,33
VSA .....	—	—	11	0,01	16	0,01
Sept total .....	12 225 (15,41% down on 14 452* last year)					
Jan-Sept total .....	111 629 (1,06% down on 112 830 last year)					
Aug total .....	12 405					

\* Based on revised Naamsa statistics.

### HEAVY COMMERCIALS (5 001 kg and over)

	1982 Sept	% of Market
Sigma .....	415	22,45
UCDD .....	392	21,20
GM .....	224	12,12
Leyland .....	205	11,09
Toyota .....	150	8,11
Datsun .....	150	8,11
Ford .....	88	4,76
MAN .....	70	3,79
Int Harvester .....	55	2,98
Malcomess-Scania ..	29	1,57
ERF .....	23	1,24
Oshkosh .....	16	0,87
Fodens .....	13	0,70
Magirus-Deutz .....	11	0,60
Vetsak .....	8	0,43
Sept total —	1 849	

### LIGHT COMMERCIALS (Up to 5 000 kg)

	1982 Sept	% of Market
Toyota .....	3 510	33,83
Datsun .....	2 997	28,88
GM .....	1 151	11,09
Sigma .....	866	8,35
VW .....	859	8,28
Ford .....	859	8,28
Alfa .....	73	0,70
Leyland .....	43	0,41
UCDD .....	18	0,17
Sept total —	10 376	

# Nafcoc aims for R700 000

500  
1000

THE National Federated Chamber of Commerce (Nafcoc) centre may become a reality with the expected R700 000 to be raised from its 10 000 members.

A site of about 10 hectares has been earmarked near Mabopane for the erection of the R3-million complex. Nafcoc has already raised R82 000 for the project.

On Sunday, Nafcoc's Southern Transvaal branch meets to launch a big fund-raising drive for the project. Businessmen from all over the region are expected to attend, and it is hoped that "substantial" contributions — at least R250 a member — will be made at the meeting.

The meeting will be held at Blackchain, Soweto, and starts at 10 am.

Southern Transvaal branch chairman Mr Phillip Ramakobya said all members of the organisation were expected to fork out money towards the building of the complex. Nafcoc had decided to erect the centre to accommodate its growing needs and to cut costs on renting offices and booking hotels for conferences and seminars.

The centre will house a conference hall, administrative offices, shops, a boarding house, lecture rooms and a parking site for 500 cars and 50 buses.

Meanwhile, an emerging force in the milling industry, Tongaat Foods, has joined Nafcoc's Southern Transvaal branch as an associate member. The company hopes to hold regular seminars with the region's black businessmen to promote good relations.



S. Tribune 17-10-82 (30)

ISCOR's South Works in Newcastle - two furnaces

**G**ROWTH town Newcastle is afflicted by an epidemic of rumour and uncertainty.

# NEWCASTLE HARD HIT HUGE SLUMP

And it has grown a lot quieter since Iscor suspended operations of sections of its South Works and cut overtime for nearly all of its 14 000 workers. So quiet, quipped one local, that you can almost hear people biting their nails.

Mr De Wet expressed surprise at the housing situation. Building plans passed this year were projected to be up 27 per cent on last year and were running at more than R20-million at the end of August. Power consumption was up by more than 50 per cent and the council is proceeding with major projects such as its R1.8-million Olympic swimming pool and R2-million city centre office block despite some trimmings in terms of Government requests for cutbacks.

Added to the Iscor cutbacks — announced in September — and the general recession has been the completion of the construction of the giant capital-intensive Carbo-Chem factory. The withdrawal of the multi-national contractor, Fluor, and some of its sub-contractors is shaking some 200 high earning, free spending overseas families out of the local economy and putting about 2 000 people of all races back on the over-crowded jobs market.

Mr de Wet believes that in terms of the town's 23 000 white population the numbers leaving for one reason or another are not all that significant.

Last week's Sunday Tribune quoted estate agents in the town as seeing a 15-20 per cent drop in house prices, and the reappearance for the first time in a long while of houses to rent.

However, there has been a significant rise in black unemployment and banks are experiencing a marked rise in repossession.

Nevertheless some prominent townsmen, including Town Clerk, Len de Wet, believe there has been an over-reaction to these setbacks.

Many businesses in the town report a fall-off in trade — ranging from dramatic 50-70 per cent drops to a slowing down of growth. It is clear that the ending of overtime by Iscor is taking a considerable amount of money out of the town's tills.

The people of Newcastle, he said, were so accustomed to an above-average growth rate that when they returned to more normal growth they assumed things were very bad.

While workers told me their overtime earnings had been in the hundreds, general works manager Hans van Vuuren said this was an exaggeration. 10 000-11 000 of his workforce "wouldn't be earning more than R30 a month. About



Gordon Dowsett — the town will steady



Town Clerk Len de Wet — the council has proceeded with major projects



David Travers-Jackson — businessmen are jumpy



Furness Frank — pessimistic

## Report by ANTHONY SWIFT

400-500 families were being displaced from the town as a result of production suspensions.

The consequence for businesses is mixed.

Some report better returns than last year — one shoe shop proprietor asked: "Slump? What slump?" — while another reported 50 per cent drop in

takings. Two motor-cycle outlets — said to be bedevilled nationally by rising prices and waning bike craze — reported 70-80 per cent drops in sales, adding that accessories and spares sales had, however, risen dramatically. "We got a lot of custom from contract workers," said manager Mark Benson. "I can't think

of one contractor customer at the moment." Jeweller Premal Makenjee said trade was down by 20 per cent and he expected the new year to be very difficult. Quality furniture dealer Franz Ludick thinks Christmas will be a damp squib. He reckoned business was down by 40 per cent. "I can't even entice people with bargains."

he said came Iscor purchase scheme employment problems small business the Game Stores mana-

in Newcastle — two furnaces have been closed

# CASTLE HIT BY SLUMP

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Newcastle's Chamber of Commerce, David Travers-Jackson, said that while the town had gained some independence from Iscor it remained the major employer. "It's still a case of when Iscor sneezes the town catches cold," he said. The Iscor cuts, on top of the recession, had landed a double punch and businessmen who were around when Iscor decided not to proceed with its phase 2 in 1974 were "terribly jumpy".

Many businessmen were ready to embark on expansion programmes but were holding back. "We are very keen to get a statement of policy out of Iscor and an indication of where it is going in 1983."

Among the strong rumours unsettling the town were that there will be a 25 percent retrenchment by Iscor in January. Another is that the corporation will sell houses of workers who leave the town, further undermining house prices.

Mr van Vuuren said he did not think there would be sizeable retrenchments in January and the company was too jealous of its housing facilities for workers to put its houses on the market. If the corporation had to cut back further on production it would have a 4-5-months warning period.

He said he would take the businessmen of the town into his confidence if there was any change in the situation — "but at the moment there is nothing in the wind".

The corporation was planning nothing drastic. It was just seizing the breathing

space of the recession to refurbish some of its plant and increase its efficiency.

Mr van Vuuren said there was no possibility of Iscor permanently closing any plants as had happened overseas, and he believed there would be an upturn, following an anticipated upturn in the US economy, at the end of 1983.

Other rumours were that more than 50 "developments" in the town had been shelved and that major stores were planning to withdraw. However, there appears to be no substance to them.

Mr van Vuuren said he believed the uncertainty in the country had led some people to believe the situation to be far more fluid than it really was.

The feeling among prominent businessmen is that people who saw the recession coming and took precautions will ride out the lean months to an anticipated upturn.

Company owner Gordon Dowsett, who is active in central business development, summed it up: "Some people will get hurt but basically the town will steady."

It was perfectly poised and equipped to take advantage of the Government's decentralisation programme when the upturn in the economy came.

"Because of our physical setting — right in the centre, between Richards Bay and the hinterland, I think Newcastle is set for some very very strong growth, despite any setback in the short-term we might have."



David Travers-Jackson — businessmen are jumpy



Furniture dealer Frank Ludick — 40 percent down but able to ride it out for a year



Jeweller Premal Makenjee — a lot of small businesses are worried

en de Council with its

## WYASWIFT

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Quality furniture dealer Franz Ludick thinks Christmas will be a damp squib. He reckoned business was down by 40 percent. "I can't even entice people with bargains,"

he said. "The crunch came in September. Iscor suspended the purchasing financing scheme it ran for its employees out of its pension funds."

Compounding the problems of the smaller retail businesses has been the recent arrival in the town of giant Game and Clicks stores. Checkers manager, Louis Korff,

said his store had also been affected by the coincidental arrival of Game and the Iscor cuts. Luxury lines in particular had taken a drop but food sales had grown. "I can only think the new stores are bringing customers who don't normally shop here."

But the happy-go-lucky feeling had gone out of spending.

President of



# Scores of trading stalls flattened

*M&S*  
*1/10/82*  
*(30)*

SCORES of trading stalls were demolished at Crossroads today.

Notices signed by the senior superintendent of the Administration Board, Mr J M Basson, were pinned to the structures lining the major access road on Friday.

They said the structures had been erected without permission and would be demolished and the materials removed by today.

Some stallholders removed their materials. In other cases the materials were removed by the board

## KOORNHOF

The chairman of the Crossroads Committee, Mr O Memani, said today the board had acted in breach of the agreement between residents and the Minister of Co-operation and Development, Dr Piet Koornhof.

"Dr Koornhof agreed that all the affairs of Crossroads would be discussed with the committee before any action was taken."

## LOSS

Mr Memani said traders would lose a lot of money.

"The materials alone for my stall cost more than R200," he said.

"There is nothing wrong with the structures. The board is trying to keep people down."

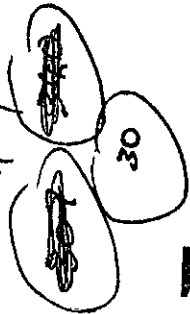
Mr Basson refused to comment, and none of his superiors was available at the time of going to press.

By PHILLIP VAN NIEKERK

ANGRY and bewildered storekeepers watched the Crossroads trading market being flattened in a few hours yesterday morning as officials of the Western Cape Administration Board (WCAB) moved in and demolished more than 100 stores.

# Crossroads market demolished

CAPE TIMES  
19/10/82



The storekeepers said they had been informed of the impending demolitions only on Friday. WCAB had not consulted them on the issue.

The demolitions had effectively destroyed the livelihood of more than 100 families, they said.

The Crossroads market — which has been described as “a model of informal-sector activity” — supplied vegetables, meat, clothing and building materials to the squatter community.

One of the traders, Mr Manneljie Rabede, said he had been selling vegetables at his store, for more than four years and this was his only means of survival.

“They are taking the bread out of our mouths,” he said.

Mr A A Louw, director of WCAB, said the board had demolished the market to “protect the rights of Crossroads residents”.

He said only “legal” Crossroads residents were allowed to erect trading stands on the site, but the WCAB had no record of who was trading there.

### ‘No control’

“We had no control; they kept on putting up new stands; and many of them were people from outside Crossroads.”

“Legal” residents, he said, could now reapply to the superintendent for permission to erect trading stands.

The demolitions have come amid allegations of a tightening-up of influx control in the Western Cape.

In recent weeks more than 1 000 people have been prosecuted for pass law offences after a series of pre-dawn raids on black workers’ hostels, and a major housing scheme to alleviate the area’s acute black housing shortage has been frozen.

The apparent crack-down has followed closely the National Party’s Cape congress last month.

There a number of MP’s called for stricter application of influx control laws in the Western Cape.

The University of Cape Town’s urban problems research unit, which has done research into the Crossroads market, criticized the demolitions yesterday.

### ‘Deliberate’

A statement said the demolitions should be seen as “a deliberate attempt to starve people out of the cities”.

“The informal sector is the only means of survival for people who are forced to live ‘illegally’ in the City and are forced into the lowest-paying jobs, if they can get a job at all.

“In 1980, 10 percent of households in Crossroads were surviving from trading and production and there were more than 100 small businesses in the market-place outside Crossroads.”

### Deadline extended

Meanwhile, WCAB has again extended the period for people in the Nyanga Extension squatter camp to demolish the top floors of their double-storey shacks.

This comes after a threat of legal action by the residents. They accuse WCAB of not having followed the proper procedures in ordering the demolitions.

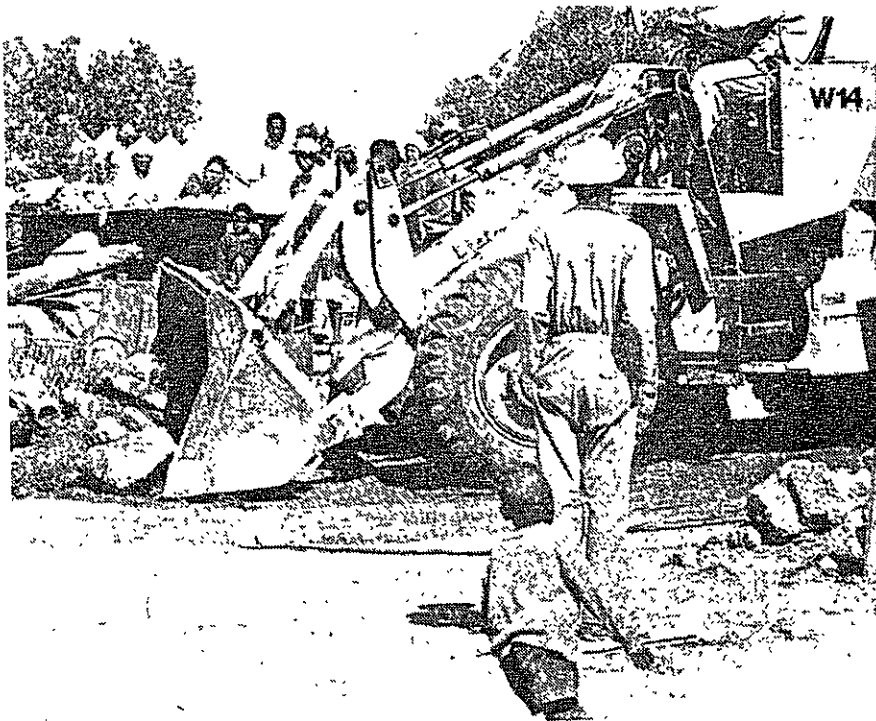
Mr Louw said yesterday that he was not aware of any legal action, but had granted an extension from tomorrow to November 17 to give the residents time to demolish the top storeys.

### ‘Link to boycott’

It has been suggested that yesterday’s demolitions are linked to a boycott of community councillors’ businesses called by Guguletu residents last week.

It is understood that some black traders were unhappy about competition from the market.

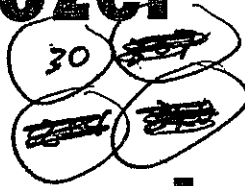
● Picture, page 2



BULLDOZERS at work today flattening the Crossroads market site.

# Board bulldozer flattens Crossroads mart

ARGUS  
19/10/82



THE Western Cape Administration Board today entirely flattened the Crossroads trade market.

After three hurried hours of work by a bulldozer, all that was left of the shops were heaps of mangled wood and iron — and the shattered livelihood of about 100 traders.

Since the birth of Crossroads several years ago, the market grew from a few stores to a corridor market through which hundreds of settlement residents passed each evening to their shelters and where they could buy almost all their daily needs.

## SWOOPED

Yesterday — after notices of intent to demolish were issued by the board last Friday — department officials swooped on the unsuspecting traders.

An armed official stood guard while the machine did the levelling.

The goods of traders who came to the market today were loaded on trucks and carted away.

The traders watched the demolition — some tried to sell their wares

before they became rotten.

While the bulldozer was busy levelling shops Crossroads' residents and the traders were picking up the pieces either to start again somewhere else or to save them for another day.

A board official at the site said it would be monitored each day to ensure that traders did not re-erect their shelters.

The board said today that it had to act to prevent the market exceeding a "certain space".

Mr G T du Preez, board liaison officer, said that only "some" stalls were demolished. But when The Argus visited the market later, not a site was standing.

Mr Du Preez said the stalls were demolished because there had to be "some form of control".

## START AGAIN

"We made a certain area available for traders for Crossroads and we could not allow the market to exceed this," he said.

Traders wishing to start again should con-

tact the board for information.

The demolition was condemned by the Athlone Advice Office as an attempt to provoke people to violence.

# For 122 years a leader in the development of commerce throughout the Eastern Province

19/10/82  
E. Posh

THE Port Elizabeth Chamber of Commerce was founded in December, 1864, and incorporated under Act No 24 of the Cape of Good Hope in 1882.



By 1864 Port Elizabeth was a sizable town with a population of about 12 000, and had some fine, solid buildings, like the City Hall.

The chamber's first meetings were held in the "old Council Room" in the City Hall.

The members of the time were not only concerned with business and profits. They were men of probity, imbued with a strong sense of civic and national responsibility.

Many were to become well-known mayors of the town and some represented Port Elizabeth as Members of Parliament. A few were knighted for their services.

One of the greatest difficulties the merchant and trader had 117 years ago was the uncertainty of communications, and the chamber made it an early priority to overcome this.

In the years that followed the chamber concerned itself with matters such as the rail link between Port Elizabeth and Commando Kraal (Addo) and to Uitenhage.

A major issue was the urgent need to provide water for irrigation in the Eastern Province. Although early endeavours failed to elicit Government action, persistence was eventually rewarded.

In 1866 the chamber approved a recommendation on the importation and breeding of thoroughbred angora goats and two years later the first shipment was imported by A Mosenthal and Co.

From its inception the chamber pushed for a safe and sheltered harbour.

In 1878 the Government rejected plans submitted by the chamber, and instead saddled Port Elizabeth with a jetty complex.

Construction of a proper harbour only began in 1931.

The chamber's involvement in local and national affairs were as diverse 100 years ago as they are today.

Towards the end of the last century the chamber successfully agitated for the building of the narrow-gauge rail link with the Langkloof.

The Association of Chambers of Commerce (Assocom) was established 90 years ago and six of its presidents have come from the Port Elizabeth Chamber:

Mr W Macintosh (1906-'08), Mr A B Thomas (1919-'20), Mr H J Harraway (1923-'24); Mr J S Young (1934-'35), Mr W G Paterson (1950-'51) and Mr J M Christopher (1973-'74).

After the Second World War the chamber objected strongly to the "glut of control boards" and to the danger of commerce being completely dominated by bureaucracy.

A threat to remove the central aerodrome to St Albans brought a quick reaction from the chamber and the plan was dropped.

The chamber continues to grow in size and stature, and present membership exceeds 900.

As the third-oldest chamber in South Africa it has a wealth of history and experience to draw on.

No effort is spared in the promotion and development of Port Elizabeth.

In this regard the chamber played a leading role in the appointment of technoeconomists to investigate the potential of the Port Elizabeth/Uitenhage complex.

Specific areas of feasibility have been identified and they will be vigorously pursued this year.

# Forum for some of S Africa's most pressing problems

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R. P. R.  
19/10/82

By OWEN PARKER

THE 80th annual congress of the Association of Chambers of Commerce (Asso-com) promises to be the most challenging and stimulating in the 90-year history of the organisation.

This year Port Elizabeth is the venue for this vitally important event on South Africa's business calendar.

The official opening will be performed on Tuesday, October 19, in the Feather Market Hall by the US Ambassador to South Africa, Mr Herman Nickel, after which Assocom's Mr G Stuart-Reckling will read his presidential address.

All subsequent sessions take place in the Great Room on the first floor of the Hotel Elizabeth

Wednesday begins on an important note with addresses by three top speakers: Dr Joep de Loor, Director-General of Finance; Professor Jan Hupkes, head of the University of South Africa's School of Business Leadership; and Professor Jake Jacobs, director of the Graduate School of Business at the University of the

Witwatersrand.

Dr De Loor will talk on the outlook for the world economy.

Prof Hupkes will focus on the South African economy

Prof Jacobs will analyse the future role of the private sector in the changing South African economic environment

Delegates will then be given an opportunity of participating in a general discussion and the morning's deliberations will be summed up by Mr I K Lamont, chairman of Assocom's economic affairs committee.

Motions to be debated during the congress include: taxation of companies, development of the informal business sector, road transportation services, maize pricing and production, bus fares and house rentals for black workers, socio-economic transport services, the proper utilisation of manpower for defence purposes, exclusion of arbitrary powers and the sale of fuel.

One of the unchanging



Association of Chambers of Commerce of South Africa

aspects of congresses is that they always reflect the movements and changes in South African society, so that while the form of congress is relatively constant and there is a sameness in its procedures, the content, the mood and the personality of each congress is different.

This probably is the reason why members journey over long distances to attend with utmost regularity.

It is not only the personal contact that they enjoy, but also the intellectual stimu-

lus which they derive from the discussions and the debates.

Far-reaching events in this country will form the background to this congress. There are the proposals for constitutional change with all their many implications for the future of Southern Africa.

The talks on SWA/Namibia look as if the protracted negotiations might be drawing to some conclusion.

And then there is the recession, of deep concern to everyone in the country, but not least to businessmen who are having to cope with conditions which are unique in their experience.

Assocom points out in a special 90th anniversary issue of its publication, Viewpoint, that it has always been — and will always be — apolitical. That is to say that it has never made the slightest move towards politics, it says.

Among Assocom members are people of many political hues and every person is respected for their own viewpoints.

But party politics end at the doors to the debating chamber where every dele-

gate has only one concern: what is best for South Africa and what is best for business in a free enterprise environment.

But the constitutional changes which have been proposed by the President's Council are far-reaching and could bring changes in the business environment which could be profound. And that is the business of Assocom.

The economic situation is more obvious, Assocom Viewpoint emphasises, and as far as most delegates are concerned, it is nearer to their hearts and to their day-to-day interests.

South Africa has experienced recessions before.

Indeed in the past decade there have been two sharp downturns in the economic cycle and, superficially, they appear to be very similar to the one that the country is currently enduring.

But, in point of fact, although the causes of the recessions might appear to be closely similar, what distinguishes the current downturn from the others is that the handling of the present recession is widely different from what was done in the past.

The philosophies governing monetary and fiscal policies have been changed, in some ways, drastically.

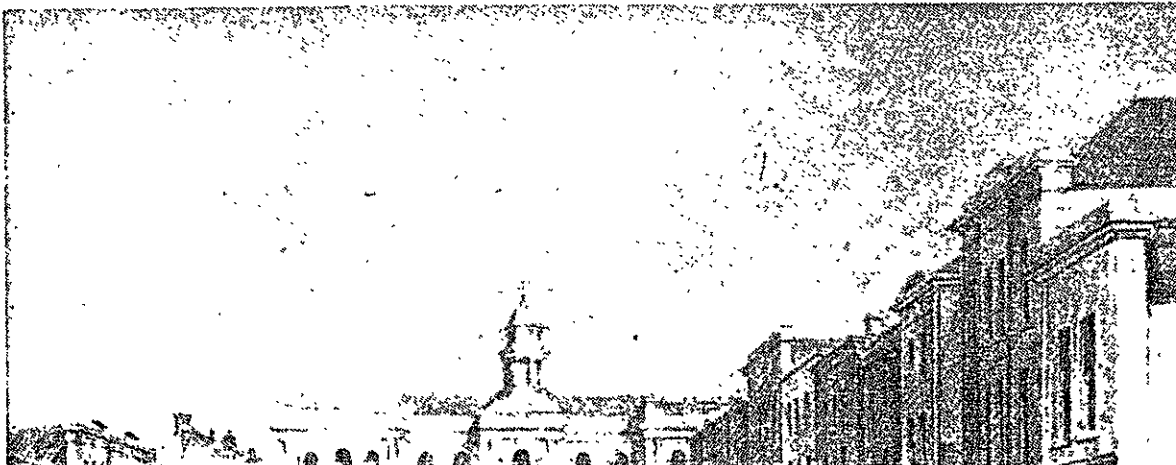
The authorities are attempting to apply the principles of the marketplace in the belief that with the minimum of State interference the current disease will produce its own cures.

For this year's congress, a committee of the Port Elizabeth Chamber of Commerce (PECC) was established under the chairmanship of Mr Alan Ward-Able to carry out all the tasks necessary in hosting this important event.

For more than a year these members have put in a great deal of hard work to ensure the smooth arrangements for 350 to 400 delegates, guests, and their wives who will be in Port Elizabeth for the congress.

Representing the Port Elizabeth chamber at the

**PE as it was when chamber of commerce was founded**



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## Association of Chambers of Commerce of South Africa

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Representing the Port Elizabeth chamber at the congress will be Mr Dennis Creighton, president; Mr Malcolm McKnight, first vice-president; Mr Solly Rubin, second vice-president; Mr Neville Davies, treasurer; and co-opted officials Mr Alan Ward-Able and Mr Frank Wightman.

In addition, a number of members will be attending in official capacities Mr Johan Eggers, past president of Assocom's executive committee, Mr John Christopher, as a past president of Assocom, Mr Rocky Ridgway, as a member of Assocom's board of management, Mr Basil Gibson, as a second vice-president for the Cape Midlands region; and Mr Carl Coetzer, a past president of the PECC representing the SA Bus Operators Association.

# PE as it was when chamber of commerce was founded



...in Street, Port Elizabeth, looked like this in 1864, the year in which the Port Elizabeth Chamber of Commerce was founded. The chamber is this year celebrating its 100th year of incorporation by Act of Parliament in 1882. The gracious City Hall in the background still adds its charm and dignity to the city scene today. Fashions may change, but Port Elizabeth is still very much what it has always been — an enterprising city with a warm and friendly heart.

Star 19/10/80

# Shops in north are feeling the pinch

30

The recession has hit the pockets of the Reef's most affluent shoppers, and sales are down at many Rosebank and Sandton shops.

A survey of 70 shops showed that more than half reported a drop in sales compared with the same period last year.

The Star interviewed the owners and staff of restaurants, clothing stores, gift and specialty shops, and found that business has dropped for a wide range of goods.

Rosebank shopkeepers appear to have been hit worst. About 76 percent of traders said business was slower.

"Last month I had the worst turnover in four years," said one restaurant owner in The Mall, Rosebank.

"My menu has a wide price range and I have experienced a drop in spending in all areas."

But some traders said business was still good and ascribed this to an established clientele.

Rosebank retailers said the opening of Sandton City 2 in August had drawn many

customers away. The complex has 200 shops, supermarkets and parking for more than 6 000 cars.

Mr Vaughn Pankhurst, promotions director for The Mall, said the feeling among most retailers was that trade has dropped because of a nationwide recession.

"I do not think Sandton City is responsible for the drop in business," he said. "Initially many customers were drawn to the centre out of curiosity, but our regular customers have come back."

Despite the size and novelty of Sandton City, some traders there also said business was sluggish.

A spokesman for Checkers, Miss Peta Lomborg, said trading was quiet at the new

Even the affluent are feeling the bite of the recession, a survey by The Star has found. COLLEEN RYAN reports on the drop in business experienced by many retailers at the big shopping centres.

store, and this was part of a nationwide trend.

But traders at Sandton City are generally more optimistic than their Rosebank neighbours. In a survey of more than 50 shops, half said business was good or steady.

The manager of Stutafords said trading had been steady in recent months. He said traders needed to market their merchandise effectively if they wanted to maintain fair growth.

"Shoppers are not spending money as freely as in the past, and shops must work hard to attract customers," he said.

Some owners of boutiques, stationery shops and jewellers in the old section of Sandton City said business had declined since the opening of Sandton City 2.

"We are the Cinderella of the centre at the moment, and passing trade has dropped off considerably," a boutique-owner explained.

The manageress of a small gift shop said average daily turnover had dropped from R350 to R90.

Mr W Cesman, director of Rapp and Maister — the Sandton City developers — said passing trade in the old section would pick up when the final section was completed next year.

"It is difficult to expand without causing some disruption, but the balance of tenant mix will be restored when expansion is complete."

Commenting on a survey, the president of the Sandton Chamber of Commerce, Mr M Strous, said traders would weather the difficult times. "In the long term, we are confident about the future of Sandton."

## 'Weekend of science' to improve marks

Mr William Smith, the Star Schools science teacher, will be doing his "Weekend of Science" this weekend for Standard 9 and matric pupils.

"These two sessions are remarkably popular," said Mr Smith. "Last year we used the University of the Witwatersrand Great Hall and had to turn 700 pupils away."

"This year we have moved the venue to the Colosseum to be able to offer the service to all who want to improve their marks. Pupils are coming from as far away as Kimberley and we must be able to help them."

The two one-day sessions will be held at the Colosseum theatre in Commissioner Street.

important aspects of each section of the entire syllabus.

On Sunday, which is for matrics only, the chemistry syllabus will be handled in the same way.

"All that then remains to put the cherry on the top is our pre-exam classes which take place during the matric exams, the day or two before the matrics write. The programme for these lessons will be out soon."

Although there will be enough space for everyone, pupils wishing to secure a place, to buy tickets or to get more information should phone Star Schools at

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The world's biggest

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# Chain stores lose out in Govt move on Chatsworth sites

Mercury 19/10/82

30

## Municipal Reporter

THE Department of Community Development has refused permission for two Chatsworth sites to be sold to national supermarket chains.

In approving the sale of 10 business sites, the department has insisted that the council sell them only to Indian businessmen.

But yesterday the council agreed to send a delegation to the Minister of Community Development to appeal against the ruling, because the supermarkets would enable residents to buy food and clothing at competitive prices and ensure the viability of the township centre.

Mr Peter Corbett, chairman of the Health and Housing Committee, said the intention was not to promote the national chains but to act in the interest of the consumers, who were largely in the lower income bracket.

The chain stores would raise the value of all the sites and help to establish the centre as rapidly as possible.

However, Mr Lew Phillips felt Indian businessmen should be given first option on the sites. They were precluded from operating in white areas and

were entitled to protection in their own areas.

Mr T Palan, chairman of the Southern Durban Local Affairs Committee, said the LAC believed all recreational, residential and business facilities should be open to all.

Mr Peter Mansfield felt, by concerning itself only with two specific sites, the council was acting contrary to its policy of pressing for all trading areas to be multiracial.

But Town Clerk Gordon Haygarth said the committee had felt there was an immediate need to tackle the question of the two sites. To seek an overall change in policy would take considerable time.

The decision to send a delegation was carried by 27 votes to two, with Mr Lew Phillips and Mr Eric Bush voting against.



# Assocom bid to encourage black jobs

Oct. 1982

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**By Michael Chester**  
Cabinet Ministers are to be asked to consider allowing blacks to open small businesses with fewer restrictions.

The move is considered an essential safety valve to ease explosive unemployment problems.

The initiative is being made by the Association of Chambers of Commerce in talks to be held soon with Cabinet Ministers.

The lobbying will also have the backing of the powerful Federated Chamber of Industries, whose executive director, Dr J van Zyl, strongly supports the new approach to find solutions for the jobless.

**POTENTIAL**

The objective is to sever the legal shackles on black workers, in particular in starting home-base businesses in what economists call the informal sector of the economy.

- At stake is more freedom to launch small enterprises that range from carpet weaving and dressmaking to motor repairs and furniture making on a commercial basis —
- 1.
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referred to overseas as cottage industries.

Assocom is convinced that the potential for job creation is virtually without limit, and its anxiety to see the scrapping of legal barriers has been intensified by evidence that unemployment is worsening as the recession deepens.

The issue will be taken up when the Assocom top hierarchy begins a round of confidential discussions with Government leaders in the next few weeks to pursue key economic issues raised at its annual congress held in Port Elizabeth last week.

Delegates gave unanimous backing to a motion calling on the Government to scrap all restrictions that inhibit the development of unofficial family businesses that may be run even in a single room of the house or as a backyard operation.

The Cape Town Chamber of Commerce listed a whole string of national and municipal laws that at the moment hold the brakes on such small businesses:

- Central govern-

ment and provincial legislation, including the Factories Act, Industrial Agreements and Wage Determination, the Income Tax Act, and trade licensing rules.

● Local authority regulations and by-laws that clamp strict parameters on business operations, and where they must be zoned.

Mr H du P Wilmot, the new Assocom president, who will lead the delegation at the Ministerial meetings, is bound to lay the emphasis on the dimensions of the untapped chances to create more jobs, especially in black urban and rural areas.

He will underline that "informal sector" business operations, increasingly attractive to Third World countries, can become a vital safety valve for unemployment and spreading underemployment problems.

Mr Fanie Botha, Minister of Manpower, estimates that officially registered unemployment threatens to climb from about 750 000 to 1,3 million by 1987. The challenge, he told businessmen, was to create 250 000 new jobs every year.

And Dr David Webster, a lecturer at Wits University, believes the problem may be even worse, allowing for the number of black workers out of a job but not registered as unemployed. He says a realistic head count would show about 2,5 million unemployed, about 24 percent at the working population.

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Do not communicate with other candidates with any person except the invigilator.

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Examination books must be handed to the invigilator before leaving the examination room.

to possible exclusion from the examination.

1. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
2. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
3. Do not write in the left hand margin.

Any dishonesty will render the candidate liable to possible exclusion from the examination.

80th Assocom congress

# Better relations achieved with the Govt

THE big thaw in relations between the private sector and the Government as a result of the Carlton and Good Hope conferences is showing results.

The business sector is now influencing economic and labour policy, and confidence in the free enterprise economy is strong.

This understanding between the State and the private sector holds long-term promise for free enterprise and the prosperity of the population.

It is probably the most positive feature at present on the South African scene, says Mr Raymond Parsons, chief executive of Assocom.

Some businessmen, not altogether blinkered by the sweetness and light now coming from a previously tactiturn administration, have been critical of the pace of constitutional reform.

However, the Prime Minister, Mr P W Botha, who broke the ice at the Carlton Conference on November 22, 1979, at last has produced a blueprint for change.

On the day-to-day consultation and formulation of policy, the results are more pleasing.

Assocom recently published a long list of achievements and other private sector bodies have also achieved impressive results in dealings with the Government.

This spirit of co-operation contrasts sharply with the long period after Sharpeville, including the Verwoerd and Vorster eras, when the Government was severely mauled and became sensitive to criticism. The private sector was

kept at arm's length and the doors generally were closed to proper consultation.

Frustration with official policy and action was commonplace.

Mr Ken Hobson, long-serving general manager of the 6 000-strong Durban Chamber of Commerce, says the big freeze in relations is unlikely to occur again because the Government, now more mature, reacts a lot better to criticism.

Mr Botha's initial overtures to gain the co-operation of the private sector at the Carlton Conference were directed at major individual business leaders, but the direction changed at the Good Hope venue when he went to great pains to cultivate the representatives of organised business.

The Prime Minister had come to realise that the day-to-day work and the continuous consultation needed for a real level of co-operation, would have to be with the "seven major pillars" representing the private sector — Assocom, the Federated Chamber of Industries, the Afrikanse Handalinstuut, the SA Agricultural Union, Chamber of Mines, Nafcoc and Selsa.

Working with these groups is potentially less embarrassing politically than with individual business leaders, some of whom have long been adversaries of the Government. The private sector representatives, for their part,



Mr RAYMOND PARSONS, chief executive of Assocom.

have come to realise the rules of the game.

There is a lot of private consultation. "We influence the course of events sometimes less obviously, and sometimes more obviously," says Mr Parsons.

Some battles are fought through the news media but only after all other channels have been exhausted.

The powerful business groups have to know when to use the media and when to use consultation.

"We shall never reach our goals by shouting at each other," Mr Parsons contends.

There are times when groups within Assocom want pressure applied to achieve special goals. A group was persuaded by Assocom executives to

groups are being consulted increasingly on economic policy.

Official reports are often received slightly before general publication so that more mature comment can be made to the Press by private sector organisations.

Ministers and officials now often sound out in a personal phone call or discussion private sector feelings on a variety of proposed policy changes.

Assocom is represented on several Government bodies including the Economic Advisory Council and is kept exceptionally well informed.

However, Mr Hobson of the Durban Chamber says insufficient time is allowed in many cases to allow proper comment to be prepared.

The 100 chambers of commerce sometimes make individual representations, as in the case of Natal which has special interests because of the large number of Indian workers, and in the Western Cape where the workers are coloured people.

Issues are singled out for separate submissions only when it is felt they could be swamped in an Assocom submission.

Generally the chambers, which are affiliated to Assocom but operate with a large degree of independence, realise that Assocom carries more punch and submissions on national issues such as manpower, taxation and eco-

nomics usually move through this channel. This helps to keep down the queues outside the doors of Ministers and enable organised commerce to speak with one voice.

The individual chambers, and Assocom too, make submissions to provincial councils, city councils and other bodies.

Another prime task for the Assocom secretariat is to act as a watchdog for the business sector.

Last year 115 pieces of proposed legislation were scrutinised and 15 important submissions were made to the Government.

Assocom also deals continuously with many technical committees of inquiry, select committees of inquiry and the SA Law Commission.

The workload on the 10 senior and highly qualified staff members is heavy but the relatively small secretariat along with those of the FCI and other bodies, makes for far greater cohesion and efficiency.

All chambers help to form Assocom policy, especially the large ones in Durban, Cape Town, Johannesburg, Pretoria, Maritzburg and Port Elizabeth, which play a major role in preparing submissions.

Assocom is a democratic organisation and decisions are matured rather than made at the regional and national congresses where members can express their views.

The federal structure of the chamber movement has meant a relatively strong grassroots organisation which forms a solid base for the national organisation.

Assocom: all of 90 years old at its 80th annual congress

EIGHTY, 90, 100 — not the sound of a bank teller counting notes, but three important "milestones" in the chamber of commerce movement.

In particular, it is of special significance to Port Elizabeth, where the 80th congress of the Association of Chambers of Commerce is being held in Assocom's 90th year and in the 100th year after the incorporation of the host chamber.

Many people in the chamber movement have asked why make a fuss at being 90 not out? Why not keep your head down, get to your century, and then celebrate?

There are two answers. First, there is no doubt that Assocom's century will be celebrated in fitting fashion in 1992 and second, it is important that any organisation should, at times, take a look at the past, study the lessons of history and apply the wisdom of experience to the problems of the future.

Vigilance has been the key to Assocom's success in the past and vigilance will be needed if Assocom is to continue to serve private enterprise well in the future.



The year 1982 is also special for the Port Elizabeth Chamber which celebrates the 100th anniversary of its incorporation by Act of Parliament, although the chamber was actually formed in 1864.

It is an important congress for the local chamber, not only because of the significance of the anniversary, but also because 1982 may well prove to have been a watershed year for South African business.

The delegates to congress will be wide-ranging and policy decisions will be made which will be of great importance to all business people.

But congress is not all work, and the host chamber has arranged an interesting and entertaining social programme for the delegates and guests, culminating in an *Evening of Melodrama* on Wednesday.

A night (or knight) of medieval madness, not to mention the inevitable peanuts, should prove that businessmen are humans.

The wives of delegates and guests are also being well looked after by the Ladies' Committee of the Port Elizabeth Chamber, which has arranged visits to places of historical interest, to the refurbished City Hall, and also stimulating talks on a variety of subjects.

Ninety not out, and forging steadily ahead to its century — a 90-year-old body still young enough and fit enough to meet the demands of our times.

The Association of Chambers of Commerce is both of these and much more.

Assocom and its members, the centenarian Port Elizabeth Chamber not least among them, have been, and will continue to be, the watchdogs of business.

# Crossroads factions united

Staff Reporter

of the executive committee".

OPPOSITION to the Western Cape Administration Board's demolition of vendor stands at Crossroads has united the two rival factions on the Crossroads executive committee.

In a statement yesterday, Mr J Ngxobongwana and Mr O Memani said the demolitions clearly indicated their ties of cooperation with the WCAB had been "inextricably broken".

The WCAB had not consulted with the committee before the demolition of the stands — erected in 1975 — and when the committee had questioned the board on their failure to liaise, they had received no comment.

## Enforcement

They also said the WCAB enforcement of New Crossroads people to vote for the community council must cease "because the Minister of Co-operation and Development assured this committee that people of New Crossroads will not join the community council until the last shack is moved from the old Crossroads to the new township".

The representatives also appealed to WCAB to stop dividing the old and new Crossroads as "they are one community represented by the 16 members

"The so-called split of the Crossroads Committee must no longer be an excuse when it comes to the solution of Crossroads problems by the committee and the authorities. The members of the committee have come to an agreement to stand up and work together as a united body," they said

## Elect

● A meeting to elect a chairman, vice-chairman and executive committee for the Cape Town Community Council ended in uproar yesterday with no elections taking place.

Mr L Kakaza, chairman of the council, blamed the meeting's failure on "the unruly behaviour of certain councillors".

## 'Failed'

On Monday evening, a special meeting called by Mr Kakaza to institute an inquiry into the council's housing portfolio failed to achieve a quorum after eight out of the 15 members — including the chairman of the housing committee — failed to turn up.

The meeting was called in the wake of a boycott of community councillors' businesses following several evictions in Guguletu and allegations of widespread corruption over housing in the townships.



A policeman stands guard outside a Langa hostel yesterday morning during a pass raid which led to more than 100 arrests.

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# FCI 'flatly

# refuses'

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# Assocom bid

# to merge

By David Braun

**PORT ELIZABETH** — Efforts to merge South Africa's two major English business organisations, Assocom and the Federated Chamber of Industries, have failed.

The president of Assocom, Mr Gordon Stuart-Reckling, said at the Assocom congress here today that he could not understand why the chamber had flatly refused to proceed with merger discussions.

Assocom was still in favour of exploring the possibilities of a merger and felt it was in the interests of business in South Africa to do so.

The idea to merge the two organisations was suggested at last year's Assocom congress. It was pointed out that Afrikaans business had one umbrella organisation, Afrikaanse Handelsinstituut, and that English-speaking businesses would be best served by having a unified and stronger voice.

It was also suggested that an Assocom and FCI merger could be the forerunner of an eventual umbrella organisation that would incorporate the AHI and possibly the black business organisation Nafcoc.

## Good case

The Government has also indicated it would welcome fewer but more representative business organisations to deal with.

Mr Stuart-Reckling said today a joint committee — appointed by the FCI and Assocom last year to investigate a merger — appointed Professor J Poolman, vice-rector of the Rand Afrikaans University, to undertake an independent and impartial study of the matter.

Professor Poolman's report substantiated the view that there was a case for a merger.

The joint committee agreed to recommend to the respective bodies that a "phase two" report was required to produce proposed constitutions, management structures and financial arrangements for the merged body.

This was endorsed by the Assocom board of management. The FCI executive council, however, informed Assocom that on mature reflection a merger would hinder rather than promote a broader objective.

# Call to businessmen to back a new deal in SA

By LOUIS BECKERLING  
Business Editor

**BUSINESSMEN** should no longer be coerced into supporting unworkable ideologies, and should operate instead as a powerful lobby for change in South Africa, Professor Jake Jacobs, director of the Graduate School of Business of the University of the Witwatersrand, said today.

Addressing the 90th annual conference of Assocom in the Hotel Elizabeth, Prof Jacobs forcefully continued the tone set in speeches by the US Ambassador, Mr Herman Nickel, and the Assocom president, Mr G Stuart-Reckling, during the formal opening of the conference last night.

"A previous Prime Minister once admonished you in this very town for what

he termed meddling in politics. I believe the opposite applies," Prof Jacobs said.

"If there is a total onslaught against the country, there must be a total strategy to combat it, and you as businessmen stand in the centre of this. I believe you could become the most powerful lobby in the country — you have more at stake than anybody else. You must not be coerced into understrutting unworkable ideologies."

Looking ahead, Prof Jacobs saw the process of social, economic and political change in the country accelerating. Urbanisation of

all population groups would increase, demanding rapid and sustained economic growth.

In 20 years the purchasing power of the black consumer would swell to about R60 million a day. "When a group exercises this kind of economic muscle its demands for a better deal will be irresistible."

In the light of this, priority should be granted to:

● **Housing.** Over the next 20 years, 70 000 houses would have to be built every year, costing R10 000 a unit at current prices.

● **Education.** To bring black education up to white

standards would require an immediate injection of some R2 000 million plus an additional outlay of R30 million over the next 20 years.

● **Employment.** To ensure full employment, about eight million new jobs would have to be created before the end of the century. Whereas 15 years ago it cost on an average R2 000 to create a job, this has now escalated to R20 000 a job in high technology areas.

"Now more than ever before we need more business and less ideology," concluded Prof Jacobs.

5705 20/10/82

# The economic implications of reform 'must not be ignored'

By David Braun

PORT ELIZABETH — The Government must take the private sector into its confidence on the financial aspects of its constitutional proposals as soon as possible, the outgoing president of Assocom, Mr G Stuart-Reckling has said.

He was speaking at the opening of Assocom's annual congress last night.

We must guard against the unnecessary creation of a multiplicity of taxes and taxing authorities which will undermine budgetary control as well as having a serious cost-raising impact on commerce and industry," he said.

"Whatever the merits of the specific constitutional proposals, it would be unfortunate if they were to be shipwrecked on the rocks of costly financing."

Mr Stuart-Reckling said the economic implications of political reform could not be ignored.

The achievement of political and economic goals required the active participation of private enterprise to give all racial groups a stake in the system to uphold and defend.

He said that whatever final form of constitution was adopted, certain economic and other rights were essential for its successful functioning in the private enterprise context. These included the right of people to:

- Find work and do business at any place irrespective of race.
- Conclude lawful contracts with each other regardless of race.
- The right of all property owners to protection under the

law and not subject to expropriation without due process and adequate compensation.

If all people involved in the South African economy could be given goals based on economic ideals, then political goals would be easier to achieve, he said.

We must find political solutions which have their roots in the circumstances and realities of a plural society like South Africa.

The private voice of enterprise will have to become louder and more insistent the more complex the governing process becomes," Mr Stuart-Reckling said.

Star 20/10/82

# Expand the economy or we explode'

By David Braun

PORT ELIZABETH — The economy might not be strong enough to sustain concerted moves to bring about political change, Professor Jake Jacobs, director of the University of the Witwatersrand Business School, said here today.

Describing this as a tragedy, the former MP told the Assocom Congress that prosperity was a far more potent force in supporting change than poverty. And he warned that South Africa had to expand economically "or explode politically."

Some of the demands on the economy to make up lost ground included:

● To catch up on the immense housing backlog, 1.5 million units would have to be built in the next 20 years — more than 70 000 a year at an average present-day cost of R10 000 each.

● To bring black education up to white standards would probably require an immediate injection of R2 000 million and an additional R30 000 million over the next 20 years.

● About eight million new jobs had to be

created before the turn of the century. Fifteen years ago it cost on average R2 000 for every new job created, but this had now risen in the high technology field to R20 000 a job.

● About a million supervisors and business managers would have to be produced during the next 20 years, and certainly more than half of them would not be white.

● To ensure an acceptable growth rate, about 20 percent of new venture capital would have to come from overseas.

"Business is very much in the front line of all socio-economic and political activity in South Africa. The business sector has more at stake in the wellbeing of this country than anyone else," Professor Jacobs said.

He said the primary task of the private sector was to try to ensure that the free enterprise system remained free.

Unless the base was widened to encompass large numbers from all population groups, the system would not survive.

● See Page 7

Am 20/16/82

# Lobby for change, US envoy urges

Own Correspondent

## PORT ELIZABETH. —

Commerce and Industry should step up their efforts to get the Government to reduce legal barriers inhibiting black workers from playing a full economic role in the community and attaining their full productive potential.

The call was made last night by Mr Herman Nickel, the United States Ambassador to South Africa at the opening of the annual congress of the Association of Chambers of Commerce (Assocom).

Mr Nickel said the Reagan Administration was not in favour of disinvestment in South Africa or a curb on further investments by United States-based companies.

"We base this approach on the recognition of the fundamental fact that this country needs a high rate of sustained economic growth if the change that will surely come is to take place peacefully."

He said that without continued foreign investment, the chances were that the South African economic growth rate would not be adequate to keep up with the present population trends.

"This country has to create 250 000 new jobs every year just to prevent a rise in unemployment. Failure to meet these targets can only mean a rise in human misery and frustration. In any society that can only spell trouble."

Mr Nickel said economic growth did more than to curb unemployment. It was also a positive and powerful agent for reform. He emphasised, however, that economic growth alone was not a solution. It was not a substitute for political will.

"Economic growth, social and political change, black participation and political stability are all inter-linked. This is the vision which is at the root of our policy of constructive engagement.

He said it was a vision which was not only consistent with United States national interests but he believed it was also consistent with the vision of the overwhelming majority of South Africans.

"To the extent that we can help in this historic process our government stands ready to do so."

Referring to a call in the United States for a curb on investment in South Africa Mr Nickel said he could not see how this would help anyone except perhaps by making its proponents feel good. But feeling good and doing good were not necessarily one and the same.

By curtailing job opportunities for the very people the policy was supposed to help the recommendation could do positive harm. Industrial growth had added enormously to the economic clout of Africans both worker-producers and as consumers.

He did not think that African spokesman in South Africa who were suspicious or hostile to foreign investment represented a majority view and it was striking that they usually were not involved in industry.

Nevertheless the extent to which capitalism and the free market system had become identified in the minds of many Africans with apartheid was a matter of concern. Many leading businessmen who believed in a free labour market, equal opportunity and the importance of merit rather than colour had spoken out against this misconception.

"But in the end their message will be heard only when black South Africans come to realise that they have a permanent stake in the economic system and they receive a fair share of its rewards.

Emphasising the need for training he said the principle of equal pay for equal work meant little as long as blacks were not trained to do equal work.



30 29/10/82

By Own Correspondent

PORT ELIZABETH. — Every businessman in South Africa had a responsibility to show the world that peaceful change could take place, Mr G Stuart-Reckling, president of the Association of Chambers of Commerce (Assocom), said last night.

In his presidential address at the official opening of the annual congress of Assocom he said vital decisions on constitutional reform would be taken soon and organised business must play a part in the decisions even though some of them would be complex and difficult.

"We must find political solutions which have their roots in the circumstances and realities of a plural society like

# Assocom chief warns on new constitution's 'costs'

South Africa. The private enterprise voice will have to become louder and more insistent, the more complex the governing process becomes."

But he warned against costly changes needing a multiplicity of taxes and taxing authorities which would undermine Budget control and have a serious cost-raising impact on commerce and industry.

"Whatever the merits of the specific constitutional proposals it would be unfortunate if they were to be shipwrecked on the rocks of costly financing."

Mr Stuart-Reckling appealed to the Government to take the private sector into its confidence on the financial aspects as soon as possible. In shaping new constitutional forms businessmen would have to take a view on the changes they believe would be good for South Africa, he said.

"I expect the business community to be hard-nosed and realistic which should lead to a healthy pragmatic approach."

Political stability was essential for business confidence, he said, and in Assocom's assessment of any new political structures the impact on business confidence must be weighed. Economic performance and political stability were interdependent.

He believed that all race groups must have a stake in the system and this required that urban Africans were also realistically accommodated in any new political dispensation.

He said that whatever final form of constitution was adopted certain economic and other rights were essential for its successful func-

tioning in the private enterprise context. These included the right to:

● Find work and do business at any place irrespective of race.

● Conclude lawful contracts regardless of race.

● Protection under the law for property owners so that they are not subject to expropriation without due process and adequate compensation.

If all persons involved in the South African economy could be given goals based on economic ideals then political goals would be easier to achieve, he said.

In calling for equal education for all, Mr Stuart Reckling said better access to education was indispensable for success in the new political dispensation.

# 'Fronts' talk back <sup>(30)</sup>

By NKOPANE  
MAKOBANE

**THE Spar/Save mor group of companies has issued a statement to The SOWETAN clarifying its position of operation in Soweto.**

The statement follows articles in this newspaper in which the Soweto Chamber of Commerce and Industry (SCCI) accused some black businessmen in the township of "fronting" for white companies.

The SCCI called on its members to boycott products of such companies and also indicated that it intended asking residents to join them in

*sowetan 20/10/82*  
cripling these businesses which were "killing" small traders in the area.

A spokesman for the Spar/Save mor group said his company did not want to take issue with the SCCI. He said what they wanted to make absolutely clear was that none of their stores and supermarkets were acting as "fronts" for white business in Soweto.

"All stores are independently owned and use their own capital to run their businesses. Our group is a voluntary association of wholesalers and retailers who have developed a system of grocery distribution

which benefits all parties concerned.

"We boast of many rags to riches stories which have come about through the group's training schemes and the supply of goods at competitive prices — and not through financial assistance.

"We have brought city prices to the townships, giving the black consumer a better deal," he said.

The group, in contrast to other similar groups, he said, worked on a qualified franchise basis. Each store must have a minimum of 70 percent black clientele even though it may be in a white area.

The group also organises through its Johannesburg training centre, courses in merchandising, promotions, book-keeping, human relations and other aspects of good retailing. Regular seminars and conferences are also held for store owners on the latest trends in supermarket industry.

## Ben Mabuza dead



THE first black businessman to open a store in Johannesburg and former deputy mayor of Soweto, Mr Ben Jacob Mabuza, died on Saturday evening after a short illness. (30 Simela 20/1/82)

In 1928 Mr Mabuza opened a restaurant and a butchery in Market Street Johannesburg and obtained the distinction of being the first black businessman to run a business in a white area.

Expected at the funeral is his grand-daughter Felicia Mabuza, a former reporter on The World and now staying in the United States of America.

Funeral arrangements have not yet been finalised but it is hoped he will be buried this weekend at the Avalon Cemetery.

He leaves his son Velaphi Mabuza and several grandchildren.

**BUSINESS 3**

# Retail profits take a <sup>30</sup>damaging knock <sup>Star 21/10/82</sup>



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**Financial Staff**  
Saddled as it was with a 57 percent increase in interest burden as well as rental increases almost on par with inflation, the retail trade had to be content with a six percent drop in profit during the second quarter of this year.

Figures released by Central Statistical Services show that profit earned by the retail

trade in the June quarter totalled R256 million compared with R272 million in the comparative period last year. The figures are based on results of a sample of nearly 2 000 firms, or just more than 30 percent of all firms, and have been raised to obtain estimated totals.

The trade saw interest charges rise from R31 million in the

June quarter of 1981 to R49 million this year while rent on land and buildings rose 15 percent from R123 million to R142 million.

Capital expenditure on new assets appears to be maintaining a fairly constant level at about R40 million, of which the bulk is as usual devoted to equipment other than motor vehicles.

The sector appears to

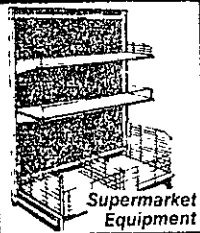
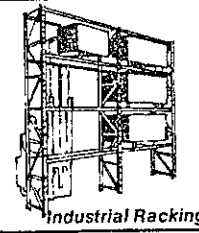

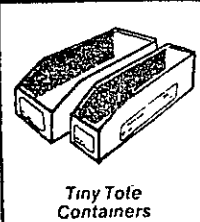

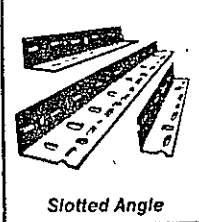
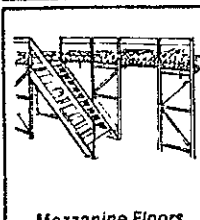
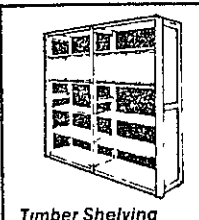

be maintaining a more liquid position than was the case a year ago, with funds on call, demand or in cash up from R240 million to R275 million.

Inventories have expanded, totalling an estimated R2 723 million against last year's R2 347 million. A hefty increase is also evident in instalment sale transactions.

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**Financial Staff**  
Despite the downturn in demand for South Africa's metals and minerals, future capital spending currently estimated at R20 000 million a year — will

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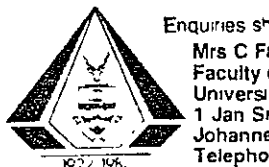
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UNIVERSITY OF THE

RDM 21/10/82

# FCI rejects plan for links with Assocom

(50)

**PORT ELIZABETH.** — The president of Assocom, Mr G. Stuart-Reckling, said yesterday his association regretted the decision by the Federated Chamber of Industries — that there was not sufficient justification for a merger of the two organisations.

Mr Stuart-Reckling said Assocom had believed the cause of private enterprise could best be served by a unified organisation representing business interests in South Africa.

The issues which had previously divided commerce and industry had become minimal, he said.

The two organisations had started talks last year on the possibility of a merger. A committee was appointed to study the matter and conduct negotiations.

Assocom and the FCI each appointed a four-man committee to conduct negotiations. The committee appointed Professor J Poolman, vice-rector of the Rand Afrikaans University, to undertake an independent and impartial study of the matter.

The committee's report substantiated the view that there was a case for a merger between Assocom and the FCI.

The report was discussed by the joint Assocom/FCI committee on July 9 and it was agreed to recommend to the respective bodies that a "phase two" report was required to produce "models" of proposed constitutions, management structures and

financial arrangements for the merged body.

This action was endorsed by Assocom's board of management on July 31.

Assocom was then informed by the FCI that the matter still had to be discussed by the FCI president's committee.

"As Assocom could not proceed with phase two unilaterally we had to await this decision stressing at the same time that we had a duty to report progress to the Assocom congress currently being held in Port Elizabeth," Mr Stuart-Reckling said.

He said that through a letter from the immediate past president of the FCI, Mr Chris du Toit, "we were informed on the October 8 that the entire matter was exhaustively discussed at exco and canvassed at all levels against the background of the Poolman report."

Mr Du Toit's letter read: "There was wholehearted support for the concept of the closest possible co-ordination between all national bodies representing business interests.

"The business community has an obligation to speak authoritatively with a single voice on all issues where there is commonality of viewpoint.

"The FCI agrees entirely with the Poolman report that a merger could in fact be achieved in practice. It does not, however, believe that this is sufficient justification for bringing about such a merger," the letter said.

Mr Stuart-Reckling said yesterday: "Assocom regrets this decision". — Sapa.

# Chatsworth

Mercury 21/10/82

## shopkeepers

### to oppose

## chain stores

By Nagoor Bisetty

DURBAN City Council's plan to allow chain stores and hypermarkets to open in Chatsworth would be 'vigorously opposed' because it would ruin many of the township's more than 250 shopkeepers, Mr George Thayer, a member of the Southern Durban Local Affairs Committee, said last night.

He said he was shocked that his chairman Mr Thulkhana Palan had not only supported the council's plan at a council meeting this week, but was also willing to join a council deputation to the Government to get this going.

'I wish to make it clear that Mr Palan has no mandate for this from our LAC, and I am sure he is going to find himself in hot water at our next LAC meeting,' Mr Thayer said.

Mr Thayer said nearly all of Chatsworth's shopkeepers had been displaced from other areas which were zoned mainly for whites. The coming of big white-owned chain stores to Chatsworth would kill what little chances the Indian traders had of making a livelihood, he said.

### Green light

Mr Palan said yesterday he had agreed to join the council's deputation to see the Government because he wanted an opportunity to tell the Government that the Group Areas Act should be scrapped and all areas opened to all races.

'I know I still have to get the green light from my LAC,' he said.

Traders in Chatsworth yesterday also reacted angrily to the move to let big chains, such as Pick 'n Pay and Checkers, opening in the area, saying new giant

supermarkets were not the answer to the problems of many of Chatsworth's struggling families.

Traders said that in many instances Chatsworth's corner shops were already cheaper than some big chain stores when it came to many basic Indian commodities.

Mr M P Govender, owner of a supermarket in Umhlatuzana, said Indian traders were able to offer competitive prices for most items needed in a typical Indian home because their overheads were low.

### Priced more

He said. 'I am sure if two Indian housewives were each to spend R100 — one in a big hyperstore and the other in Chatsworth corner shops — for goods required in a typical Indian household, the one buying in Chatsworth stores would find her R100 stretching a little further.

'But what amazes me is that some housewives will still fall for savings on a few selected items in a chain store although other goods which they also need are invariably priced more,' he said.

Another trader, Mr Daddy Naidoo, said some Chatsworth shops were selling 5 l cans of cooking oil at R5,79 whereas a large white-owned chain group just outside Chatsworth was offering the same at R6,80.

'Housewives, who are not snobs, still find shopping at the corner store more economical,' he said.

Mr R Bhana, another shopowner, said local shopkeepers often helped struggling housewives by allowing them foodstuffs on credit during hard times.

## **BUSINESS CLINIC** (50)

LEADING businessmen, university lecturers and lawyers are among some of the top speakers lined up to address a one-day seminar in Johannesburg next Tuesday on how black businessmen can obtain a greater share of the market.

*Sowetan*  
2/11/82  
The seminar, organised by the National African Federated Chamber of Commerce (Nafcoc), in conjunction with the Institute of Marketing Management (IMM), will be held at the Sunnyside Park Hotel starting at 8am.

Speakers include Mr Sam Motsuényane, Nafcoc's president; Mr Moses Maubane, African Bank general manager; Mr F T Murphy, national president of IMM, and Mr Evert van Dijk, senior consultant at the University of the North advisory bureau for black businessmen.

# UNIVERSITY TO CONDUCT BUSINESS SURVEY IN SOWETO

THE Rand Afrikaans University Institute for Urban Studies is to conduct an intensive survey among businessmen in Greater Soweto during the next few months.

According to a spokesman for the institute, the results of the study could be of vital importance to the future of black business in the urban areas and particularly in Soweto.

The study is aimed at an analysis of the environmental circumstances and con-

straints within which black businessmen in the area have to operate.

It is also aimed at an in-depth survey of internal business operations and management problems, including the owner/manager, his abilities, qualifications and experience as well as aspects such as financing, training, staff matters, purchasing and stock control.

The spokesman said the survey will be

conducted by way of personal interviews with owners and managers from all types of businesses in the area.

He appealed to all businessmen who will participate in the study to give their support and co-operation to Professor Chris de Coning from the institute who will be responsible for the planning of the survey and personal interviews.

"It is only through the businessman's full support that the study can be successfully completed," he said.

All information supplied to the institute, he said, will be tabulated in such a manner that no single business can be identified.

Under no circumstances will information collected from individual firms be supplied to the authorities or outside organisations, he said.



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# Assocom warns on power of Ministers

Staff Reporter

PORT ELIZABETH. — The Assocom congress yesterday hit out at legislation which granted arbitrary powers to Cabinet Ministers, excluding recourse to courts of law or making it difficult.

The congress adopted a motion which said that in view of South Africa's

commitment to the free enterprise system and to democratic procedures, the congress urged government, in considering new legislation and reviewing existing legislation, to avoid creating arbitrary powers for Ministers and officials by the exclusion of any right, on the part of an

aggrieved party, to appeal to the courts.

reviewing decisions in a court of law.

The motion was proposed by the Johannesburg Chamber of Commerce because of the "disturbing trend", becoming increasingly evident, of legislation granting wide discretionary powers to Cabinet Ministers, with no recourse for

## CONTRADICTION

The chamber said this was a complete contradiction of the country's free-market orientated economy and the rule of law.

One piece of legislation referred to by the chamber in its motivation was the Orderly Movement of Black Persons Bill, in terms of which the removal of "unauthorised persons" may not be "interfered" with by a court of law.

While the chamber believed government officials were people of "the highest integrity", they should not be placed in the invidious position of being required to be judges in their own cause.

"Our courts have a deservedly high reputation for fairness and an ability to deal with a wide range of complex matters, and should, as a matter of fundamental principle, be allowed to serve their rightful function," said the chamber.

CRICKET fans — win two air tickets to Johannesburg to see the Datsun Shield Final on February 19!

This exciting prize will include transport from Jan Smuts Airport to the Wanderers and back, two grandstand tickets, lunch in the Datsun marquee and an invitation to a cocktail party.

To enter all you have to do is answer the question on the entry form about the Western Province/Boland Datsun Shield match to be played at Stellenbosch tomorrow.

And as the closing date for the competition is October 30 there is time for you to read all about the match in The Argus before submitting your entry form.

## Win tickets to final

The two teams playing on Saturday are

Western Province: Peter Kirsten (captain), Graham Gooch, Lawrence Seeff, Ken McEwan, Adrian Kuiper, Stephen Bruce, Bossie Clarke, Garth le Roux (vice-captain), Danie du Toit, John Emburey, Stephen Jefferies. 12th man: Eric Simons.

Boland: Eddie Barlow (captain), André du Toit, Kim Barnett, Peter Swart, Louis le Roux, Stephen Jones, Howie Bergins, Les Kets, Sakkie Lambrechts, Pienaar Anker, Charl Coetzee. 12th man: C Hendrikse.

### RULES

● The competition closes at noon on Saturday October 30.

● No photocopies of the entry form will be accepted as entries.

● Entries may be posted to or placed in the entry box at C L Datsun, Merriman Avenue, Stellenbosch 7600, or dropped into the competition box in the foyer of The Argus building, 122 St George's Street.

● No member of The Argus Company or Datsun and their immediate families may enter.

● The judges' decision will be final and no correspondence will be entered into.

● The winner will be the first correct entry drawn after October 30.

## The Argus

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# Assocom wants curbs on officialdom

Room 22/10/82  
V2  
0

Own Correspondent

**PORT ELIZABETH.**— Arbitrary powers given to, or assumed by, Government officials attracted suspicion to the public service, the annual congress of the Association of Chambers of Commerce was told in Port Elizabeth yesterday.

The congress adopted a resolution urging the Government to avoid giving arbitrary powers to ministers and officials by the exclusion of any right by an agrieved party to appeal to the courts.

In introducing the motion, Mr C C G Morkel of the Johannesburg Chamber of Commerce said it was not an attack on the integrity of officials. But they should not be placed in the position of being required to be judges in their own cause.

Arbitrary powers could come directly from Parliament or through officials assuming powers not granted to them. Some recent bills gave wide discretionary powers to ministers and officials and recourse to courts was either excluded or made difficult.

Mr Leon Louw, executive director of the Free Market Foundation, said bills which were found after study to be impractical to implement were later sometimes pub-

lished as regulations.

When the practical problems of implementing the regulation was pointed out it had to be withdrawn and this brought the public service into disrepute.

He called for a restoration of the rule of law instead rule of men, and said courts had to apply laws even if they were unjust.

Mr D L MacRobert of the Pretoria chamber said there had been instances of regulations cutting across legislation, or which gave departments powers to disregard legislation.



Assocom's Stuart Reckling ... will not raise the matter again

FCI "does not believe there is sufficient justification for bringing about such a merger."

Yet only about a month ago, Du Toit and some of his sub-committee members negotiating the get-together appeared to be all for it. It had, in fact, been recommended, after an independent study by Professor Jack Poolman, vice-chancellor of the Rand Afrikaans University.

It appears to many businessmen to be logical, as many companies are members of both organisations. The old differences between the two — such as industry's perceived need for some protection — have largely disappeared: and one enlarged organisation could have represented to government a more unified and weighty business view.

Until a few weeks ago, both organisations had accepted the Poolman recommendation and agreed on a second inquiry on how best to bring about the merger. There are differences in financing and regional organisation that would need to be taken into account. Sub-committees from both organisations had agreed to embark on the creation of various organisation models to better explore merger details.

While Assocom was given the brush-off only last week, the *FM* was told as far back as August by FCI officials that a firm decision had been taken not to go ahead with the merger. In fact, they led the *FM* to believe that Poolman had recommended against it. Their logic was that, in the event

of a merger, there would have to be an umbrella organisation that would add to the number of business organisations — like the SA Foundation and the Urban Foundation — to which businessmen felt bound to contribute. In increasingly hard times there was growing resistance to this multiplicity of fees. Assocom's view is that the union would reduce the number of employer organisations.

Speculation at Assocom's annual congress in Port Elizabeth this week was that the FCI had suddenly got cold feet. Apparently, the Poolman report identifies Assocom as the larger, more influential and financially stronger organisation of the two. In the event of a merger, it stands to reason which administration would come out top dog.

Du Toit tells the *FM* that the FCI agreed that a merger was feasible, but felt that the rationalisation of business organisations was so important that further ways of achieving it should be explored. He was not prepared to be more specific.

There is no question of the FCI not being interested in rationalisation, he says. But there were very large differences between FCI and Assocom. "The differences that have persisted all these years could make a merger difficult to accomplish," he says. "Moreover, the degree of common membership is not as large as people think."

Stuart-Reckling has made it clear that Assocom will not raise the matter again with the FCI. The question now is whether the FCI can achieve its broader objective. Who, in fact, is going to be the real loser?

... about R8m.

30 FM 22/10/82

FCI/ASSOCOM MERGER

## Wedding cancelled

The Federated Chamber of Industries (FCI) has put the kibosh on the merger talks with the Association of Chambers of Commerce (Assocom). Instead, the FCI is seeking a broader amalgamation of business representative bodies.

A letter from the immediate past president of the FCI, Chris du Toit, to Assocom's president, Gordon Stuart-Reckling, says the

200 companies a month going under

(30) 22/10/82

(20) SWS 22/10/82

# Cash squeeze is choking economy

By Michael Chester

Business failures have bounded to record levels as the deepening recession, in combination with high interest rates, plays havoc with company cash flows.

Actual insolvencies and liquidations are now hitting nearly 200 companies a month and credit experts fear there may be worse to come.

Credit Guarantee Insurance Corporation reports that last month alone the number of companies showing a red alert of inevitable bankruptcy soared to 350 — more than four times higher than the total of 85 in September last year.

"There seems little or no prospect of any improvement in the trends in the months ahead and into 1983," said Mr C T L Leisewitz, senior general manager. "It may well even worsen."

"The rush of business failures is bound to have an impact of unemployment problems. Most of the casualties so far have been only small businesses but it is significant that bigger companies are now landing in trouble."

High on the casualty list are clothing and textile firms, builders and transport operators, with engineering companies now joining their ranks.

Total claims paid out by Credit Guarantee in the past three months have already topped R1.3 million — more than the total for the entire financial year ended on June 30.

The number of companies seeking insurance shelter from the risk of inter-company bad debts is at record levels. Credit Guarantee is now covering business credits worth well over R1 500 million a year.

## Nervous

"Already many companies have been forced to hive off part of their operations to raise the cash to avert bankruptcy," said Mr Leisewitz. "We expect many more to follow."

The cash calamity is also reflected at Dun and Bradstreet, which monitors the credit ratings of no fewer than 70 000 firms in South Africa.

"Urgent requests for information on the standing of companies seeking credit in inter-business deals has jumped at least 58 percent since March, when high interest rates put up the first smoke signals," said Mr Bill Brown, managing director.

"Quite clearly, everybody is getting nervous."

"Another signal now, as the recession heads downwards, is that more and more companies are quicker and quicker to blow the whistle for our collections division," he said.

"Trying to hold up flagging sales, many companies are making the error of taking on business risks they would avoid like the plague in normal times."

Buyers. The mini-  
Staff - blockmen, cashiers, counter-

# Make or break PE Xmas

What post  
23/10/82  
30

## Not the saviour they had in mind

Weekend Post Reporter

All eyes were on the little shop that had fallen empty in Cape Road, Newton Park, Port Elizabeth.

Up and down the street, shopkeepers speculated on who might move in — perhaps a vigorous entrepreneur to draw back a little business from the powerful trading giants at Greenacres down the road?

Business had sagged in face of such competition.

A picture had been published of toyshop owner Mr Laurie Levenson and his wife piecing together a kiddies' jigsaw to while away the time... There were reports about shops "dying" as the once-thriving street battled on against formidable odds.

"We've definitely been hit," said Mr Levenson this week, "in the same way the rest of the town has been hit.

"The big boys have moved out of Newton Park and we have got estate agents moving in.

"You know" what the place is like. On Saturday it's as dead as Sunday. Sometimes I think Sunday is not so dead as Saturday."

This week the little shop was occupied again.

Avbob (the undertakers) had moved in.

By CLIFF FOSTER

### THIS could be a "last chance Christmas" for many small shopkeepers in Port Elizabeth, who are fighting to ride out the economic slump in some of the toughest conditions in the country.

Faced with the triple challenge of high interest rates, shrinking public spending power and stiffer competition from giant retailers like those occupying the Greenacres shopping centre, small shops may have to be content with slim pickings in their best trading period of the year.

Unless they have a good Christmas, there is little chance for them to consolidate and wait for better times to return.

The cooling economic climate, allied with unemployment and strikes during the year and short time now being worked at the city's motor plants, has severely stunted spending power.

In this situation, Christmas shoppers are likely to make the big multiple stores their first stop.

For the small shopkeepers, banking on the Christmas period to provide security for a bleak-looking 1983, there is little comfort in this prospect.

Already committed on much of their stock to interest rates three times as high as they were a few years ago, many shopkeepers have cut orders to stem their cash outflow.

"This could be a disastrous Christmas for the small man," said Mr Laurie Levenson, owner of a toyshop in Cape Road, Newton Park. "The way things have worked out, his

best trading period of the year could be ruined.

"If this happens, a lot of people just won't have the resources to stay in business afterwards. There just won't be enough money left to replace the goods again."

What is intensifying pressure on the smaller retailers is the fact that the market has started as an uneasy fear when Greenacres was conceived, now seems to be emerging as a strong reality.

As one North End footwear dealer put it: "It's not only the small man who is being hit — look at the hypers, how quiet they are some days. Everybody is having to take a smaller share of the pie because this city is overtraded.

"The only thing is, the big boys can hold out. We don't have the same chance."

An outfitter in North End said: "When you're in bad times, you always hold out for Christmas — even if it means finding credit. It's just like people holding out for Christmas bonuses. This is the one time you expect to make money.

"But if you don't come right over Christmas, then you're in trouble."

Mr Levenson, who used to represent Newton Park traders on the city's Chamber of Commerce, said: "I couldn't agree more with the people who are spelling out this situation.

"In the past I have never

been pessimistic about Christmas because parents always find the cash somewhere, but this year I have just got this feeling, bearing in mind the last five months.

"I think it's going to be a leaner Christmas this year. Everything points to it. I keep statistics going back many years. The number of people coming into the shop is way down and so is the spending power.

"I'm sure that for many small shops this is a lastchance Christmas. We are all feeling it.

"I am buying 20% less stock for Christmas this year than last. This year I don't want goods lying on my shelves. You start paying interest on R20 000 and it affects your whole year.

"Many, many suppliers have sent out circulars with their statements saying terms are strictly 30 days and after that it's 2% interest a month.

"It's going to be a make or break Christmas all right. Port Elizabeth is hopelessly overtraded, there's nothing more certain than that."

Mr Tony Gilson, Director of the Port Elizabeth Chamber of Commerce, said he had no doubt that the times ahead were going to be tough, but he wanted to remain "cautiously optimistic".

"As in the past, and certainly this year, businesses which are not in a position

to ride it out are going to have a problem.

"Those that are fit are going to survive and those that are not are going to have a problem — and the smaller ones that are on a shoestring anyway are going to have a bigger problem.

"I think the thing we have to remember is that all businesses are going to have to run harder to stay in the same place for the time being.

"A company that goes at it hammer and tongs now and comes through is going to be in a fitter and better condition when the good times come back.

"They have got to exercise very tight controls over stock and credit.

"I am not pessimistic. The worst thing we can do is talk ourselves into trouble."

Mr Keith Wilson, who runs a hardware shop in Rink Street, said: "We have been optimistic. We have ordered a lot of stock and we are hoping to do well, but talking to some of the people round here, they are not expecting great things to happen this Christmas.

"People have been going to the hyper satellite shops and finding them more expensive because their rents are so high."

Another shopkeeper in Rink Street said: "We have our regular customers. I'm sure they'll continue to come to us."

HER  
CONSUMER

# Boycott goes on say traders

30

Soweto 25/05/82

DESPITE opposition from some of its members, the Soweto Chamber of Commerce and Industry (SCCI) yesterday resolved to continue with the boycott of products of a leading milling company.

The boycott stems from claims by the chamber that the company was using a black businessman to "front" for it in a recently opened supermarket-cum-bakery in the township.

During the meeting, there were heated exchanges of words among the members who accused the chamber of applying double standards.

At least two members said they were not going to be party to the boycott because while the chamber was against the "partnership" of Mr Wilfred "China" Ngema with the milling company, they had read in yesterday's Sunday paper that Mr Veli Kraai, chairman of the SCCI, and three other black businessmen were negotiating with Metro wholesalers to buy a

## By NKOPANE MAKOBANE

cash and carry business in Soweto.

Mr Richard Maponya, one of the people said to be involved in the Metro deal, said he was not in favour of boycotts because they brought misery to nobody else but the consumer.

He and other speakers said the boycott should be the chamber's last after satisfying itself that it had exhausted all negotiation channels.

Mr Kraai and other speakers maintained that the boycott should not only go on but had to be intensified to pressurise Mr Ngema and the milling company to close the supermarket down.

"We are not against Mr Ngema or the bakery but against the super-

market because it is killing small traders in the area," Mr Kraai said.

A guest speaker, Mr Albert Mhlungu, chairman of the Soweto Residents' Committee, suggested that before any trading licence was granted the SCCI should be informed to screen the applicant.

Mr Ngema denied that he was a "front". He said he held 51 percent shares. He said he had invited some of the chamber's members to buy the milling company's shares, but they had not been interested.

# Nafcoc meets again 30

By NKOPANG  
MAKOBANE

**THE council of the National African Federated Chamber of Commerce (Nafcoc) — the supreme governing body of the chamber — meets in Johannesburg on Wednesday to discuss serious matters concerning the organisation.**

This will be the first meeting of the council this year. Only two meetings are held annually which all regional representatives of the chamber in South Africa attend.

Mr Gabriel Mokgoko, Nafcoc's public relations offi-

cer and national organiser, told **The SOWETAN** that 40 representatives from 17 regions of the chamber would be present.

He said the meeting was regarded as important in that it follows immediately after the annual conference held in July and the Nafcoc summit meeting in September this year.

The council will have the task of bringing into effect all resolutions taken at the two meetings and consider appropriate action. Some of the key elements to be considered at the council meeting are:

- Restructuring of special committees and establishment of an ad hoc commit-

tee;

- review of progress regarding the Nafcoc national centre;

- review of the referendum sent to the Minister of Co-operation and Development;

- review of programme relating to resolutions emanating from the September summit meeting and

- preparation for the 1983 Nafcoc conference to be held in Cape Town from July 4 to 8.

And tomorrow Nafcoc is to hold a one day seminar in Johannesburg on how black businessmen can obtain a greater share of the black market. It will be addressed by leading businessmen, university lecturers and lawyers.

10/82

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chief  
rtugal

sites of historical and so-  
interest.  
Before Gen Chipande left  
to, he said that, during  
visit, agreements would  
signed with Portugal cov-  
ing logistical support and  
aining of military person-

From Portugal the  
Mozambican delegation will  
avel to London at the in-  
vitation of the British Defence  
Minister, Mr John Nott.

Another Mozambican dele-  
gation, led by the Minister of  
Public Works, Mr Júlio Car-  
valho, visited Portugal last  
week and signed a variety of  
co-operation agreements  
which included one for the  
building of 500 homes in  
Mozambique by Portuguese  
construction companies.

Meanwhile, according to  
Papa, Government sources in  
Pretoria have declined to  
comment on reports that the  
Minister of Foreign Affairs,  
Mr Pik Botha, might visit  
Lisbon soon to discuss the  
South West Africa settlement  
issue.

According to one official,  
the Minister was "Not aware  
of an invitation to visit Por-  
tugal".

The Deputy Minister of  
Information, Mr Barend du  
Plessis, was due in Lisbon  
yesterday for talks with Por-  
tuguese officials.

## Unisa dons new system

Pretoria Bureau

A NEW computerised system  
of registration will be intro-  
duced at the University of  
South Africa next month  
when students register for  
the 1983 academic year.

The Press liaison officer  
for Unisa, Mr K N Labus-  
chagne, said registration  
forms should be accurately  
completed to avoid delays.

Students wishing to regis-  
ter for the first time this year  
should do so between  
November 1 and December  
15. Those writing exams this  
year could register between  
December 17 and January 31.  
The 1982 exam results were  
expected to be released by  
December 15.

The R45 registration fee  
had been abolished and stu-  
dents would now pay for each  
course, he said. A single  
course would cost R130, a  
half-course R65, a module



A Coke and a smile . . . Glad to be acquitted, the Rev Cecil Begbie, right, shares  
a joke with a fellow minister, the Rev Mac Phenethi, after his trial yesterday.

## Begbie cleared in funds trial

Mall Reporter

A METHODIST minister, the Rev Cecil Begbie, was acquitted, by a Johannesburg magis-  
trate yesterday, of raising funds illegally for  
the defence of the former General-Secretary  
of the South African Council of Churches, Mr  
John Rees.

Mr Begbie, of Harmony Street, Coronation-  
ville, pleaded not guilty before Mr L S du Toit.

Detective-Sergeant Johannes Visser had  
told the court he attended a service at the  
Coronationville Methodist Church on August  
1, at which he contributed 50 cents to a collec-  
tion.

Other people had also contributed and Mr

Begbie told them the money would help pay  
for Mr Rees' legal costs in his forthcoming  
trial.

Mr Rees is charged with fraud, or alterna-  
tively theft, involving an undisclosed sum, at  
the offices of the SACC. His trial, in the Rand  
Supreme Court, was adjourned last month to  
November 8.

Mr Begbie told the court his church consti-  
tution gave him authority to collect dona-  
tions.

He was found not guilty after his defence  
counsel, Mr G Leveson, told the magistrate  
that Mr Begbie had committed no offence by  
collecting funds because he was authorised to  
do so by his church.

PICTURE: ABSOLOM MNISI



Speaker claims political laws have stifled black business

# Firms told to diversify

53

**POLITICALLY** inspired laws aimed at strangling the aspirations of black business people were to blame for the limited business opportunities that existed for them today, Mr Moses Maubane, chief executive of the African Bank, said yesterday.

Mr Maubane was addressing a one day seminar attended by close to 100 business people in Johannesburg on how to obtain a greater share of the growing spending power of the black consumer.

Speaking on What Business Opportunities Exist for the Black Businessperson, Mr Maubane said the economic, social and political situation under which black businesspeople operated

**By NKOPANE MAKOBANE**

was far from ideal.

Black businesspeople were virtually excluded from the mainstream of the economy. Their participation in business bordered on privilege rather than a right, he said.

He pointed out that this did not mean there were no opportunities available; there was a free market, an effective demand, and no legal barriers but severe re-

strictions militated against the progress of the black businessperson.

He said that blacks accounted for something like 50 percent of the total buying power of all consumers in South Africa.

Black business was faced with a gigantic challenge in that it lost approximately 80 percent of its buying power

to white central business districts. This was a worrying factor in that the black businessperson also had to get his economic cake, he said.

"Historically blacks have not been encouraged and allowed to develop as an independent self-sufficient people," he said.

"This, in a way, has led to a marked predominance in the traditional retailing business which requires little or no training at all.

"As a result, small wonder that black business has remained small

and largely unresponsive to the changes in the growing black consumer buying patterns and power which were in the meantime taking place in its midst," he said.

According to Mr Maubane the solution to this problem was for the black businessperson to diversify his areas of business.

He warned that an industry or business which did not diversify and innovate would run the risk of losing its share of the market.

