

PRICES CONSUMER  
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Sun Times 11/5/75 (248)

# SA'S WATCHDOG ROELOFSE

By FLEUR DE VILLIERS

**SOUTH AFRICA'S controversial consumer watchdog, Mr Eugene Roelofse, has quit his post as Director of the Government-sponsored South African Coordinating Consumer Council.**

His resignation — expected to have political repercussions — is believed to have followed mounting anger in verkrampste political and business circles over his sustained allegations that Blacks and Coloureds were being exploited by sections of the business community.

He is believed to have sought an interview late last year with the Deputy Minister of Bantu Administration, Mr Punt Janson, and the Deputy Minister of Coloured Affairs, Mr Henne Smit, in which he warned that the exploitation of Blacks was assuming such serious proportions that it was prejudicing race relations.

Commenting on his shock resignation — which becomes public today — Mr Roelofse would neither confirm nor deny that he had antagonised verkrampste elements in the council because of his stand on this issue, but people close to him have long suspected that he was facing mounting pressure to refrain from making things difficult for the Government.

## Wrong

"I am laying down my post for what I consider to be very good reasons," he said. "My chairman, Professor J. L. Weyers, is fully aware of them, and it would be wrong for me to elaborate on the subject before I have discussed the matter with my council, which will only meet next month."

Although he is entitled to leave at the end of the month, Mr Roelofse said he would continue in the post until the end of June

to bridge the gap between his resignation and the appointment of his successor.

He said that his four-year term as director since the council was established had given him the "opportunity to look behind the business scene in South Africa."

"Some of what I saw reflected a degree of fairness I could only admire. But some of it was shifty and the rest filled me with revulsion and disgust as I probed behind some of the facades of business respectability."

## Exploited

One of his main targets was certain sections of the furniture trade which, he maintained, exploited Blacks through hire-purchase, excessive credit and repossessions.

At one stage, he said, he was told by a spokesman that unless he stopped his attacks he "would be dealt with" because the trade had "friends very high up."

"That was when I really started my attacks," he said, "because I'm far more concerned about the friends I have low down."

Mr Roelofse is also known to be disenchanted with Government inertia in "grabbing the nettle of hire-purchase and credit abuses."

The South African Coordinating Consumer Council was established four years ago after representations to the Government by the South African Consumer Union. It is supported by a R60 000 Government grant, and members are appointed by the Minister of Economic Affairs from a panel of names submitted by the Consumer Union and other interested bodies.

Present members of the

council include Mr Sarel Reinecke, former Nationalist MP for Pretoria District, and Mr Jan van Wyk, who represents the right-wing Confederation of Labour.

Looking back over his four years as "South Africa's Ralph Nader", Mr Roelofse said he counted among his successes "the fact that we were able to tame the encyclopaedia book trade, expose mail order rackets and the fact that everything I attacked in the chemist trade eight months ago will now be controlled by new regulations drawn up by the Pharmacy Board."

"My biggest failures were my inability to persuade commerce, industry and the authorities of the need for standardised hire-purchase and leasing agreements for television — this I believe is going to exact a heavy cost from the public in this country — and my inability to get the furniture trade to produce and enforce a self-restraint system similar to that now used by the encyclopaedia trade."

## "Peanuts"

When Blacks or Coloureds fell down on their hire-purchase repayments, even if they owed only R12 on a R115 purchase, some firms would, without warning, send trucks out to the townships and repossess all the furniture.

"I was told by the trade that repossessions amounted to only R1-million a year, and that this was 'peanuts.'"

"Apparently the authorities also regard it as peanuts because nothing has been done. But it is a staggering loss to poor people and is causing a great deal of animosity."

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# Buyers' friend speaks of enemies

STAR  
12/5/75

## Pretoria Bureau

The reasons for the resignation of Mr Eugene Roelofse as director of the Coordinating Consumer Council are still under wraps — but almost certainly involve political pressure on the council following his exposure of consumer exploitation.

He said today his telephone had not stopped ringing since his resignation became known. He knew he had made many enemies, but did not know he had so many friends, particularly among the African and Coloured communities.

Mr Roelofse spoke bitterly about the activities of the enemies. Some had cloaked their intentions from him, he said.

However, he was happy that he had contributed to improved race relations through his readiness to take up the cudgels for any consumer "no matter how powerful the chain group involved."

### LOGGERHEADS

It was clear from the interview that Mr Roelofse is going at loggerheads with the council.

He is leaving it to the council to give the official reason for his resignation but hoped it would not become a political football.

The council is expected to make a statement later in the week.

Mr Roelofse said he was officially leaving at the end of June — when he would be able to speak more freely — but might take a holiday first.

He had no definite plans at present. He might do some writing or go into the commercial field and put what he had been preaching into practice. He would continue to work in the interests of the

# Officials did nothing — Roelofse

Staff Reporter

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

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

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

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

Affairs, Mr. Hennie Smit.

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

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

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

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

## DIFFICULT

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

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

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

RDM 16/5/75

# Public's price guardian has nothing to say

Staff Reporter

THE PUBLIC'S "watchdog" over agricultural prices, who has been specially appointed by the Minister of Agriculture to look after consumers' interests, refused to talk about himself, his job or the price of farm products.

"I have absolutely nothing to say," was the repeated refrain yesterday of Mr J. H. Basson, chairman of the Consumers Advisory Committee, a panel of "consumer expert" appointed by the Minister to advise on agricultural prices, when approached for an interview.

"In particular, I don't think I should talk to the Rand Daily Mail which is a Bantu newspaper," he said.

In addition to chairing the 16-member Consumers Advisory Committee, Mr Basson is one of two consumer representatives appointed from the committee to serve on the Milk Control Board and on the Deciduous Fruit Board.

He had been approached for an interview in view of the growing concern by

consumer organisations, trade unions and the buying public generally with price rises of key agricultural products, particularly milk and maize.

However, Mr Basson, who also serves on the Johannesburg and Pretoria area committees of the Milk Board, refused to talk about his attitude toward the recently announced milk price increases.

He also refused to allow his photograph to be taken or to talk about his own background.

"It was put to him that his reference to the Rand Daily Mail as a 'Bantu newspaper' was intended to be derogatory and displayed political prejudice unbecoming of an official in a responsible position put there to serve the interests of the buying public."

Mr Basson denied he had any "political views" or that he was being derogatory in referring to the Rand Daily Mail as a "Bantu newspaper."

"What's wrong with the Bantu? What's wrong with being a Bantu newspaper?" he rejoined.

**INTERFERING**

● He had worked for his last committee. Few committee members could resist interfering in administration and some expected their executive officer to do the impossible work in a controversial field without kickbacks or controversy.

● His job had been to look after the consumer's interests — "whether his name was Van der Merwe, Cohen or Mahlangu"

● "Anything that's worth doing is worth doing openly. Frankness is essential to obtain wide public support and to establish credibility.

● "So many untoward things have found their origin in a lack of authoritative comment, that it has become a public reflex to think that there must be something 'funny' on the go."

● "A consumer movement must always be militant. There is a time to be polite, to be direct, and to fight. That is my philosophy."

**STANDSTILL**

● The council had brought the encyclopaedia trade, in what was once known as the "sucker market" of the world, to a standstill

● Among other things, I threatened to make available to American congressmen some of my records of exploitation of poor Black people that worked beautifully"

● The Press had been the most important factor in the defence of the consumer.

● Not all action necessary to protect consumers could be taken without offence to Governmental tradition. "It is high time some of these traditions were offended — publicly and openly."

● "There are still far too many things settled in closed interviews between civil servants and commerce"

● "Although he was theoretically the top consumer representative, he was neither consulted nor given the chance to ask questions about the milk price increase"

# Roelofse: 'Let public know why I resigned'

STAR 16/5/75

Pretoria Bureau

Mr Eugene Roelofse, ex-director of the SA Co-ordinating Consumer Council, today made an "urgent and sincere appeal to the council to "immediately" make public the reasons for his resignation.

"The council is placing me in an impossible position I cannot resist pressure to disclose the reason for my resignation any longer.

"It is a matter of great importance to the public and unless Professor J L Weyers (the council chairman) speaks immediately I will be forced to do so myself"

Mr Roelofse said he could not yet set a deadline for a reply from the council to his "final public call." Professor Weyers was not available today.

**AWKWARD**

Mr Roelofse said the reasons should be made public "without any trimmings." Disclosure might be awkward for the council, but it was their duty to the public, Press and Government.

In a wide-ranging interview, Mr Roelofse made a number of statements:

● "The Consumer Council has unquestionably been well-intentioned, but in too many cases has been swayed by the demands of caution and politeness."

● "Consumerism is a very new thing—perhaps I wanted to accomplish things too quickly. Perhaps this was the cause of our divergence of opinion."

● "The only successes the council achieved were . . . where we went in and grabbed the bull by the horns?"

# The 'tannies' who keep a watchful eye on farmers

RJM  
1/13/15

**SOUTH AFRICAN farmers** tend to get depressed by disease, drought, flood, inadequate agterstok, and voorskots, and rugby Test defects. Somewhere on this list of negatives the Consumers' Advisory Committee should also figure.

For this is the panel of 16 people appointed by the Minister of Agriculture in terms of the Marketing Act to "represent the consumers of (agricultural) products" or the various agricultural control boards. Just how effective they are is difficult to judge, because they seldom ever command the public's attention, not being "allowed" to talk to the Press, and the committee's annual report tabled in Parliament makes about as much splash as a pebble tossed into Table Bay.

Judging by recent rises in the prices of milk, mearies, eggs, bread, etc., some might feel that their track record in guarding the interests of consumers leaves something to be desired.

This, however, may not be so much their fault as the fact that their function is purely advisory. Most members of the committee will tell you they consider their presence on the control boards (they are dispersed among 12 of the boards) to be useful, few claim to be really effective and one or two feel that in general the consumers' representatives are "pretty ineffectual."

● Little known to the general public are 16 people specially appointed to represent the country's consumers on the various agricultural control boards. Who are they and how effective are they? **JOHN IMRIE** reports.

Only one woman claimed actually to have limited price rises. "On quite a number of occasions, when the producers pressed for higher prices, I proposed a lower price rise and this was accepted," she said. More general was the view that the mere presence of the consumers' representatives on the boards was a restraining or disciplining factor on the producers.

"They know we are there and so they must justify what they ask for," was a point frequently made by committee members. "Our presence is necessary because, although we have no effective vote, our views are intimated and they do reach the Minister," was another point made. The committee members are chosen from names submitted by organisations which the Minister recognises as "representative of consumers."

Judging by the composition of the present committee those most favourably viewed are the women's agricultural unions (now cultural and educational bodies, no longer agricultural), the Public Servants' Association and the United Municipal Executive (which must nominate two representatives). Black consumers are not

represented, nor is the Trade Union Council of South Africa, the biggest trade union group in the country. There was a time when members of the committee had an image of being elderly "tannies" but in recent years there appears to have been an effort to improve the committee's quality.

An impression I got from several members to whom I spoke was that while they were courteous, they nevertheless felt that the producers were "tolerating" them and would really like to get rid of them altogether.

Not as bad as the rinderpest, perhaps, or an eclipse at Ellis Park, but evidently annoying to some degree to the farmers' representatives. A commission of inquiry is now examining the whole Marketing Act, including the composition of the control boards, and the long-term fate of the consumers' representatives remains to be seen.

The present Consumers' Advisory Committee is chaired by Mr. J. H. Basson, who has had a long association with the Government in his capacity as former general secretary of the Public Servants' Association.

As reported yesterday, Mr. Basson does not like talking to the Rand Daily Mail and refused to be interviewed.

The following are the names of the 16 members of the committee and the boards on which they represent consumers. Asterisks denote members who serve on more than one board.

**MILK BOARD:** Mr. Basson\*, Mrs. Berrice du Plessis, wife of a former Administrator of the Cape. **MEAT BOARD:** Mrs. A. C. Meyer\*, of Westering Port, Elizabeth, national chairman of the South African National Consumers' Association; Mrs. O. Smit\*, of Westville, North, Durban; member of the Natalse Christelike Vrouevereniging; Mr. J. J. C. Kok, attorney and long-time (30 years) Mayor of Edenburg in the Free State, whose name was submitted to the Minister by the United Municipal Executive, of which Mr. Kok is a past president.

**MAIZE BOARD:** Mrs. J. Druckman\* of Parys, housewife and member of the Oranje Vrouevereniging; Mr. R. H. Landman, general secretary of the Public Servants' Association, before that manager of the Klerksdorp Mines Benefit Fund.

**WHEAT BOARD:** Mrs. Druckman. There is a vacancy.

**DRIED FRUIT BOARD:** Mr. G. J. van der Merwe, of Stellenbosch, business woman and member of the Stellenbosch Afrikaanse Sakekamer. Recently appointed.

**POTATO BOARD:** Mrs. Smit, of Durban; Mrs. Meyer, of Port Elizabeth.

**OILSEEDS CONTROL BOARD:** Mrs. Hattie Martins, of Waterkloof, Pretoria, president of the South African Women's Agricultural Union.

**BANANA CONTROL BOARD:** Mrs. B. Hirtzel, of Waterkloof, Pretoria, noted home economist and dietary expert and official of the SA National Consumers' Union.

**DECIDUOUS FRUIT BOARD:** Mr. Basson.

**EGG CONTROL BOARD:** Mrs. A. Hugo, of Sarel Cilliers Street, Kroonstad, vice-president of the SA Women's Agricultural Union and president of the Free State Women's Agricultural Union; Mrs. du Plessis, of Stellenbosch.

**CITRUS BOARD:** Mrs. E. Cochrane, of Clark Road, Durban, former president of the National Council of Women, and for six years the only English-speaking committee member; Mr. J. H. Liebenberg, of Pretoria, former president of the Railway Artisan Staff Association — he has had more than 20 years service on the Citrus Board.

**DAIRY BOARD:** Mrs. Martins; Mrs. M. de V. Hoogenhout, Mayor of Vereeniging, nominated by the United Municipal Executive. Two other members of the Consumers' Advisory Committee not serving on

# 10 queries by Roelofse

**STARTLING allegations about the workings of South Africa's top consumer body — including suggestions of racial bias and attempts to mislead the Press — have emerged in a series of questions posed by its director, Mr Eugene Roelofse.**

Mr Roelofse, who has resigned from the South African Co-ordinating Consumer Council, a government-sponsored organisation, has put 10 questions to the council's chairman, Professor J. L. Weyers.

**They form the latest development in a row which has blown up since the disclosure in the SUNDAY TIMES last week of Mr Roelofse's surprise resignation.**

In a subsequent rapid series of events this week:

- Mr Roelofse said he had resigned because he did not enjoy the full support of his council on the methods he had used to protect Blacks from exploitation by White traders, alleged that officials in government departments had done nothing to assist him and revealed that he had sent a memorandum on the exploitation of Blacks to the Deputy Minister of Bantu Administration, Mr Punt Janson, and the Deputy Minister of Co-ordinated Affairs, Mr Henne

- Mr Janson refused to disclose the contents of the memorandum
- The council's executive committee met in Pretoria on Wednesday against a background of growing support from both the public and trade unions

Weyers said that, as chairman of the council, he was "not answerable to Mr Roelofse, but to the Minister of Economic Affairs and to the consumers of South Africa"

Mr Roelofse, who now terms himself a "director in exile", "put the following questions to Professor Weyers from his home in Johannesburg

- Did I ever complain that I was told by a council member that I was making too much of the problems of "Kaffirs and Hottentots."

- Was I ever told that it was my own fault, as I could overcome such situations by not referring to Blacks and Coloureds but simply to "lower income groups," and that this would prevent awkward situations?

- Was I ever told that I was wasting my time by helping individual Black victims of hire-purchase exploitation to recover their illegally repossessed furniture, that my efforts

- would be of greater value if I put the details of such cases into a memorandum for discussion with Assoc-

- Did a member of the council ever complain to Professor Weyers about my disclosures in a speech about credit racketeering by certain financial institutions and furniture stores against Coloureds in the Western Cape?

## Toned down

- If the answer is "yes", who was this member and what organisations does he represent? Was I told to be more tactful in future and that my actions could harm good relations between commerce and the council and lead to the council's grant being affected?

- Was I instructed to refrain from discussing instances of exploitation of Coloured people with the Press "until the political situation had improved?"

If so, on whose suggestion was this decision made, and did any members of the council object?

- Was I free to criticise the Price Controller for the manner in which price control was being applied? If not, why and on whose instructions?

- Was I free to criticise the Minister of Agriculture for the way in which food prices were escalating. If not, why?

- Was it ever suggested that I should give misleading information to the Press?

- Was I ever told that members of the council had met important people at cocktail parties who were upset about me; that I should tone things down, otherwise it might affect our Government grant? Who were these important people?

Professor Weyers said yesterday that he was "not prepared to answer any of these questions."

Among the causes of Mr Roelofse's resignation were the council meeting following a recent speech by Mr Joep Steyn, the Price Controller, and another meeting on inflation.



Mr Eugene Roelofse, "director in exile", asking questions from his Johannesburg home.



# GET OUT, PRICES

# WATCHDOG' TOLD

By DEREK  
TAYLOR

## Former Nat MP takes over Consumer Council

SOUTH AFRICA'S top consumer watchdog, Mr Eugene Roelofse, has been replaced as director of the Government-appointed Co-ordinating Consumer Council by a former Nationalist MP, Mr C. J. Reinecke.

Mr Roelofse has been ordered to take immediate indefinite leave from his office, after his sudden resignation in protest over lack of official support for his fight against unscrupulous businessmen who exploit Black consumers

### Public duty

Yesterday, Mr Roelofse called on the chairman of the Consumer Council, Professor Leon Weyers, to make public the full reasons for his resignation.

He said the council

also had a public duty to disclose the details of a memorandum on Black consumer exploitation which Mr Roelofse prepared and sent to two Deputy Ministers

### 'Speak out'

"I have made an urgent and sincere appeal to Professor Weyers to speak out now," said Mr Roelofse

"Although I am now the council's director-in-exile, you might say, I am still employed by it and therefore not free to make these full disclosures

"Either he speaks or I will, as soon as I am free to do so," Mr Roelofse said

Mr Roelofse's four years as director of the Consumer Council earned him a national reputation as a vigorous crusader on behalf of

consumers' interests

His resignation in protest is a continuation of a three year campaign to get official action against "the shocking exploitation of defenceless, easily gulled Black consumers by traders in many areas of commerce"

"This a crying problem which constitutes a terrible indictment of our present system," he said

### No response

Mr Roelofse prepared a memorandum of particulars on Black exploitation by unscrupulous businessman and, six months ago, sent copies of it to Mr Punt Janson, Deputy Minister of Bantu Administration and Mr Henne Smit, Deputy Minister of Coloured Relations.

"There has been no

response," Mr Roelofse said.

"I have made it plain in the past that the worst two sectors in this exploitation are the secondhand car trade and the furniture trade. I think the full details should now be made public," he said.

"We are moving into troubled times and it is more than ever essential to ensure fair trading as an aid to stable race relations. Why is there no official urgency over this?"

Mr Roelofse said the draft Bill for improved small debt collection, now tabled in the House of Assembly, summed up certain official attitudes.

"The committee of inquiry into this vast problem of debt did not, for instance, consult me or the council.

"Why not? With bad debts running at estimated rate of R120 million a year, this surely involves consumer interests and protection

"The Bill recommends simpler methods of recovering small debts and weekend jail for defaulters. Why does it not recommend more efficient ways of prosecuting dishonest traders and putting them in jail?"

### Confirmed

Professor Weyers confirmed yesterday that Mr Roelofse had been ordered to go on leave until his resignation becomes effective in June and that Mr Reinecke, the former Nationalist MP and member of the council, had been appointed acting director

"Mr Roelofse's resignation was accepted unanimously by the council which will continue to serve the highest interests of the consumer," he said

### Confidential

Commenting on Mr Roelofse's appeal for the disclosure of the full reasons for his resignation and the details of his memorandum on Black exploitation, Professor Weyers said

"I feel only the person involved can know every aspect of the reasons for resignation and it seems to me that Mr Roelofse has already made a number of statements on this to the Press

"As for the memorandum to the Deputy Ministers, this is a confidential document and must remain so"

# Secret memo alleges HP

By FLEUR  
DE VILLIERS

Jun Times  
18/5/75

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## exploitation

**SHOCKING disclosures of the exploitation of Black and Coloured consumers are contained in a secret memorandum to the Deputy Minister of Coloured Affairs and of Bantu Administration from Mr Eugene Roelofse, who has resigned as director of the South African Coordinating Consumer Council.**

The memorandum which Mr Roelofse refused to disclose to the Press but challenged the council to make public has come into the possession of the SUNDAY TIMES from another source.

The document alleges that

there are clear cases of serious exploitation of Black consumers which are damaging race relations. The allegations include:

- The credit system is being abused to the detriment of "unsophisticated" people.

### Banks

- Some furniture traders, certain aspects of the motor trade and even some "well-known commercial banks are taking part in activities to the detriment of the Black consumer."
- Some White furniture dealers estimate that a family with an income of R95 a month can pay up to R30 on hire-purchase

agreements.

- Some furniture dealers and commercial banks had usurped the power to repossess partly paid-for goods without an application for a court order.
- Summary recovery of the furniture did not necessarily take place in the presence of the buyer, and it was alleged that some dealers had broken into houses to repossess goods.
- Africans complained that neither the police nor the Department of Bantu Administration were prepared to help them, and one had asked why the police and the department were strong enough to act against the Black man but

too weak when it came to taking action against Whites

- Certain motor dealers sold cars to Blacks knowing that roadworthy certificates would not be issued before costly repairs were done.

### Examples

- Some garages in Cape Town had an agreement with certain financial institutions to lend purchasers their deposits.
  - Some furniture stores sold goods to Coloureds at higher than normal prices.
- The document gives the example of a Coloured domestic servant, Lettie Williams, who bought furniture for R422. Her payments were R16 a month. Her income was R15. When she had paid R70

the furniture was repossessed without a court order and apparently resold. Another Coloured, with an income of R80 a month, was sold furniture to the value of R1288. A Coloured constable, William Fisher, with an income of R109 a month, bought goods for R900 from a Cape furniture company. A leading South African firm sold him goods for R150, a credit company lent him R400, and a commercial bank discounted a hire-purchase agreement on a car for R1500.

His combined debt was R3000 and his monthly payments R155 — R46 more than his monthly salary.

The memorandum alleges that the exploitation of unsophisticated African and Coloured consumers is creating racial mistrust in the same way as the exploitation of one White group by another in the 30s contributed to racial ill-feeling.

South African Co-ordinating Consumer Council

\*12 Mr H. A. VAN HOOGSTRAATEN asked the Minister of Economic Affairs,

- (1) What are the functions of the South African Co-ordinating Consumer Council,
- (2) whether he has received any representations about the manner in which the functions of the Council are carried out, if so, what representations,
- (3) whether an appointment has been made to fill the vacancy caused by the resignation of the former Director of the Council, if so, (a) what is (i) the name of the person appointed and (ii) his background in public life and (b) what are his qualifications,

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- (4) whether he will make a statement on the matter.

†The MINISTER OF ECONOMIC AFFAIRS (Reply laid upon Table with leave of House)

- (1) The objects of the Council are to pursue and to promote the interests of the consumer in the Republic of South Africa and to take appropriate action in the pursuit of these objects through (a) information, (b) negotiation, (c) representation, and (d) any other lawful means. The functions of the Council are:
  - (i) To formulate the policy which it shall adopt with a view to achieving its objects
  - (ii) To utilize, in close co-operation with the South African National Consumer Union and all existing organizations providing information to the consumer, all available media of communication so as to give guidance and advice to the consumer, and to create channels of information in cases where this should be deemed necessary
  - (iii) To submit representations to, and to offer advice to commerce and industry with a view to securing the adoption of measures in the interest of the consumer
  - (iv) To submit representations to, or to offer advice to the appropriate authorities in regard to the exercise, in the interest of the consumer, of powers already conferred on them by legislation, and in regard to the need for new legislation or amendments of existing legislation
  - (v) To secure representation of the consumer's viewpoint at national levels and adequate representation of the consumer on appropriate organizations.
  - (vi) To promote the co-ordination of the activities of all bodies serving the consumer
  - (vii) To maintain contact with consumer movements outside South Africa

- (viii) To perform all such other duties and functions as may promote its objectives

- (2) No
- (3) No
- (3) (a) (i) and (ii) and (3) (b) Fall away.
- (4) The annual reports of the Council are tabled by me in this House from time to time. These reports contain details of the Council's activities during each year. The Council's report for its 1974/75 financial year will be tabled during the next session of Parliament. As regards the filling of the vacant post of Director of the Council I wish to point out that the Council itself appoints its own staff without any interference from the side of the Government. The Council will, no doubt, in due course decide on the filling of the present vacancy of Director

HANSARD

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**Resignation of Director of Consumer  
Council**

The MINISTER OF ECONOMIC AFFAIRS replied to Question \*9, by Mr. R. E. ENTHOVEN.

**Question:**

Whether the Director of the Consumer Council has resigned; if so, (a) on what date did he (i) resign and (ii) relinquish his post and, (b) what reasons were given by him for his resignation

**Reply:**

(1) Yes.

(1) (a) (i) 9 May 1975  
(ii) The Director will vacate the post on 30 June 1975 but is on leave from 15 May 1975 to 30 June 1975.

(b) In a letter which the Director addressed to the Council on 9 May 1975, and of which a copy has been made available to me by the Council, the Director

stated that he had decided to resign because there were fundamental differences of approach between the Council and himself which could not be reconciled

Mr H H SCHWARZ Arising out of the hon the Minister's reply, do the circumstances relating to the resignation in his opinion warrant an inquiry into the activities of this Council?

†The MINISTER The reply to that is "no"

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# Concerning the consumer

The resignation of Eugene Roelofse prompts the thought that the Consumer Council should be made more accountable, perhaps more representative and more autonomous

The SA Co-ordinating Consumer Council has a record of solid achievement. Its attempts to educate the consumer and expose commercial malpractice have at times been like lighthouses preventing the capitalist ship from foundering on the rocks of misrepresentation, greed and dishonesty.

The resignation of its director, Eugene Roelofse, is therefore unfortunate. He was an ardent champion of the consumer and his probing investigation into trading abuses often earned him the gratitude of buyers — and the wrath of sellers.

Many in business would disagree with his sometimes rather naive stance against profits, and certainly many of his associates found his militancy and aggressiveness a little unnerving at times, especially when it was based on incomplete knowledge. He has also been accused of failing to win the confidence and full co-operation of organised commerce, which itself has an interest in stamping out abuses. How far this prejudiced his chances of survival is an interesting question.

By and large, though, even his worst enemies would have to concede that, whatever his failings, his achievements on behalf of the consumer were not inconsiderable.

What is perhaps more unfortunate than the resignation itself, however, is the air of suspicion surrounding it. Precisely why Roelofse resigned is still not clear. The Council refuses to explain beyond quoting from the letter of resignation which mentioned "fundamental and irreconcilable differences of approach" between the Council and Roelofse.

## Suspicion

Roelofse will not be drawn either, though he says an examination of the record of recent Council and executive committee meetings would make the reasons obvious. But that record is private.

The general suspicion is that Roelofse led to get the backing of the Council certain of his more recent attempts to expose and put right what he regarded — rightly or wrongly — as commercial malpractices, particularly concerning

exploitation of Black consumers. The suggestion is that the investigations were embarrassing government and were therefore hushed up.

The Council is completely dependent on government for its funds; its members are chosen by government (one from the Department of Commerce, another from the SA Bureau of Standards, and seven from a panel of names put up by the SA National Consumer Union) and it reports to the Minister of Economic Affairs.

The *FM* visited the Council's headquarters this week and found it to be a hive of activity.

Asked how independent the Council really was, chairman Prof Leon Weyers replied: "This ties up with the old saying 'the piper calls the tune'. In that sense I suppose one couldn't say we are independent."

"But as far as our functioning is concerned, we are autonomous, and I am prepared to state, most emphatically, that we have never been interfered with by the government." Council member Sarel Reinecke, a former National Party MP, concurred.

This is reassuring. Yet the possibility remains that political and other pressures *could* be exerted on the Council. Consumers should perhaps respond to Roelofse's resignation, therefore, by asking themselves whether the constitution and composition of the Council should not be changed to safeguard it from any possible interference in the

future.

Three improvements spring readily to mind.

● The first concerns accountability. The Council publishes an annual report which is tabled in Parliament and it conducts symposia where it reports its latest ideas. But the consumer should be provided with something more frequent as well.

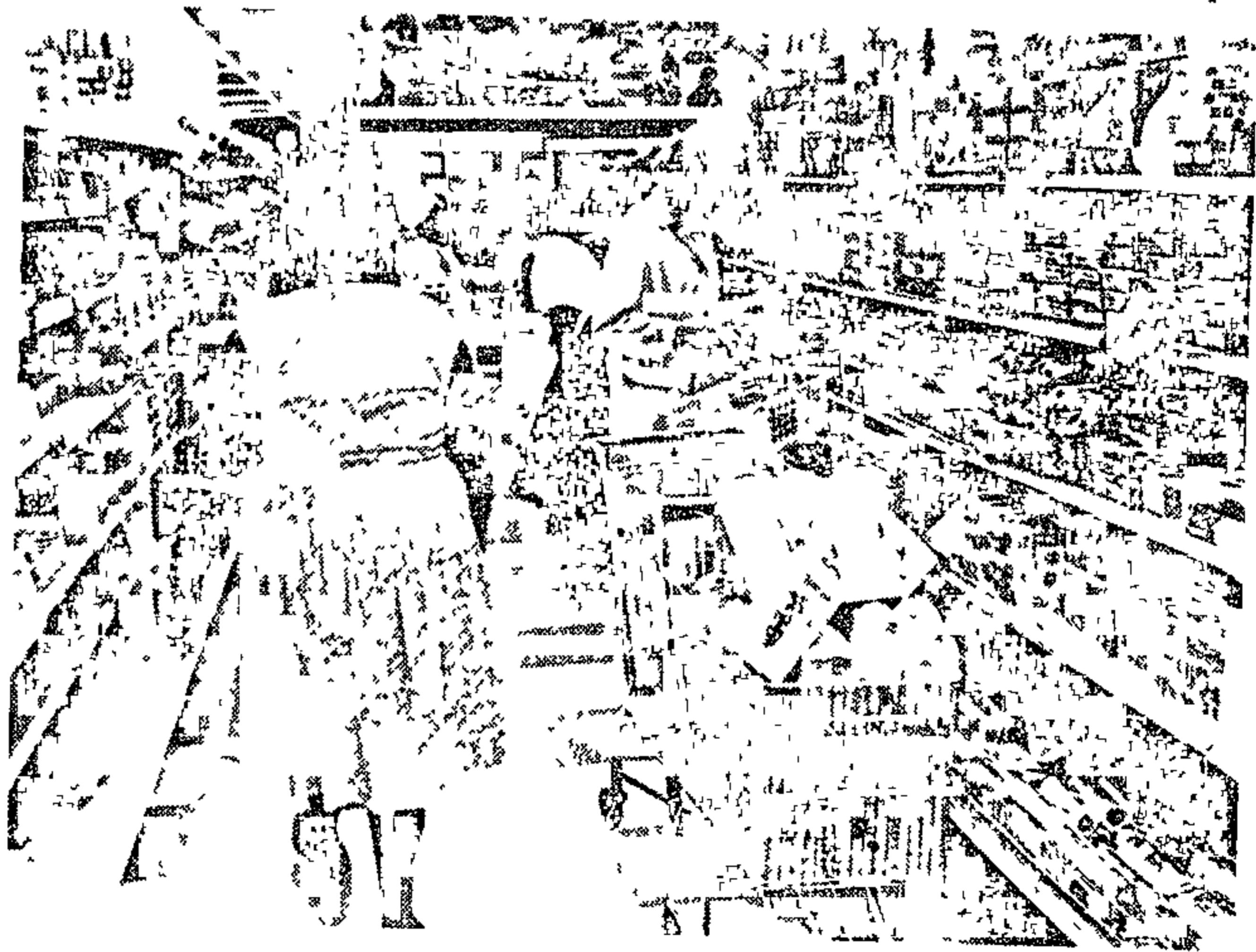
## Open sessions

The best way to achieve this, it seems, would be to throw open Council meetings to the public, or at least to make the record available to the Press. Internal administrative matters could still be discussed privately, but all policy decisions and the debates surrounding them — which are, after all, matters of great public interest — would then be exposed to the public gaze.

And it would be quite clear who, if anyone, was yielding to outside political pressures.

● There is also the question of the composition of the Council. At present it is an all-White affair, although the majority of consumers are Black.

Reinecke says it has always been policy to help Africans and Coloureds with their problems. Weyers claims the Council has always seen itself as repre-



Consumers . . . don't put their problems on the shelf

nting all consumers

That may be But there is nothing bet-  
than actual representation to ensure  
at problems are not neglected or  
shed up because they might be politi-  
lly embarrassing

The appointment of Black members  
ould be a top priority

Weyers "If it were in line with  
ernment policy I *personally* would  
e no objection to having Black repre-  
tation on the Council. And I am  
are that other members of the Coun-  
feel the same way But as a Council  
accept that we function within the  
ns of government policy"

inally there is the problem that  
ernment itself chooses the Council's  
mbers Surely consumer sovereignty  
ould be granted more ascendancy

### Roelofse . . . the buyer's cham- pion



than that? The hiring or firing of Coun-  
cil members is something neither  
government nor producers nor any  
others involved in selling goods and ser-  
vices should have anything to do with.  
This should be left entirely to represen-  
tatives of the consumer — Black and  
White

Parliament, as paymaster, should  
confine itself solely to making sure that  
taxpayers' money is not misused by the  
Council

These suggestions, if implemented,  
would make the Council more account-  
able to the consumer, more representa-  
tive and more autonomous

They would go a fairly considerable  
way towards dispelling any misgivings  
that the Council listens to His Master's  
Voice.

STAR 23/5/75

# Housewives throughout South Africa have declared war on high prices. Their first move, put into effect today, is "organised resistance" to buying milk and meat.

Even as the resistance campaign got under way it was announced that the price of coal would go up today by 3.5 percent.

This will cost the average consumer an extra R14 million a year.

In addition, it was revealed that the price of living room air conditioning rose 14 percent in the 12 months that ended in April, the highest increase since that ended in April.

Ms Hope Hughes, national president of the consumer movement, appealed to women not to buy milk today and not to buy meat for the next two months.

(See Page 20)

A national petition was also started to try to get school uniforms standardised in order to cut cost.

Just in case the "don't buy milk" campaign was flopping, most housewives did not seem to have heard of the campaign and when reporters showed morning deliveries were normal.

Spokesmen for large dairies said they would not be able to judge the effect of the campaign until late today.

One dairy said consumers were largely to blame for the high price of milk. It claimed many consumers did not return their milk bottle and this added to dairy costs.

As housewives stiffened their resistance to rising prices, a battery of new cost increases were poised to come into effect.

● The price of margarine is expected to go up early in June.

● The price of petrol will rise soon—possibly by 16c a litre.

● Cost increases are expected for peanut butter, cheese and fish.

These are in addition to recent price increases which include:

● Milk up by 5c a litre.

● Cooking oil up by 12c for 750 ml.

● Soft drinks up by 1c a bottle.

These increases all came into effect this month.

Other increases this year pushed up the prices of maize, oil seeds, cigarettes, petrol, telephone calls and installations, fertiliser,

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STAR 24/5/75

(208)

# to hit

The embattled Consumer Co-ordinating Council is to take legal advice "in connection with vehement attacks from certain sources and certain newspapers," and the publication of its confidential minutes by some newspapers.

As the council announced this today, controversy continued to grow over its role and over the escalating cost of living. The country was warned there might be a coal price increase over and above the 35 percent increase announced yesterday.

The council's move to take legal advice follows the resignation of its director, Mr Eugene Roelofse, and the publication of its confidential minutes in some Afrikaans newspapers.

In a statement today it said "further information" had reached its head office in connection with the attacks upon it and counsel would receive instructions on Monday.

## Controversy

As the country reeled from increases in the cost of living, an explosive controversy continued over prices and over the role of the South African Co-ordinating Consumer Council and the Government's price control mechanism.

Mr Dick Enthoven, Reform Party MP for Randburg, has called for a full inquiry into the role of the Co-ordinating Consumer Council.

Mr Joep Steyn, Secretary for Commerce and Price Controller, reportedly angry at publicity reflecting adversely on himself and his staff, is understood to be considering revealing the entire background of Mr Roelofse's resignation.

## Query on Blacks and HP

Pretoria Bureau

The executive director of the Federated Chamber of Industries, Dr H J J Reynders, last night called on credit managers to reconsider the whole question of hire purchase and Blacks.

Dr Reynders, speaking to the Pretoria branch of the South African Institute of Credit Managers, posed a number of searching questions concerning credit and "race relations politics."

He warned that certain races could consider other race groups were "exploiters" because of the ruthless action of some business managements.

### QUESTIONS

Among the questions posed by Dr Reynders were

● Whether the circumstances of Blacks were taken enough into account during the formulation of legislation to protect the consumer, the hire purchase act, for example.

● Whether it was adequate that the law required HP and other credit contracts to be in English and Afrikaans only.

● Whether an HP or credit contract should be

The executive director of the Associated Chambers of Commerce, Mr Raymond Parsons, laid part of the blame for the "persistent" increase in food costs at the door of the Marketing Act and the agricultural control boards. He pointed out that producers had a mandatory majority on the boards and set the prices of their own primary products.

## Hint

Housewives organising "resistance" to buying milk and meat are planning to step up their campaign.

The hint of another increase in the coal price was given by Dr H J J Reynders, executive director of the Federated Chamber of Industries, as consumer outrage at rising prices swept the country and people braced themselves for further price increases.

one party was illiterate  
● Whether a consumer council could really protect and represent the Blacks without having a single Black member  
He called on credit managers to be thorough in their judging of a potential customer's credit-worthiness. This would save the client and eventually the business, from serious problems



*Sunday Express 28/5/75*

MR EUGENE ROELOFSE, the man who quit as director of the Consumer Council in disgust two weeks ago, told me yesterday how he had drawn up a "shocking report" of consumer exploitation in the Pretoria-Witwatersrand area — but the council had refused to let him make it public.

He said this was the last straw in a long history of "pussyfooting" by the council, which is supposed to be the official watchdog for protecting the public against exploitation.

According to Mr Roelofse the council shrank from taking a strong line because it was afraid of offending the Price Controller, Mr Joep Steyn, who controls its annual Government grant.

Mr Steyn has denied that consumers are being exploited.

Mr Roelofse, who now calls himself director-in-exile of the Consumer Council, told me yesterday: "I drew up this report, revealing a shocking state of affairs, after doing extensive research.

"I appealed to the council for permission to release it publicly. But I have been prevented from doing so; all along they have taken the line that the council wants to discuss it with the Price Controller."

"It was made clear to me that at all costs the council wanted to avoid upsetting Mr Steyn."

Meanwhile I also confirmed yesterday that the contents of a document — published on Friday in an Afrikaans newspaper — were indeed the secret minutes of a Consumer Council meeting last month at which Mr Roelofse clashed with his colleagues over Mr Steyn.

This meeting was one of

**WA**

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## EXPRESS REPORTER

the things that caused Mr Roelofse to resign.

The meeting discussed a Press statement by Mr Steyn denying that consumers were being exploited in any way.

It is evident from the minutes that members of the council disagreed with Mr Steyn's statement.

But they backpedalled on the issue for fear of offending Mr Steyn, which they thought would endanger the council's grant and prejudice plans to lobby for the establishment of a fullblown Department of Consumerism.

### Reports

From the minutes it is also clear that members of the council even considered throwing doubt on the veracity of the Press's reporting of Mr Steyn, so as to "pass the buck" and avoid the issue.

Mr Roelofse says there are four documents concerned in his resignation.

● His own report on consumer exploitation in the Pretoria-Witwatersrand area, which the council gagged;

● The minutes of the council meeting;

● Minutes of another meeting on inflation between the council and the SA Consumer Union, and

● A report to the Deputy Minister of Bantu Administration on the explosive situation building up as a result of the exploitation of Blacks.

Of the meeting on inflation, Mr Roelofse said he was "so shattered" by the line taken that he had recorded the discussions and presented the minutes to the chairman, Professor L. Weyers, who had not been present at the meeting.

"I asked him if they were indicative of the thinking, the attitudes and the approach of the council for which I was working. He refused to discuss the matter."

Mr Roelofse said he could not at present disclose the nature of the discussions, but believed it was important the country should know what a consumer protection body, for which it was footing the bill, was thinking.

### Complaints

Commenting on a statement in Parliament that his council had made only 36 complaints about price exploitation to Mr Steyn's department since 1973, Mr Roelofse said that in fact many more had been made.

Many were made by telephone and numbers of people who had telephoned the council to complain about overcharging had been referred direct to Mr Steyn's department.

Summing up, Mr Roelofse said reports had been published that he had been called to appear before the council on a disciplinary basis.

"I know nothing of this," he said, "but I would welcome it. The fat is really in the fire now and the full story will have to come out."

"If necessary I shall challenge Mr Steyn to a public debate."

"These things must be placed before the housewife and the man in the street for them to decide if they are getting value as taxpayers, from the price control organisation for which they were paying."

## Housewives will fight on

THE South African Housewives' League will intensify its campaign against rising prices despite claims by Johannesburg dairymen that Friday's milk resistance protest had no effect on sales.

Mrs Hope Hughes, chairman of the league, said yesterday her organisation would definitely extend its activities to other consumer products. "Attention of the authorities must be drawn of the plight of the housewife."

● See Page 7

# Pryse-baas kap

## Roelofsse terug

*Respect 25/5/75 248*

MNR. JOEP STEYN, pryskontroleur en hooffiguur in die twis wat opgekook het oor beweerde uitbuitery van die koperpubliek, het gisteraand in 'n spesiale verklaring sy hande in onskuld gewas.

*In die verklaring, wat hy as Sekretaris van Handel uitgereik het, sê hy*

„Berigte het die afgelope week verskyn wat die indruk wek dat ek aanleiding gegee het tot die bedanking van die direkteur van die SA Verbruikerstraat, mnr Eugene Roelofsse

„Ek wil dit onomwonde stel dat hierdie berigte, asook die verdagmakery teen die raad en teen my as Pryscontroleur, wat deur sekere uitlatinge van die direkteur in sy onderhoud met die pers ontken is, „Die raad is in groot mate op my insiatief gestig om die verbruiker se belange te beskerm Ek het die volste vertroue in die raad en glo dat hy uitstekende werk ten bate van die verbruikers verrig.”

Hy keur „die direkteur se pogings om met sy openbare uitlatinge die raad by die verbruikers onder verdenking te plaas,” ten sterkste af

„Die raad kan net in sy doelstellinge slaag omdat hy

uit verteenwoordigers van die belangrikste verbruikersorganisasies bestaan, sowel as verteenwoordigers van die georganiseerde handel en nywerheid.

Die samewerking en volgehoue goedgesindheid van laasgenoemdes is volstrekt onontbeerlik vir die welslae van die raad se poginge om verbruikers se belange te beskerm

„'n Tyd gelede het verteenwoordigers van die georganiseerde handel en nywerheid my in Pretoria kom spreek en misnoe te kenne gegee oor die wyse waarop die direkteur hom in die openbaar uitgelat het oor beweerde grootskepe uitbuiting van die publiek deur nyweraars, handelaars en dienstebedrywe”

Hulle het geen beswaar teen gegronde kritiek van die direkteur nie, maar maak wel beswaar teen sy skerp uitlatinge „wat in baie gevalle nie op bewese getuens en feite gegrond was nie”

„Hulle het aan my gesê dat, indien hul voortgesette

„samewerking nog as wenslik vir die raad se doeltreffende funksionering beskou word, dit nodig sou wees dat die direkteur sy beskuldigings teen private ondernemers, veral handelaars, oor die beweerde grootskepe uitbuiting van die publiek in meer gematigde taal giet, en hom nie aan algemeendhede skuldig maak nie.”

Na oorleg met die Minister en die Adjunk-sekretaris wat sy departement in die raad verteenwoordig, het hy die direkteur gevra om nie so te maak dat hy die handel en die nywerheid vervreem nie.

### Nie-milband

Hy wou die direkteur nie milband nie. Hy wou goeie verhoudinge en die samewerking van alle groepe in die raad verseker.

Mnr. Steyn ontken dat hy die direkteur se stellinge in verband met grootskepe uitbuiting as onsin besempel het Hy het „die saak” nie

met hom bespreek of sulke woorde gebruik nie.

„Na ek verneem, het die direkteur sy aantyginge teen my gebaseer op my toespraak in Maart op 'n vergadering van die Hottentots-Hollandse Afrikaanse Sakekamer. Ek het onder meer gesê dat die kritiek wat ek so dikwels in brieuwe van die verbruikers ontvang — dat ons handelaars almal 'n klomp uitbuiters is — net so ongegrond is as die stelling dat die Regering alleen vir die inflasieprobleem verantwoordelik is”

Hy het dit nie as kritiek teen die Verbruikersraad of die direkteur bedoel nie. Dit kan ook nie so vertolk word nie. „Ek verneem nou maar eers dat hulle daarteen beswaar gemaak het, hoewel hulle nooit hul besware met my bespreek het nie”

Mnr. Steyn sê dit is iedereen se goeie rêg om te verskil „Ek sou beslis ook nie, soos nou op uters onregver-

dige wyse in sekere berigte aangedui word, my amptelike posse skandalig misbruik het deur 'n vermindering van die staat se geldlike bystand aan die raad te bewerkstellig, omdat sekere lede van die raad, en die direkteur van die raad, nie my standpunt kan onderskryf dat nie alle handelaars in die land uitbuiters is nie”

Mnr. Steyn sê in sy onlangse toespraak in Bloemfontein, op die kongres van die Vrystaatsse Kamers van Koophandel, het hy sy standpunt gestel oor handelaars se aanspreeklikheid vir prysstygings en hul verantwoordelikhede jeens die verbruikers.

„Ek glo nie die direkteur of enige lid van die Verbruikerstraat, of verbruikers oor die land, kan gereverdigde kritiek inbring teen my standpunt in dié verband nie. Maar as hulle dit wil doen, kan hulle verseker wees dat ek hul standpunte volkome sal eerbiedig Dit is nie nodig dat hul standpunte op gemeenlike vergaderings gestel word waar ek nie teenwoordig is om my stening van die saak te verduidelik nie.”

# Steyn

Sun Times 25/5/75

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# denies

# 'muzzle'

SUNDAY TIMES REPORTER

**THE Price Controller and Secretary for Commerce, Mr Joep Steyn, has denied that he tried to muzzle Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council.**

This is the latest development in the controversy that has arisen since the resignation of South Africa's price "Watchdog".

Mr Steyn said that some time ago the representatives of organised commerce and industry had expressed their dismay to him about the manner in which Mr Roelofse had expressed himself in certain public statements about the alleged large-scale exploitation of the public by some manufacturers, dealers and other service establishments.

They objected to Mr Roelofse's rebukes, which in many cases "were not founded on substantive evidence and facts."

In a statement yesterday, Mr Steyn said he had given instructions for Mr Roelofse to be asked not to word his public statements and accusations against private entrepreneurs in such a manner as to estrange the co-operation and goodwill of organised commerce and industry.

Mr Steyn also denied that he had ever described Mr Roelofse's allegations about alleged exploitation of the public by dealers as "nonsense."

Mr Steyn said: "It is very unfair to suggest that I used my official position in such a scandalous manner as to try to achieve a reduction in the Government's financial contribution to the council's operations, merely because certain members of the council, and the director of the council, did not agree with my view that not all dealers in our country are exploiters of the public."

The chairman of the co-

ordinating Consumer Council, Professor Leon Weyers, said yesterday the council was not a complaints bureau, and its function was not to refer complaints to the Price Controller.

He said that in view of the distorted image being created of the council, a correct impression would now be given.

Mr Roelofse, last night told the SUNDAY TIMES: "I am astounded. My specific instructions were that I should not handle individual complaints by myself, but refer these complaints to the Price Controller."

"One of my basic duties was to refer complaints to the Secretary for Commerce or the Price Controller."

# I didn't leak secrets says ousted director

Sun Trib 25/5/76  
By PETER MASON (248)

MR EUGENE ROELOFSE, controversial "director-in-exile" of the embattled Coordinating Consumer Council, reacted angrily yesterday to suggestions that he might have leaked confidential minutes of council meetings to the Press and said: "I've got nothing to fear from an inquiry into these allegations."

His statement, made against a background of growing discontent among South African housewives over rising food prices, came in response to the announcement by the council's executive that it had called in its legal advisers to investigate "vehement attacks from certain

sources in certain newspapers".

The council's decision to take legal advice — announced in a telegram sent to the SUNDAY TRIBUNE by acting director, Mr C. J. "Sarel" Reinecke — follows the publication in the Afrikaans Press this week of what were claimed to be the confidential minutes of a Consumer Council meeting on inflation.

Mr Roelofse told me yesterday: "I have not been responsible for the safe-keeping of council documents since I left As far

as I'm concerned the man who took over from me (Mr Reinecke) automatically became responsible for running the office," and responsible for all such documents

He refused to comment on the implication that he might have been involved in what one newspaper report described as the "theft" of certain confidential council documents and their subsequent leak to the Press.

But, he said, it would have been extremely difficult for him to have re-

moved confidential documents from his fifth floor suite in the council's offices in the Bauhaus, in Pretoria's Andries Street, as "both Mr Reinecke and my chairman — Professor Leon Weyers — stood by my desk while I packed my things before leaving my office."

In another startling disclosure yesterday, Mr Reinecke, who took over from Mr Roelofse as acting director of the council after Mr Roelofse's surprise resignation three weeks ago, told me from his farm at Naboomspruit that the confidential document which was sent anonymously to a Johannesburg Afrikaans newspaper on Friday was "not an official minute of any consumer council meeting".

The document, which the newspaper claimed outlined the council's "numbing anxiety" about the role of the price controller Mr Joep Steyn, and the council's attempts to "mislead the Press", about the seriousness of the present inflationary economic situation, referred to matters which "were not discussed at any council meeting", Mr Reinecke told me.

# icles for og Sarel

Sum Trib 25/5/75  
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SAREL REINECKE was up at dawn today putting his prize herd of Afrikander and Simmental cattle through the dip on his Waterburg farm.

Yesterday morning he was up until 3am putting his newspaper, the Verwoerdburger, to bed.

Which leaves this 47-year-old former Nationalist MP, newspaper proprietor and part-time cattle and protea farmer precious little time to get on with the latest job in hand.

Mr C. J. "Sarel" Reinecke, one-time MP for Pretoria East, has just taken over as acting Director of the controversial Coordinating Consumer Council.

His job has been made no less controversial by the recent stormy resignation of his predecessor, Mr Eugene Roelofse, and certainly no easier by the fact that he has more than his fair share of full-time jobs which keep him busy for a good 12 of the 20 hours he somehow manages to squeeze into an average working day.

Consumerism to Sarel Reinecke is an old catchword dating back 15 years or so to the day when, as an MP and founding member of the National Consumer Union, he hoisted the banner of the fledgling consumer and waved it for all to see.

It took 10 years to get the Consumer Council, as it is presently constituted, off the ground and Sarel Reinecke is more than a little proud to have been part of that success.

"We've got a lot of work to do and I'm not going to let the problems of the past stand in the way of getting it done.

"Just look at the price of meat," he says, pulling from his drawer a thick file of questionnaire replies which shows there are quite a number of people outside the Consumer Council who really care about rising prices.

By PETER  
MASON

But he adds with a degree of caution which typifies a lifetime of farming on the Platteland: "These are not problems we can solve overnight, nor are they problems which can be overcome by shouting the odds at people.

"We don't expect miracles — and we don't expect people to ask for them either.

## Credit

"I started work as a messenger in a newspaper office," he says. "So I know what it's like to be the underdog."

And underdog is what he insists he still is — "just a servant of my council."

It has been said that the Consumer Council has to face eight million problems a day — that, in round figures, is the number of consumers whose interests the council tries to serve.

"But to me they are not problems — they're individuals whose welfare and interests we have at heart."

But in the short time he has been at the helm he has succeeded in streamlining the administration of the council's offices and brought about a dramatic increase in productivity.

## Underdog

"And then there's this milk price rise — we're not at all happy about that either, and we're right in the middle of an investigation.

"The easy availability of credit is another thing that worries us, partly because there are not enough control."

Perhaps one of the most unfortunate things about Sarel Reinecke's new job is that he's unlikely to be doing it for long. At his own request his name has not been put forward among the applicants being considered by council chairman Prof. Leon Weyers for the post of director.

For what he's up against  
Turn to Page 16

## NOW WOMEN DEMAND MEAT, MILK BOYCOTT

Tribune Reporter

THE Housewives' League yesterday called for a national boycott of meat and milk to protest against the rising cost of living.

National president Mrs Hope Hughes appealed to the public to go without meat on Tuesdays and Fridays and to boycott milk on Tuesday.

The league is also investigating how to bring

down the price of school uniforms and is to petition the Minister of Finance.

The last time the Housewives' League called for a milk boycott they were warned that this could lead to still higher milk prices.

But Mrs Hughes commented: "If the milk industry can't stand a protest like that then it must be in an even worse position than I thought."

# Women must come out of the kitchen says Mr van Niekerk

STAR  
26/5/75

The Administrator of the Transvaal, Mr S G J van Niekerk, told members of the Housewives' League that it was "an absolute necessity" for a wife and mother to go outside the confines of her own family and into the community at large.

Speaking at the biennial conference of the Housewives' League held in Bedfordview last week, Mr van Niekerk said women had a significant contribution to make to the economy, and society could "only benefit" from womanpower.

The economic future of South Africa was dependent on the emergence of a labour force with "the requisite education and training, and appropriate incentives and opportunities for economic advancement."

## Doubled

Mr van Niekerk said women were going to have to commit themselves to the future of Africa.

They would have to plan towards a contribution in a country which in 25 years would have doubled its population.

At present, women constituted only 32,7 percent of the total labour force.



MR SYBRAND VAN NIEKERK — querying the "kinder, kuche und kirche" role for women.

academic qualifications of women in the Republic indicated that few carried on to achieve top positions in their fields.

Despite their abilities,

**"No nation or people can rise higher**

South Africa has the chance to reduce its rate of inflation if it can increase the productivity of its population. Which is why the call now is to women to "come out and save the economy" — instead of the old enjoiner to stay at home and rock the cradle.

day industries which were highly mechanised created a large labour market which offered a wide variety of skilled and semi-skilled work. This no longer required physical strength but depended on manual dexterity and speed abilities at which women excelled.

Women should initiate the kind of industry which depended on these skills.

Although the number of working women had doubled during the last 10 years, South Africa still had a large reserve of married women.

## Changed

Mr van Niekerk said that in modern industrial society the family functioned as an economic unit. The traditional roles of members of the family have changed to adapt the mothers' dual role. All members of the family who shared in the family's proceeds now had to do their share of the work in the upkeep of the household — thus enabling the mother to fulfill an economic role.

It was both parents' task to rear and educate the children and not the sole task of the women.

It was the quality and not the quantity of parent-child interaction that was really important.

Said Mr van Niekerk "An optimum amount of neglect of our children is in the long run healthier than constant over-protection and need fulfillment."

"There is a pressing need that will increase in the future for housewives to contribute to the welfare of the community, and for mothers to bring up their children with similar values."

ELIZABETH  
WILSON  
reports

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Star  
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Yet, the 1974 matric results showed that of a total of 3 521 matriculants who passed in the first class with full exemption, 53 percent were girls.

University results also supported the fact that women students in general show a higher academic performance than men.

In further analysis the

**“Women have a future task to guide our economy and to help fight inflation by increasing productivity.”**

fact in the traditional masculine spheres such as law, natural sciences, medicine, engineering and the technical fields of study

Instead, they tended to concentrate in large numbers on a limited number of subjects such as literature, education and nursing

### **Balance**

“The Transvaal Education Department,” said Mr van Niekerk, “annually has to turn down a number of women applicants for teacher training to maintain the balance between men and women teachers and avoid unemployment in the ranks of qualified teachers.”

Mr van Niekerk said the failure of women to reach the top in their career options could be regarded as “disturbing”

He pointed out that while many people considered it a waste to edu-

**than the standard set by its own womanhood.”**

cate girls to higher levels there was a positive correlation between the educational levels and employment rate of women.

“Irrespective of status, the more highly educated women are the more strongly motivated they are to continue or return to their careers,” said Mr van Niekerk.

### **Prestige**

“Education,” he said, “is held in high esteem and has gained prestige value. Husbands pride themselves on having wives and daughters having professional training. University training is an asset on the marriage market.”

Mr van Niekerk predicted that present and future society will depend on women working and on the contribution the married women can make.

He said that present

### **Influence**

Mr Van Niekerk urged women to take an active part in public life, and to help in making decisions concerning the future.

“Properly qualified women,” he said, “must offer themselves as candidates at all levels of public office to exert any real influence on the national scene.

“They should not only stand as women, but as people with the necessary training, dedication, ability and logic”

# Watchdog council 'needs looking at'

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Staff Reporter

THE REFORM PARTY Provincial Councillor for Yeoville, Mr A. Gadd, yesterday called on the council to demand that the central Government immediately appoint a commission of inquiry to examine the National Co-ordinating Consumer Council.

Mr Gadd said a consumer council was set up in South Africa to be a "watchdog" over prices. He said that it was also the duty of the consumer council

to make certain reports to the price controller, who was appointed by the Government.

"The director, or past director of the National Coordinating Consumer Council, Mr Eugene Roelofse, has resigned from his position because he states that his reports on price control have virtually been ignored by the price controller

"The consumer council serves a purpose in our community, but, if its purpose is fulfilling a real end and its reports are being ignored, then I think it is the responsibility of the Transvaal Provincial

Council to demand of the central Government that an immediate commission of inquiry be appointed to look into the situation and to examine the facts," he said

Mr Gadd said a full report should be made available to the public, as soon as possible.

He believed that Mr Roelofse had to resign because the Government failed to take the necessary action on price control

"I submit that the price controller must be failing in his duties if he fails to take any action on the reports made by Mr Roel-

ofse," Mr Gadd said.

He said it was the duty of associations such as the SA Housewives League to intensify their campaigns against rising prices.

He believed that the Administrator had made a very grave statement during his budget address when he warned the public of future price increases.

Price increase expectancy, he said, was one of the surest ways of promoting inflation. The Administrator's budget address could precipitate price increases from third parties involved in similar or associated organisations

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## Union leader wants demonstration on inflation

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Staff Reporter

"A NATIONAL demonstration" to impress upon the Government the strong feelings of the man in the street about the alarming inflation rate, was called for in Pretoria yesterday by Mr Gert Beetge, a trade union leader.

Mr Beetge, leader of the White Building Workers' Union, said, he made the same proposal at a meeting of the Coordinating Council of the South African Trade Unions — an affiliate of the Confederation of Labour — and those present were all in favour of immediate action, reports Sapa.

"The workers are fed up about galloping inflation. They want to demonstrate their feelings, but we must still decide what form the demonstration should take," he said.

He said that what he had in mind was a national protest that would involve workers, housewives, pensioners, farmers and other affected groups. They could prepare a petition to be presented to Parliament

"If this sounds drastic, it is only because we, as a recognised trade union, feel that drastic action is now urgently called for.

"Inflation has become so serious that all our negotiations for higher wages

my have many fancy explanations for the state the country is in — there are as many explanations as there experts."

In Bloemfontein a staff reporter writes that the continual rise in the cost of living has led the National Council of Women in that city to emphasise a decision taken two months ago to practise consumer resistance.

The women decided in March that the only weapon left to the public was to refuse to buy articles they considered too expensive.

At its monthly meeting this week, faced with the prospect of a whole new set of price rises, the women reaffirmed their pledge to practise consumer resistance. But they also expressed their dismay that many basic commodities were affected by the price spiral.

● Egg producers have applied through the Egg Control Board for an undisclosed increase in price. Mr W. C. J. van Rensburg, the general manager of the board, said yesterday he could not say when a decision would be taken

are pointless. An agreement signed today is not worth the paper it is on, because when the new scales come into effect the additional money has already been eroded away by inflation."

"The experts on econo



# 'Demo' on prices urged

STAR 29/5/75

Pretoria Bureau  
An Afrikaners Labour leader, Mr Gert Beetge, proposed today that a national demonstration be held to show the Government how strongly ordinary people in the street feel about the alarming rate of inflation in the economy.

What he had in mind, he said, was a national protest which would involve workers, housewives, pensioners, farmers and

other affected groups. He would get them to prepare a petition which could be presented at the Bay of Parliament.

He made the proposal last night at a meeting of the Co-ordinating Council of South African Trade Unions — an affiliate of the Confederation of Labour — and said those present were all in favour of immediate action.

"The workers are fed-up about galloping inflation. They want to demonstrate

their feelings, but we must still decide what form the demonstration should take.

"Inflation has become so serious that all our negotiations for higher wages for our working classes are pointless. An agreement signed today is not worth the paper it is on, because when the new scales come into effect the additional money has already been eroded away.

"I and all the members of my Blanke Bouwerkers-

vakbond cannot see that any progress is being made in the curbing of inflation. We are going downhill all the time and a serious crisis is looming."

Mr Beetge said it was time the Government and economists stopped misleading the public. The Government should take a lot of the blame for the present state of affairs — and the people should be made aware of it.

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6/6/75

Pretoria Bureau

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A national network of consumer-advice bureaus forms part of a five-year development plan announced by the SA Co-ordinating Consumer Council in Pretoria today.

The chairman, Professor J L Weyers, also referred at his Press conference to the former director of the council, Mr Eugene Roelofse, as having had a brand of militancy which did not serve the best interests of the consumer.

The council had tried to reason with Mr Roelofse, Professor Weyers said, but would not get itself involved in a public controversy with him.

The council would, however, welcome a commission of inquiry into its activities and the circumstances surrounding Mr Roelofse's resignation if the Minister of Economic Affairs so desired.

Professor Weyers deplored public and Press blame being attached to the council for the fact that inflation was continuing unchecked. World economic experts were powerless to act and it was ludicrous to assert that the council with its staff of nine was guilty of failing to solve these problems.

The council's five-year plan had been presented to the Minister of Economic Affairs.

TRADE UNIONS

It comprised:

● Closer contact with affiliated members of the SA Consumer Union, which included women's organisations, staff associations and trade unions.

● Expanding its information department to collect, collate and release information through the news media.

● The appointment of a project officer to make in-depth studies of consumer interest, on which the council could make motivated representations to the Government, industry or other bodies concerned.

● Consumer education through a new department of the council. Much could be done to fight inflation through sensible buying and consumer resistance to bad buys.

● Direct consumer advice through national bureaus. These centres might have to be staffed by volunteers at first unless negotiations with certain bodies, as yet unnamed, resulted in financial assistance.

The council would help in the establishment of similar bodies in the homelands, and Professor Weyers said non-White representation on the council would be agreed to if the Government gave permission.

# Axing has housewives in a tizz

Own Correspondent

DURBAN. — The Durban branch of the Housewives' League was yesterday split in two by an announcement that the national executive had axed its vice-chairman, Mrs Dorothy Perkins.

Mrs Perkins, who was told late on Tuesday night that she had been dismissed from Durban's committee, said yesterday she would form a breakaway consumers' group — the Natal Housewives' Association.

The Press were barred from a lively meeting at the Durban City Hall when the national president, Mrs Hope Hughes, told members of the national executive's decision.

In a statement Mrs Hughes said: "I telephoned Mrs Perkins and asked her to resign but she would not do so, so I told her I had instructions from the national executive to dismiss her from the Durban committee.

"Ours is a responsible body and we cannot be pushed into things by militant people."

Last month a Natal coordinating committee had

been formed and it had been agreed that all Press statements should in future be made by the chairman of that committee in consultation with the national executive.

Last Friday, Mrs Perkins, against the advice of the chairman, had issued a Press statement that the Durban branch was calling for a week-long meat boycott.

Mrs Perkins said that on Thursday night all members of the Durban committee except herself had been called to a meeting with Mrs Hughes.

"At 9.20 pm she rang me and asked me to go down to the meeting at a beachfront hotel. I told her I was already in bed. She then asked me to resign and told me my dismissal would take effect immediately."

Mrs Perkins said she felt the league was "all talk and little action" and she would start her own organisation with investigating committees to look into price rises.

The league had forbidden the use of the word "boycott" but Durban had in the past succeeded in bringing down the prices of chickens and butter through boycotts.

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# STOP FIXING PRICES — CALL

De v.  
Mecum  
12/6/75

JOHANNESBURG — Mr. Eugene Roelofse, director of the South African Co-ordinating Consumer Council who resigned recently, has called on traders to act against fixed retail prices.

He was speaking here at a seminar organised by the Transvaal Sports Traders Association.

Referring to the Consumer Council, he said: "I am not its chairman but its director—as far as I know this will be the case until the end of the month. A director is a person who gets into trouble if he is too direct.

"I can't play tennis although I have been keeping a close watch on rackets. Neither can I play ping-pong although I have seen a close equivalent being played with some of the country's important and pressing problems."

Traders could not afford to tolerate the actions of those who attempted to hog-tie the free enterprise system by trying to fix retail prices, Mr. Roelofse said.

Mr. Roelofse said it was not easy for a trader to stock shoddy goods — but still there was a lucrative market for rubbish.

Consumers could not handle inflation and exploitation simultaneously. The public was "punch drunk" from persistent price increases.

Traders should be "double-agents"—an agent for the supplier but an agent mostly for the interest of the consumer, Mr. Roelofse said.—(Sapa.)

# Consumer leader

STAR  
12/6/75  
quits

Own Correspondent

DURBAN — Mrs Dorothy Perkins resigned today as a member of the Housewives' League following her dismissal yesterday as vice chairman of the Durban branch.

In a strongly worded letter announcing the end of her association with the league, Mrs Perkins said she found working for the consumer under what amounted to a "dictatorship" most distasteful.

Her dismissal and today's decision to leave the organisation threatens to destroy its Durban branch.

Two committee members have announced their intention to quit their posts and one intends following Mrs Perkins out of the league.

Mrs Perkins said she has every intention of forming her own consumer action group, to be called the Natal Consumer Association, which will be open also to men.

Early today she received a pledge of support from the 5 000-member Natal Divisional Council of the Artisan Staff Association of the South African Railways.

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Natal Mercury 13/6/75

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# THE BRIBKAWAYS

"I'M TIRED of being apped over the nuckles like a naughty little school-irl—nobody is going to tell me what to do."

Mrs. Dorothy Perkins, vice-chairman of the Durban branch of the Housewife's League handed in her resignation as a member on Wednesday after being axed from the committee by national president Mrs. Hope Hughes.

"After being told I would be of no further use to the league, I've decided it's time to exert my energy elsewhere," she said. "I was told I was stirring up things for myself, not for the good of the public."

Mrs. Perkins, a fiery and enthusiastic committee member, helped rebuild and recruit members for the Durban league four years ago when membership had whittled down to three women and was on the verge of collapsing.

Recently a Natal Coordinating Committee was formed and it was

ciation and intend to get people to help us so that we in turn can help them.

"We will keep a watchful price on all commodities like toiletries, groceries and meat," said Mrs Perkins. I want to start a formal investigation team of 10 people to perform weekly surveys at shops and supermarkets.

"These surveys will be fair and credit will be given where it is due."

She said all malpractices will be reported to the authorities concerned and that the association would be free from the control of the Government or business interests.

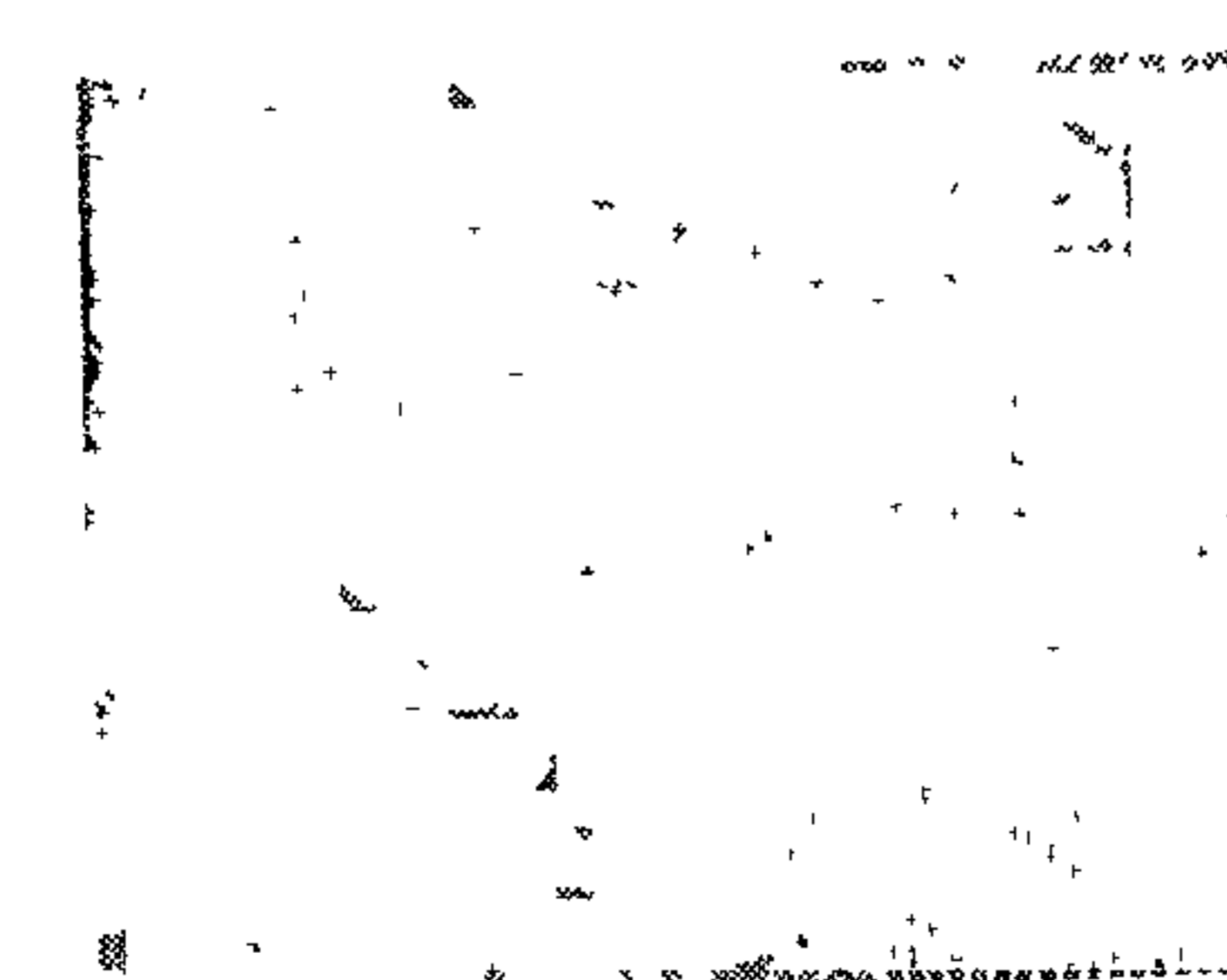
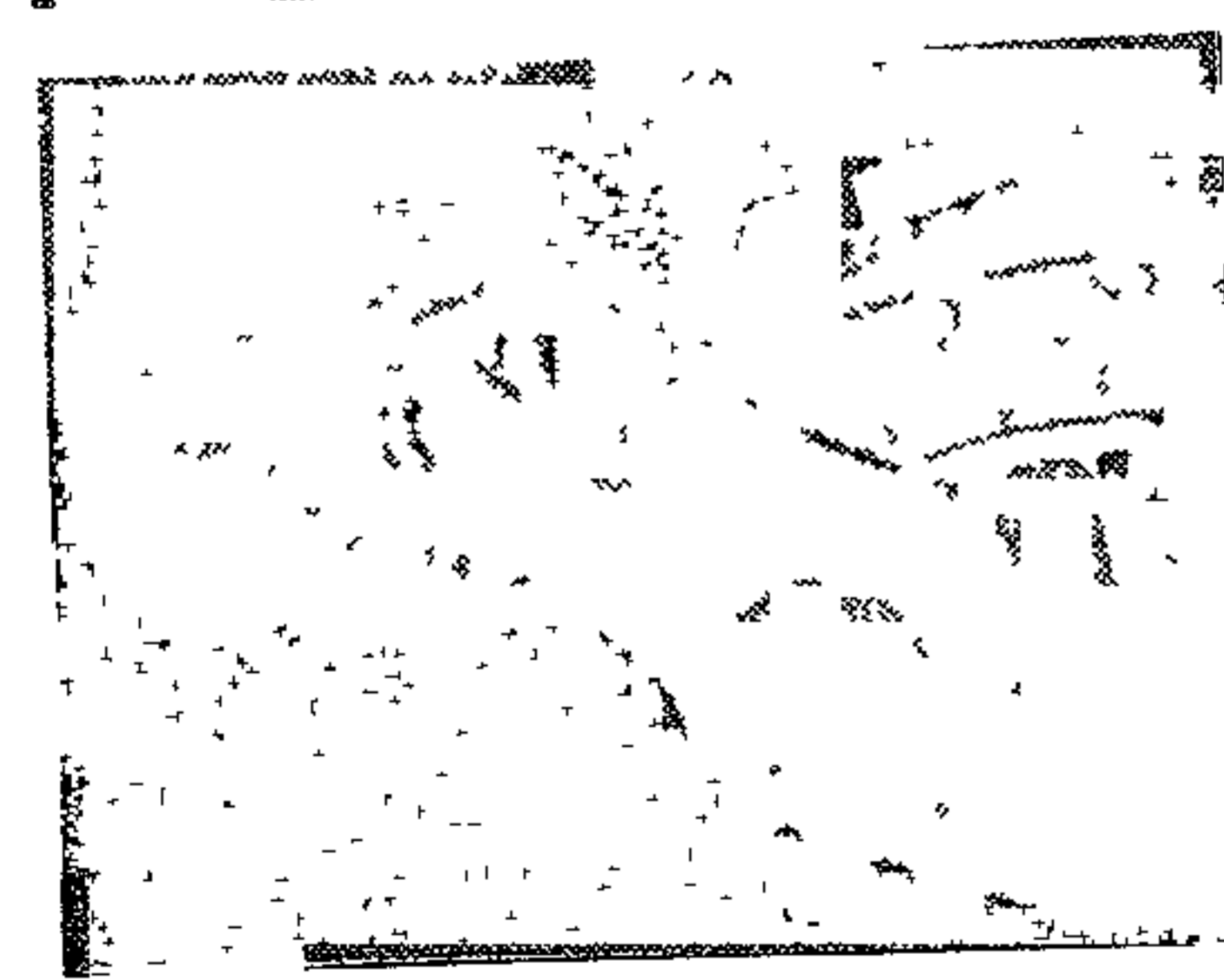
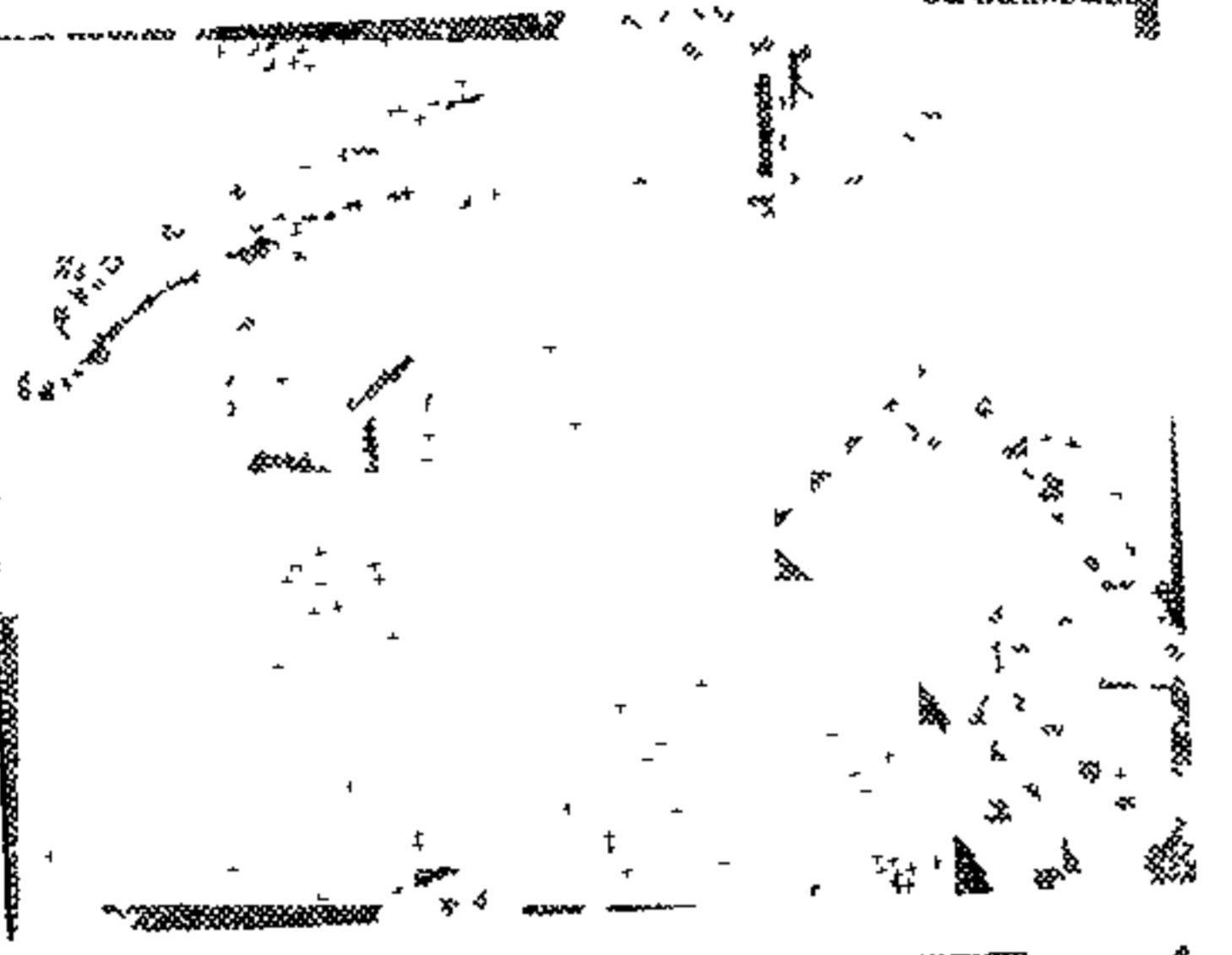
"I've already had a lot of response," said Mrs Perkins. "A few people phoned on this morning earlier on I had four calls and at the meeting 18 to 20 women approached me and said that they would support me in anything I do."

"A lady working in a bank telephoned me and asked if I could please hold meetings during lunch hours as many working mothers were interested in joining the association.

"I'm trying to get room in the City Hall that we can hold meetings once a month."

"Everybody else thinks what they like but I still think that boycott have effect."

"As an association would make our decisions and not have to bow to this awful relationship," said Mrs Perkins.



## Mrs. Rita Roome

"In the past we had results, that's all we want as ordinary housewives. I'm a mother of four and think we should concentrate on fighting prices which was Mrs. Perkins's main aim."

agreed that all Press statements would be made by the chairman of the committee in consultation with the national executive.

When Mrs. Perkins, against the advice of the chairman issued a state-

## Mrs. George Kemp

"We can be led but not dictated to — I'm against dictatorship. I fully support Dorothy and am sure she will make a success of whatever she decides to do"

ment on a week long boycott to the Press last week a controversy started within the league.

Mrs. Hope Hughes, national president, flew to

## Mrs. Pat Alcock

"If Dorothy resigns, I resign. After all the hard work she has put into the League, I don't want to stay if we haven't her support."

Durban to discuss the matter and ask Mrs Perkins to resign.

This decision has divided the league. At a rowdy meeting of 86 members dedi-

## Lady Jackman

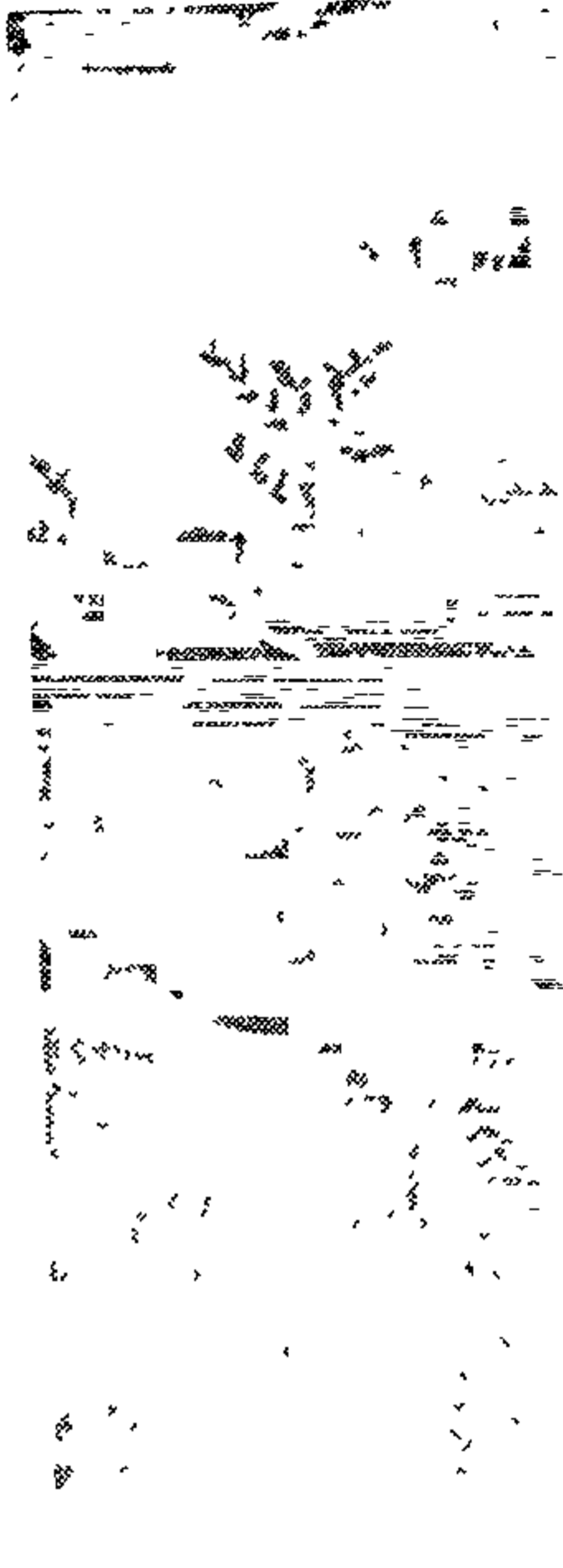
"We should be padding our own canoe Dorothy did so much for the League. We got a lot of Press coverage because of her... there'll be dozens of members resigning"

ated to Mrs. Perkins and her fight against inflation expressed their opinions and distress at the league's move against Mr Perkins while others felt that

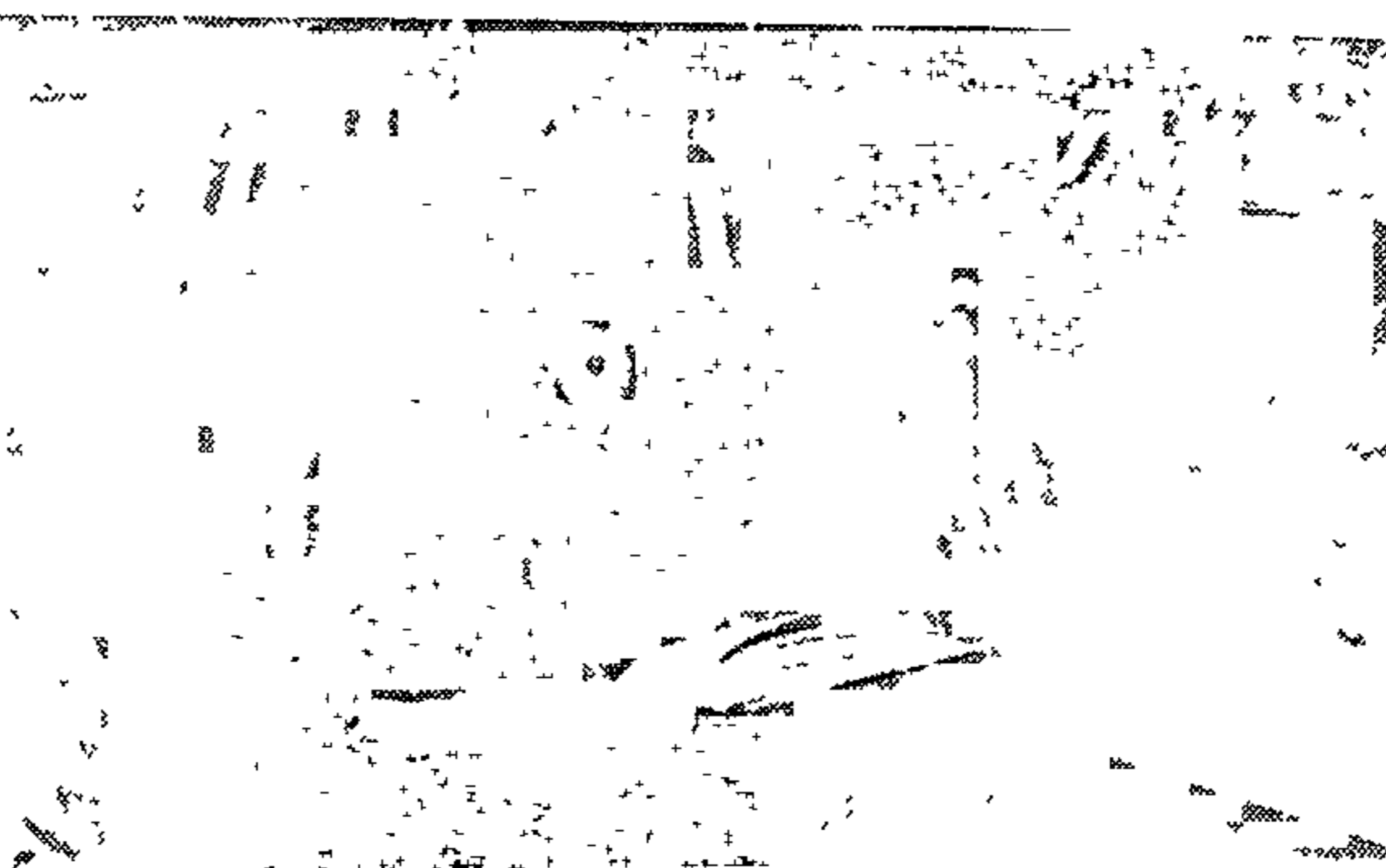
the league should act in unity with other branches throughout the country.

"I plan to start my own organisation called the Natal Consumers' Asso-

Dorothy's 'vigilantes' gain ground



My telephone has never stopped ringing since your story appeared," said Mrs Dorothy Perkins. Mr Sid Thorpe, chairman of the Railway Artisan Staff Association (Natal division) said they held a meeting on Wednesday night as they were shocked at the action of the National Executive and pledged full support for my consumer association. They also said that all their wives would be joining me. Other people telephoned saying they couldn't believe that at last a vigilante organisation would be formed. One man said he had nine members waiting to enrol."



done when you think how many commodities have gone up since the last Housewives' league meeting. I can't take this apathy any longer and I know a lot of other people are beginning to get stirred up.

"All I want to do is work for the consumer and fight price rises."

Mrs Nora Thomson, chairman of the Durban branch of the League said it was very unfortunate that Mrs Perkins was asked to go

"It was not the action but the method in which it was brought about. She should have been reprimanded."

## says Ackerman

**THE CHAIRMAN** of Pick 'n Pay, Mr. Raymond Ackerman, this week called on Natal housewives to fight inflation and gave them practical ways in which this could be done.

Addressing the Durban Housewives' League, Mr. Ackerman said they should fight for longer shopping hours.

"In Cape Town the consumers love it. The whole family comes along — the kids in their pyjamas — and they can shop in leisure. It also helps traffic congestion.

"My staff fight to get on the late shift because they get a good supper, a busride home and a weekend off.

"We pay rent 24 hours a day and by using the stores 18 hours we can keep prices down," he said.

The League should voice its disappointment at the increase in the cost of milk and call on the Government to subsidise this essential food.

"I am totally opposed to boycotts because they seldom work and cause tremendous antipathy. Farmers feel it is a direct attack on them and milk farmers are not making a lot of money."

Instead of spending money on "unnecessary buildings for Government infrastructure" the Government should subsidise milk through extra taxation to help the pensioners and the poor.

The League should fight retail price maintenance in the clothing industry. His company had taken evidence to the police regarding collusion in this trade, and if they were charged and found guilty, jail sentences could be imposed.

"Fight by collective action and not by boycotts," he said.

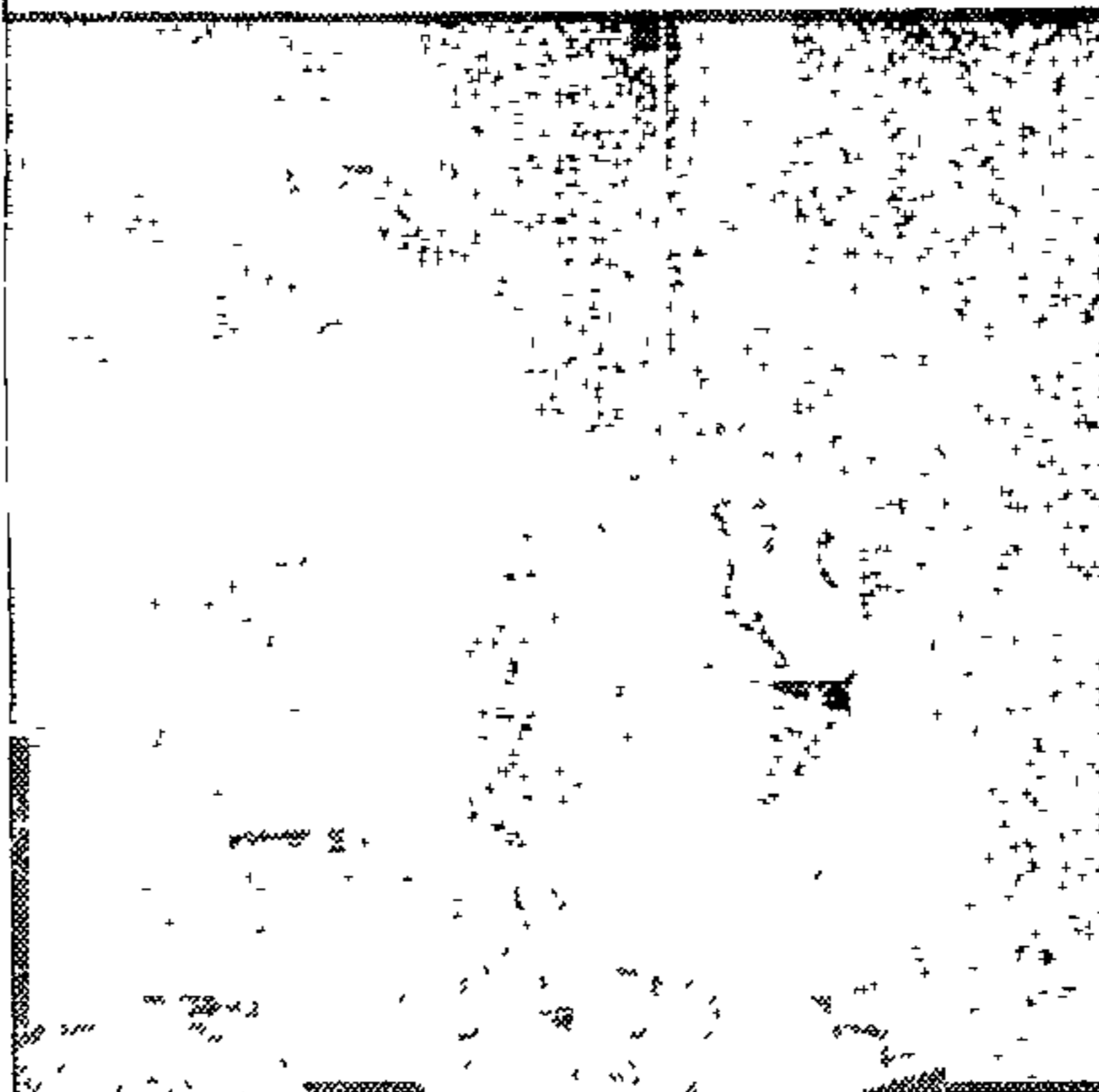
He also warned housewives not to be lured by competitions and prizes offered by manufacturers, but to buy solely on price and quality.

He gave some facts about supermarket administration and revealed that wrapping represented 0,8 percent, rental 0,9 percent, wages 4 percent and advertising 0,29 percent of their expenses which totalled between 9 and 9½ percent.

They worked on a 2,5 percent nett profit before taxation, and wastage and stealing represented 2 percent.

"We anticipate that we will lose more than R2,5 million this year through staff and consumer stealing and waste," he said.

## Food boycotts seldom work



# The Watchdogs

STAR 19/6/52

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When Mrs Hughes became president, suddenly the clamps were on. We were not allowed to do this, not allowed to do that. I call that dictatorship."

## 'I call that dictatorship'

"The South African consumer will win the war against the cost of living if I am allowed any say in it."

These fighting words come from "go-it-alone" prices watchdog, Dorothy Perkins, of Durban.

Sacked from her post as vice chairman of the local branch of the Housewives' League, Mrs Perkins already has her own consumer action group off the ground.

"We will be the price watchdog from now on," she said. "We will be militant, we will be aggressive, we will investigate and act."

Mrs Perkins has ar-

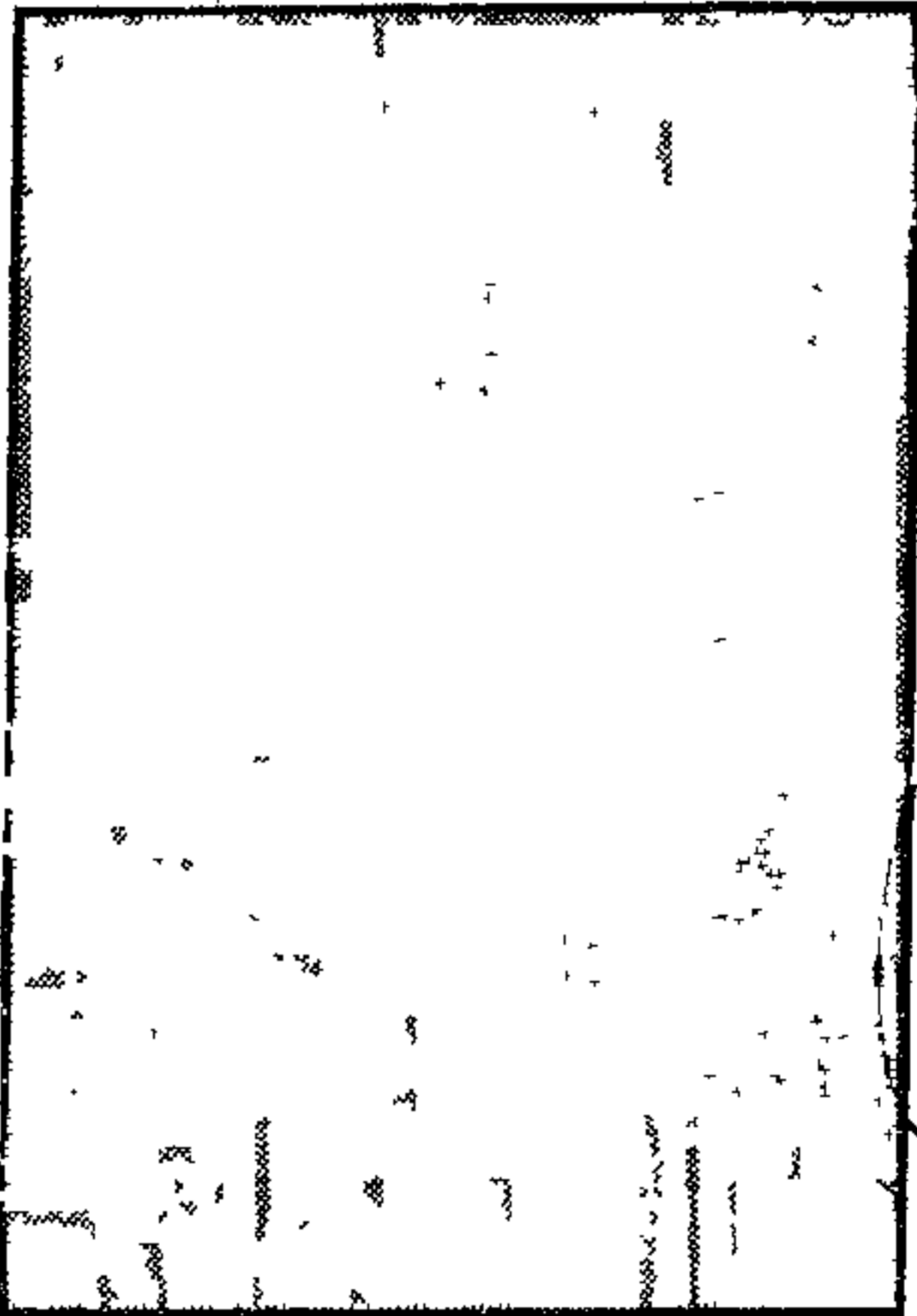
anged the group's first meeting date for July 16 at the same venue the Housewives' League uses in the Durban City Hall.

Membership forms are already being distributed. Membership fees are R1 a person — 50c cheaper than the Housewives' League.

"I am not trying to undercut anyone," Mrs Perkins said, "and I only have the same venue because it was offered to me by the council staff."

"I don't want to clash with the Housewives' League. I don't want to pinch their members, but if anyone wants to join me, they are welcome, and I don't care if they belong to both groups."

"I just want to get some action on prices." The new group, to be registered as the Natal



### DOROTHY PERKINS

Consumer Association, will differ from the Housewives' League in a number of fundamental ways.

● It will open to all races. "We will not have separate groups unless members request it."

● Men will play a major role. "Men are just as important consumers as women, and it is time men were able to see for themselves where there money goes."

● Retailers who give top quality service and provide quality goods at a low cost will be awarded the NCA stamp of approval and recommendation.

● A monthly consumer newsletter will be sent to members detailing NCA activities.

Mrs Perkins is "just a little" bitter over her axing from the Durban committee. But she has no real criticism of the League itself.

"The League has done some very useful work in the past few years," she said. "It is the national executive and national president my argument is with."

"Until 14 months ago the Durban branch got on like a house on fire with

The former vice chairman of the Durban branch of the Housewives' League, Dorothy Perkins, who was sacked last week, has formed a new watchdog consumer group. She claims the national leadership of Hope Hughes is not effective.

the national body. Then Mrs Hughes became president and suddenly the clamps were on. We were not allowed to do this, not allowed to do that. I call that dictatorship.

"I believe a consumer group must be militant. Mrs Hughes doesn't. I believe in boycotts — Mrs Hughes doesn't. So I think my efforts should be exerted elsewhere."

"Perhaps it is blowing Natal's trumpet, but we have had successful boy-

cotts on butter, margarine and chicken and now cheaper school bus fares. I have not heard of one bit of action taken by Johannesburg branches, let alone action that has succeeded.

"The League in Durban was just beginning to break down the apathy of housewives and then suddenly we were stopped dead."

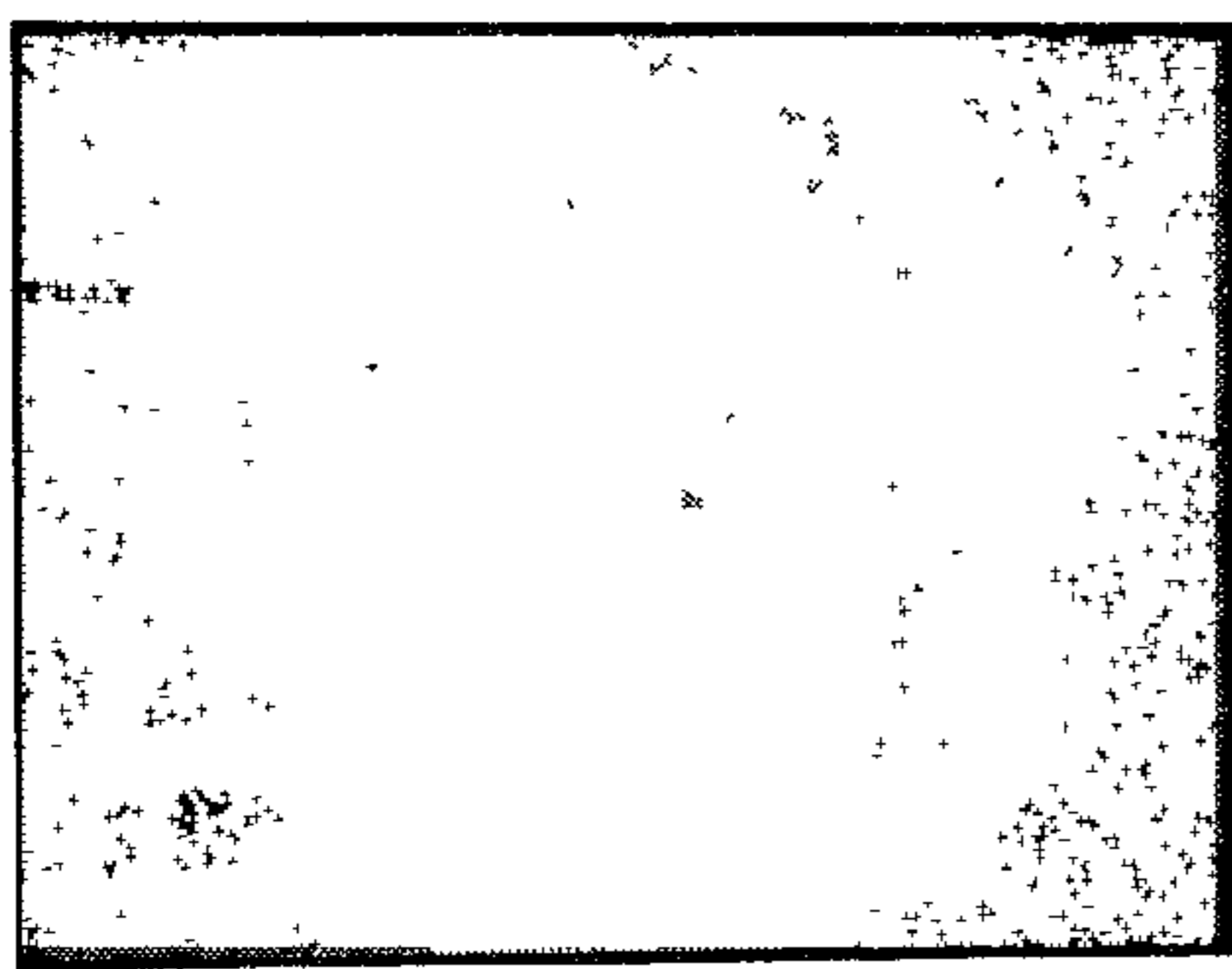
"I won't let my group turn into an old ladies' tea party."



2178

The Star Thursday June 19 1975

# are scrapping



HOPE HUGHES

"I still think we were right in dismissing Mrs Dorothy Perkins from the executive," commented Housewives' League national president Hope Hughes in Johannesburg.

"Our constitution states that branches of the Housewives' League come under the national executive and must abide by its decisions.

"When people join an organisation such as the league they should read

the constitution. They should decide if they agree with what is laid down and are prepared to abide by it.

"Ours is a very large organisation and must be run on businesslike lines — not the whims of individuals.

"I was asked by the national executive to request Mrs Perkins' resignation I went to Durban to do so, but she refused to resign. I therefore had to dismiss her from the committee.

"I did not dismiss her

"I was asked by the national executive to request Mrs Perkins' resignation . . . but she refused to resign. I, therefore, had to dismiss her."

## 'I had to dismiss her'

as a member of the league, but she has since resigned.

"It is a pity she has set up another organisation. Too many splinter groups will dissipate the strength with which we can fight the cost of living and malpractices."

Mrs Hughes contested the accusation that the Housewives' League had not been successful in recent months.

"It is true we are not in favour of boycotts. We have found over the years that they don't always hit the right people. They may bring prices down but they invariably rise again.

"Our milk boycott was

merely to highlight the fact that the whole marketing system — from the producer, up through the control boards, right to the consumer — was faulty.

Mrs Hughes said Mrs Perkins' statement about not knowing what other branches were doing was unfounded.

"Every branch is informed about what the national executive is doing. We have delegates coming from the branches to the national executive meetings."

"We also hold meetings, once a month or more, of the management subcommittee which consists of branches.

# Let women be price wardens?

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Housewives should be recruited as price control wardens to keep an eye on profiteering and price control contraventions, Mr Eugene Roelofse, former director of the Consumer Co-ordinating Council, said in Johannesburg today.

He was speaking at the inaugural meeting of the Rosebank branch of the Housewives' League of South Africa.

Mr Roelofse called on the Price Controller, Mr Joep Steyn, to consider the appointment of honorary price control wardens.

"We have a system of volunteers helping the police and game departments. Why can't we have it where price control is concerned?"

Ordinary consumers, he said, should help the price control inspectors as there were not enough to go around.

"I can see no reason why selected housewives cannot be enrolled as volunteers and trained in the rudiments of price control regulations."

They could pass on information to full-time inspectors and if necessary give evidence in court.

"Such a system, if well planned and strictly supervised, would cost little," he said.

"It is a good principle for the State to mobilise voluntary assistants from its citizens in helping the reinforcement of its laws."

STAR  
24/6/75  
Although price control could never be the "cure all" for inflation, it was a remedy against "the variety of mistakes some shopkeepers tend to make," he said.

# SAY ON STAR 25/6/75 PRICES 248

Farming Editor  
SILVERTON — The need for a well-informed consumer body in the South African economy was stressed today by Mr Chris Celliers, director of the South African Agricultural Union

He was addressing a union symposium at Silver-ton, near Pretoria, on meat, milk, fruit and vegetable prices

Such a body, he said, was as important as a well organised and efficient labour force and management organisations

Mr Celliers said consumers should be able to express their criticism and make suggestions about improvement in quality and price of consumer goods through such an organisation

He added that there was

a need for broader and more regular contacts between consumers and producers to discuss quality standards, marketing arrangements and prices and to achieve a fine balance between prices and the convenience of the housewife

Mr Celliers said consumers saw too little of the producers and what contact there was was limited to these same 20 percent of the country's rich farmers who produce half the country's food

There was virtually no contact with those farmers whose annual income was less than the pay of a good typist in a city

Food in South Africa was the cheapest in the world she said, but consumers were in the same position of the farmers who had to decide earlier this year either to accept an almost 40 percent increase in fertilizer prices or go without

# The Consumer Council marshals its forces

# AND DOWN PRICES

By PETER WASON

DETAILS of a battle plan to fight rising prices were disclosed this week by the Consumer Council

Announcing the first national assault on prices to be launched by a non-Government body, the acting Consumer Council director, Sarel Reinecke, told me

"We've taken it past the battle stage. Now it's all-out war on rising prices, inflation and unfair and discriminatory trading practices."

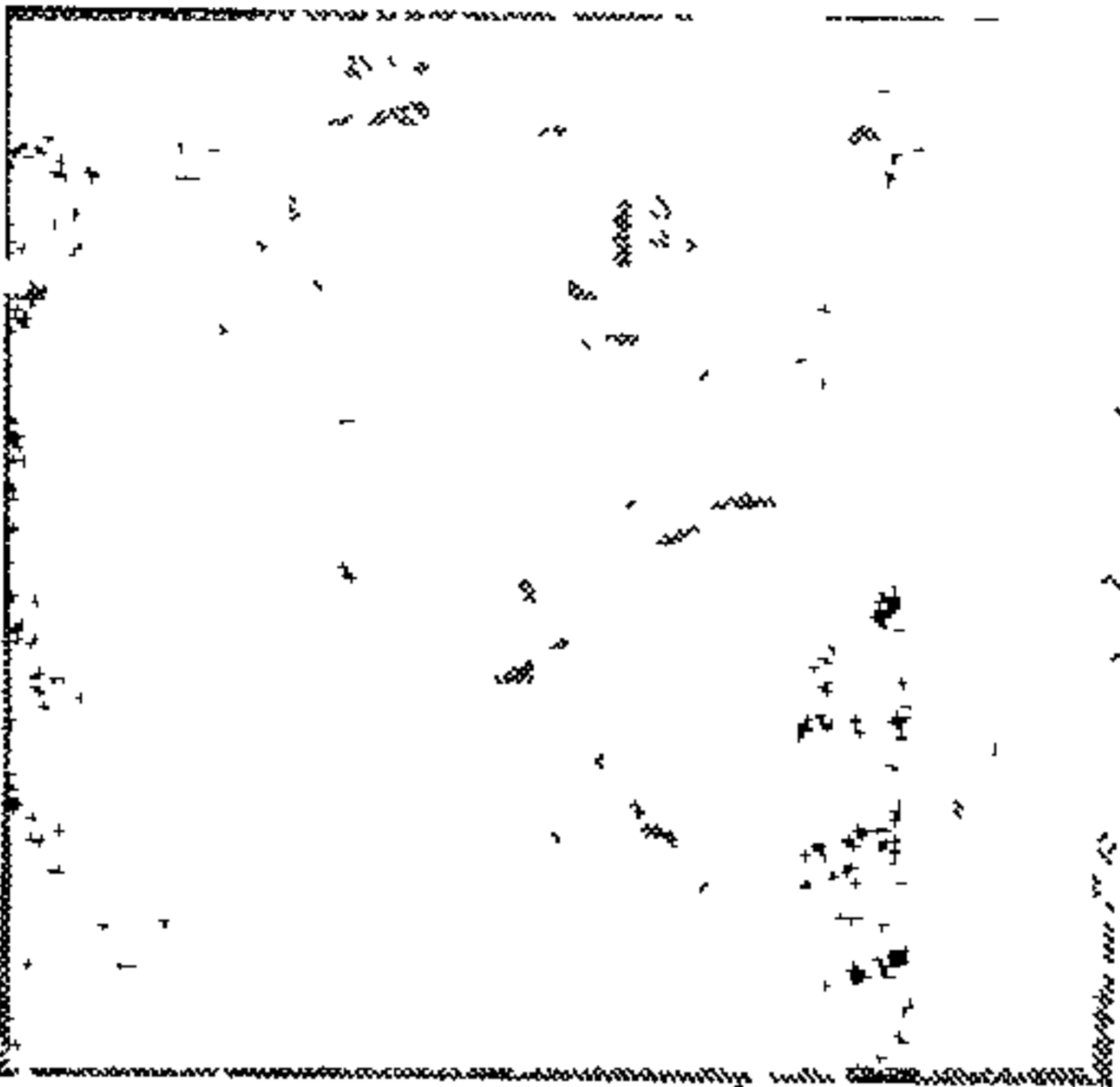
He also disclosed plans to form an Indian consumer association. The council has held talks with Indian leaders in Durban to examine the feasibility of a council affiliated body to help Indian consumers

The disclosure of the Consumer Council's plans follows last week's announcement by the Minister of Economic Affairs Mr Chris Heunis of a Government programme to combat inflation and help keep down prices, particularly of food and other essentials

Mr Reinecke said the council would be charting its own course but would continue to work closely with the Government, commerce, industry and agriculture

The anti-inflation campaign, which kicked off almost unnoticed this

**Sarel Reinecke: The first response to the campaign has been fantastic**



Mr Reinecke, whose budget for the year has been increased by R20 000 to R60 000 to help finance the anti-inflation campaign, told me "The response we've received in the first few days of the campaign has been fantastic and indicates that we can expect 100 percent support from producers, traders, consumers and the Government alike"

**Lowering of standards**

**This is one we're definitely going to win**

talks on the SABC's Afrikaans Service Monitor programme, will swing into top gear from tomorrow with the launching of talks on the English Service's Radio Today and the stepping-up of a propaganda mail-shot campaign aimed at distributing more than 350 000 leaflets before the end of the year.

## Advisory Bureau

The council will

- Set up local consumer advisory bureaux to investigate price anomalies and discriminatory trading
- Make contact with commerce, industry and agriculture to draw up a blueprint for Government action.

- Expand its propaganda leaflet campaign aimed at educating the consumer. New titles being prepared include one on credit. The law faculty of the University of Natal is bringing out a booklet in Zulu on the pitfalls of hure purchase.

The main areas to be examined by the council include.

Disciplining consumer to cope with inflation without drastically changing their life styles or lowering standards,

Telling consumers how and where to complain,

Warning of the dangers and how to overcome them, of impulse buying in supermarkets;

Introducing a family health educational programme aimed at illustrating how good food, now put in the dustbin, can be used, and;

Advising drivers how they can make more economical use of cars by changing driving habits.

Other targets to be investigated include transport, electricity and clothing

"Many of the details of the campaign are still to be worked out, but public response to our efforts so far is snowballing.

"If it continues we're sure of one thing. This is one war we're definitely going to win"

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Pretoria Bureau <sup>STAR</sup> 3/7/75

The South African Co-ordinating Consumer Council has appointed a former police detective, Mr Johann Verheem, as its new director.

He replaces Mr Eugene Roelofse who recently resigned, the council announced in Pretoria today.

Mr Verheem starts his new duties at the beginning of next month and will be assisted for a few months by the council's executive member, Mr C J Reinecke.

Mr Verheem (36) started his career in the South African Police.

After a year in the civil service, he joined the administrative staff of the University of South Africa. For the past seven years, he headed the department responsible for publishing tutorial matter.

Mr Verheem is working on his doctorate in philosophy with his thesis on the philosophy of communication.

Meanwhile, the consumer council has decided to launch a nation-wide survey to investigate the problem of unavailable spare parts for certain domestic appliances.

**PROBLEMS**

Consumers who have experienced these problems must send their complaints in writing to the council so that the extent of the domestic spares problem in South Africa can be gauged.

The council has had numerous complaints covering a wide range of appliances — cars, motor cycles, power tools, power lawnmowers, stoves, refrigerators, vacuum cleaners and polishers.

The council's address is PO Box 3800, Pretoria.

# Consumers, you've got it all wrong

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Sun Times  
(Bus Times)  
6/7/75

THANK goodness the South African Co-ordinating Consumer Council has at last got its priorities right. It would seem to be working in the best interests of the consumer, in a back-handed way.

The real problem in our economy, it seems is not the unscrupulous manufacturer or trader exploiting the public by dubious means. The people really to blame are the consumers themselves.

At least that's the message Professor Leon Weyers, chairman of the council, put across when he spoke at a National Management and Development Foundation seminar in Johannesburg last week.

No wonder Eugene Roelofse, the former director of the council who resigned in a cloud of controversy recently, just had to go.

As Professor Weyers said at the time, Mr Roelofse had a brand of militancy which did not serve the best interests of the consumer.

Mr Roelofse had his limitations, but he did his best to ensure that big business played the game with consumers, particularly the less-educated ones and the often-exploited Blacks.

But who wants to go against the power that lies behind big business? Not the Consumer Council, thank goodness.

It's a Government-backed organisation and I am sure taxpayers wouldn't want their council to go around upsetting business men who are only trying to make a living, even if some of them do use illegitimate methods.

The council is rightly getting stuck into the consumer, because that's where all the trouble lies.

In his speech last week Professor Weyers called consumers "indifferent, irresponsible, incompetent and lazy."

Consumers, don't get upset. This professor, who heads the body that one assumes acts as a consumer watch-dog, added this encouraging PS to his attack

on you indifferent, irresponsible, incompetent, lazy consumers.

"I don't say all consumers are morons. I am not saying that", he said.

With that kind of encouragement, what consumer would want Eugene Roelofse back?

Professor Weyers told the seminar that he believed the efficient functioning of a free enterprise economy depended initially on the consumer.

"The inefficient consumer is as harmful as the inefficient producer or marketer," he said.

He said that because the consumer was now faced with such a wide variety of goods, it was difficult for him to make an efficient consumer decision.

He said that in the last five years the consumers'

able one, but I can't see how Professor Weyers and his council are going to get very far by telling the pupils how stupid they are.

In any case, how is the Consumer Council going to teach people what is a wise buy and what is not unless it does studies of products, much like the investigations done by Which magazine in Britain?

I can't see the council coming out with reports saying stove A will last longer than stove B, although they are both the same price, and so on.

No, that would only antagonise some manufacturer and that would never do

## business is business

attitude had changed to one of "indifference and irresponsibility".

Professor Weyers said he believed that if consumers in general reached a stage where they were no longer capable of making efficient decisions, the whole economy would collapse.

Consumers cannot make a wise decision, he said, without more meaningful and objective product information, and the manufacturer who supplied this would come out on top.

I think this is wishful thinking. How can a manufacturer be expected to give "meaningful and objective" information about his own product? He is hardly likely to mention the product's bad points, let alone highlight them.

Also, Professor Weyers maintains that the consumer must be "indoctrinated" from a very early age to accept the vital role he plays in the economy. The idea of educating consumers is a commend-

# Consumer Council adopts the kid-glove approach

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PROFESSOR WEYERS

● Professor J. Leon Weyers, chairman of the South African Co-ordinating Consumer Council, is known to hold fairly conservative views on consumerism. Not for him the militant actions of the more radical exponents. Here he talks to PENNY GORDON about the new educational line the Consumer Council hopes to follow.

WHEN a man has spent most of his working life researching advertising techniques, studying marketing and lecturing in business economics how does he suddenly become the kingpin of the country's consumer movement? Isn't he trying to serve two masters?

"Certainly not," says Professor Leon Weyers emphatically. As a staunch advocate of the free-market economy, he sees the aims of a consumer movement as the ultimate objective of private enterprise. What's more, he says, if they cannot be reconciled, their interdependence will collapse and the economy of the country will come tumbling down, too.

In terms of basic and somewhat classic economic theory, he maintains that a satisfied consumer is vital to the needs of a successful marketer. And just as commerce and industry must take note of consumer demands and needs, a consumer will support the manufacturer or retailer who gives him what he wants.

Leon Weyers is at present professor of business economics at Unisa. He has a string of degrees — in commerce, psychology and philosophy. An Afrikaner, he speaks effortless English.

He has been on the Consumer Council since its inception four years ago. The council is a non-paid policy-making body. The chief executive is the director, a paid employee — until recently Mr Eugene Roelofse, who resigned because of differences of approach with the council.

Mr Roelofse was a militant who felt the council's approach was not sufficiently dynamic. His replacement, Mr Johan Verheem, takes over soon.

Prof Weyers says that when the council was formed there were vast potential areas for action, but

it first had to find its feet and become aware of its identity.

With experience, the council has come to realise that "coordinating" is the operative word of their title — to pull together all groups that are even vaguely connected with consumerism, and to find out their needs, aspirations and areas of disquiet.

Once these are established, the council can work with commerce, industry and government departments and agencies to find a solution.

These groups will be used mainly as channels of communication. Often members of interest groups are sophisticated, intelligent and aware consumers who could help spread the consumer gospel.

Their secondary function would be to feed back information to the council.

Prof Weyers says at present the council is too small and not sufficiently equipped to deal with individual consumer complaints. Where possible, help is given, but individual complaints do highlight problem areas.

Weyers also sees the Consumer Council playing an educative role.

"Teach the people — give them information and they can then make intelligent consumer decisions. What they need are facts," he says.

Aggressive confrontation between "us and them", consumer and commerce, is out as far as he is concerned.

"I studied consumer movements overseas where consumers and industry are regarded as enemies, and act accordingly it seems that little is ever achieved except publicity."

In all the areas of work of the Consumer Council, the over-riding factor is the limitation of funds. They operate on an annual State

grant of R69 000, most of which goes on salaries.

When you ask Prof Weyers what he regards as the ideal task for the council, his eyes light up.

"Education," he says. "Education on a large scale is the key to everything."

"We could go into the schools — train youngsters from an early age to think in terms of consumer problems and decisions."

"In high school there could be more formal classes — about how much a person will earn and spend in his life."

He would also like to see this extended to universities and adult education courses.

"Consumers also need product information and, with the best will in the world, manufacturers cannot be expected to provide this objectively. We would like to vet such information, even put a stamp of approval on it, which would be an accolade for the manufacturer and a guide for the consumer."

And finally what about the field of consumer protection in his ideal operation?

"We would like to take a look at all the existing legislation and its implementation from the point of view of the consumer. Let's tell people how to use the laws in their best interests."

And coming back to earth Prof Weyers has great hopes for the advice bureaux Council intends opening in various centres soon. He sees them providing and implementing the three vital facets of consumerism — information, education and protection.

This of course is the theory. To be successful it is going to have to become meaningful to the man in the street and that means it must be strong and effective.

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STAR 8/7/75  
**Bouquet for  
Roelofse**

**Pretoria Bureau**

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

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

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

**CONSUMER**

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

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

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

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

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

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



# EASY TERMS

Statement of Cash Price  
Hire Purchase Agreement  
LETTER OF DEMAND

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## Daily Mail INVESTIGATION by CLIVE EMDON

The Rand Daily Mail conducted an investigation into the selling of furniture to Blacks. As 80 per cent of all furniture sales are on credit this involved taking a close look at the various systems of buying on credit: hire purchase, open account and lay-by. The "Mail" also investigated consumer complaints in this thriving R500-million market. From these emerged a story of the frustration, fear and misery of people who have little money to spend and are drawn into a credit-buying machine which bristles with abuses.

AGNES DLAMINI and her husband Alfred were waiting for a new house in Tembisa. They were waiting to buy new furniture for a place of their own. They had saved R120 when Agnes saw just the six-piece sapele suite she wanted.

She went into the store. The cash price was R150. She put down R120. A year later she paid another R5, explaining that she could not take delivery of the suite as she was still living in someone else's home and expecting to get a house of her own.

That was three-and-a-half years ago. And it was only early this year that the Dlamini's finally got their own home. So, Agnes went back to the store to pay the balance.

There she was told: "You received your furniture. A man came to collect it." Agnes Dlamini's world dimmed. She had never sent for the suite.

Now the Legal Aid Bureau is trying to help her recover her money. Their inquiries and the Mail's inquiries have revealed that Agnes never saw a proper contract, nor did she sign one. She was buying on lay-by and received an invoice and receipts for her payments.

The firm admits it handed over the furniture to a man who did not produce an invoice, and who signed his name with an X. After this there had been no attempt by the

firm to claim the R25 still owed.

★  
TO THE Whites who own it, the R500-million retail furniture trade is a thriving fiercely competitive market.

But to Blacks it is still the world of the simple transaction made after months of consideration and saving — a man buying a stove for his home, or a dining-room table and chairs, or a woman buying a sewing machine.

Either way the end result is the same: places like Soweto become what Eugene Roelofse calls "a bottomless pit for truckloads of furniture".

Eighty per cent of all furniture sales are on credit, so into that bottomless pit goes furniture sold on HP, open account and lay-by.

### 'Risky'

Much of it is to people who can't afford the payments, can't read let alone understand the contracts, don't know their obligations or their rights, and don't know they are being charged more than Whites are for the same item, because they're "risky" Blacks.

Then when such deals go sour and the customers don't pay, transactions which were rushed into without proper checking and controls end in a flurry of further irregularities — homes are broken into and goods seized without court orders.

Some of the problems are spawned by the conditions under which Blacks live in White-ruled South Africa.

"They live in the sticks and are hell to trace if they move. Too much goes wrong in their lives to be sure they will pay their monthly instalments regularly," one furniture firm executive claimed.

But other problems arise directly from a too-free credit system wide open to abuse.

The Rand Daily Mail investigation revealed the following prevalent abuses:

- Granting of credit without making proper checks on whether the buyer can afford credit.
- Failure to explain or even give copies of HP contracts to buyers — contracts which when produced may have 130 lines of small print.
- Failure to check the details of contracts which often give the wrong prices or finance charges.

It was only when the Legal Aid Bureau took up Rufus Dibakoane's case with a Johannesburg firm that he got a straight refund of R285 on a R900 account for assorted furniture.

He claimed there was a R140 discrepancy on the furniture's cash price quoted (and written into his HP receipt book), and that which appeared on his first invoice, and a difference of R90 on

# EASY TERMS

## Smoked out

"THEY came into my house while I was away and took the top plates off my stove, and then the ash bar. The house filled up with smoke and my grandmother and my twin children had to get out . . . they were smoked out."

Mrs Winnie Goba, of 55A Mofolo Village, Soweto, was the victim. The firm that came to repossess her stove, table and four bar stools was Wanda, of 44 Plein Street, Johannesburg.

Not only was it illegal to interfere with her burning stove, but it was illegal for the firm to enter her house while she was away, and to repossess the goods without a court order.

Apparently the firm tried to get either the 98-year-old grandmother or the 8-year-old children to sign the voluntary repossession order.

I spoke to Mr N. Golden, Wanda's general manager, about the case barely 36 hours after the repossession. He told me that the store manager had been fired.

He said Mrs Goba was R288 in arrears on her HP contract.

"She hasn't made a payment since February. We will bring a court order against her for repossession."



MRS JOYCE MTEMBU taken to Dannhauser to get a studio couch back

## R60 for trip

"THE firm is threatening me every month . . . some times every week, they say they will go to the police . . . I will be blacklisted . . . I will be taken to court. I tell them to take the furniture . . . I don't want it."

Mrs Joyce Mtembu, a domestic worker of 9th Avenue, Parktown North, Johannesburg, is desperate. Wolfson's Furnishers, of Fraser Street, Johannesburg, has followed her as far as Dannhauser, Natal for payment on a studio couch.

She is in the throes of divorce, and her husband, who persuaded her to buy the couch, has taken it to his home in Dannhauser.

Mrs Mtembu signed the original contract and is still being held responsible for an outstanding R61.

She says the firm persuaded her to travel with one of their repossessors to Dannhauser to collect the couch; after demanding R60 for the trip. She paid up and went with them to Natal. But her husband refused to allow them to take the couch away. There was no court order.

Mr L. J. Hart, Wolfson's credit manager, claims the firm "offered to assist her to get her goods back" and claims she signed the original contract in her maiden name.

But every Black consumer knows he must produce his reference book before buying anything on HP. Mrs Mtembu's reference book is in her married name.

Mr Hart says the firm is not prepared to go to the trouble or expense of getting a court order in Dannhauser to repossess the couch.

There is still R121 outstanding, but Wolfson's will credit the R60 Mrs Mtembu paid for the trip. However she must still pay the outstanding R61.

sioner of oaths who could point out the implications of a register of repossessed goods should be kept which would reflect the original cost, selling price and amount in repayments received on the goods, plus their valuation on repossession and the price they fetch on resale.

If bad debts on furniture and appliances were not tax-deductible, retailers would have an enormous reduction in bad debts overnight, according to Mr Roelofse. Firms would be more careful in granting credit if they had no way of claiming on their mistakes.

He objects to the fact that on the same furniture there is one price for Whites and another, higher price for Blacks. "It amounts to the subsidising of persons who can't or won't pay by those who make credit repayments regularly," he said. He also points out that the only control on furni-

He said repossession of the document be made public — but it still remains secret. The Consumer Council has raised its voice year after year about the hazards of buying on credit from unscrupulous firms. It has also detailed the pitfalls and abuses of hire-purchase for Black consumers.

Interviewed Mr Roelofse said the nub of the HP issue was the way in which credit was freely granted by firms. Retail credit systems were geared not to controlling the amount of credit given, he said, but to the efficiency of collecting repayments. Credit was given to people who could not afford it and to people whom dealers knew would not be able to keep up repayments.

There was also, he said, a large-scale attempt to turn the courts into credit collection bureaux. He said repossession of the document be made public — but it still remains secret. The Consumer Council has raised its voice year after year about the hazards of buying on credit from unscrupulous firms. It has also detailed the pitfalls and abuses of hire-purchase for Black consumers.

He had not realised the implications of paying by regular instalments. It was on his employer's intervention that he was paid back his deposit and returned the radiogram to the store.

Mr J Golombick, a director of Dales, whose name was entered on the "copy of the original" HP contract as the "seller", commented to the "Mail": "If the man signs his name with an X can I help it?"

Of the credit-buying systems he believes that HP, if properly administered, provides the best safeguards for purchaser and seller alike. He feels there is nothing wrong with the HP Act, but what is necessary is for the trade to establish a uniform understanding of how it should be applied.

In his own Nelspruit business Mr Jordaan found that the best credit system he applied was to encourage purchasers to sign an HP contract, and to give them an undertaking that they would get finance charge rebates if the goods were paid off within six months.

The lay-by system was still in use in the trade. "My view in my own organisation is that it is open to too many malpractices. One has to keep furniture in storage for months with the risk that it might be sold by mistake."

The delivery of the wrong goods or damaged goods — and the red tape in getting satisfaction once complaints have been lodged.

The system within 12 months. The customers' past purchases on credit and their earnings will be on immediate call-up for firms making preliminary checks.

The association is also busy enhancing the trade image by training salesmen on HP and the customers' rights and obligations.

I told Mr Grabe that I had reports that there were dual standards and

Mrs Lucy Kodsane's sewing machine was repossessed illegally by a Pretoria firm — taken from her Orlando home while she was away, without a court order. She was three months in arrears with HP payments, but cleared these and paid off the bal-

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# Business Mail

Finance  
Mining  
Commerce  
Industry

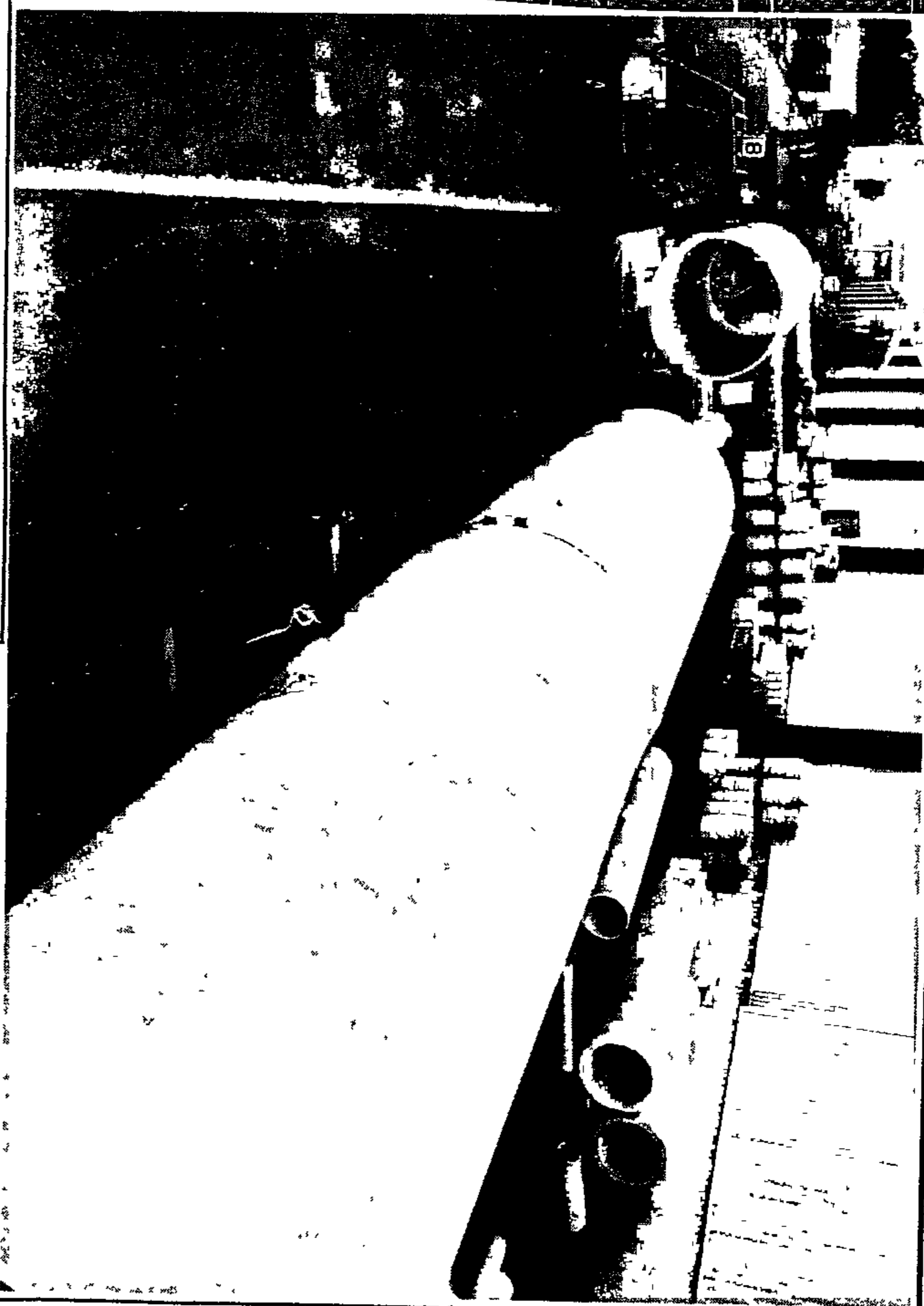
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## Cement disrupted by rail truck shortage

**Industrial Editor**  
INSUFFICIENT rail rolling stock is playing havoc with the distribution of cement supplies, and serious shortages are being experienced in several parts of the country, according to the executive director of the Cement Producers Association, Mr V. L. Hourled.

The badly hit areas include much of Natal, especially the North Coast and South Coast, certain parts of the Free State and the Eastern Cape. Certain areas of the Transvaal are also facing shortages, but on not such a serious scale. Mr Hourled says the problem is not in any way con-

nected with limited productive capacity at cement factories. The difficulty is raling the cement to consumers.

The Railways does not have the facilities to cater for the present demand for rolling stock, according to a Railways spokesman.

Pressure is building up to move the maize harvest and essential coal supplies. In addition, there is a high demand to move general cargo.

Hourled, the embargo, if it remains in force for any length of time, could have a serious effect on the flow of cement earmarked for export to countries like Iran.

He does not appear to be optimistic about any solution being found to the present transport difficulties and has warned cement consumers that it is likely they will have to become accustomed to shortages at regular intervals.

Because of the downturn in activity being experienced by the building industry, it is unlikely these temporary cement shortages have caused any marked difficulties to consumers.

However, if it continues for any length of time the picture could be different, particularly if the fortunes of the building industry start to improve.

## MacRod polishes the set-up

McCARTHY RODWAY is reorganising after its acquisition of Atkinson Oates Motors by splitting the motor group into three operating and reporting areas.

The head office of the group will be in Durban, with operations in Natal under McCarthy Natal.

Transvaal operations will be under McCarthy Motors Transvaal and those in the Cape under McCarthy Motors Cape. MacRod's managing director, Mr Brian McCarthy, says that by reorganising the operating

Bamangwato Concessions and associated companies was announced yesterday.

Mr J D Walcott, a vice-president of Armax, has been appointed chairman of these companies.

The managing director of Botswana RST, Bamangwato Concessions and associated companies, Mr E T Pinkney, will assume a dual responsibility as general manager of Bamangwato Concessions operation at Selebi-Phikwe.

Mr B M Collinson becomes the deputy general manager.

Everite has made what are claimed to be the largest asbestos cement sewer pipes produced in South Africa. They were made at Everite's plant, at Klip River, near Vereeniging.

The pipes are being supplied for Port Elizabeth's Fishwater Flats water reclamation works, being built at a cost of R13-million.

The plant will be commissioned later this year. The 35 pipes, which weigh 3.5 t each, are 1 700 mm in diameter and 5 m in length, and are being taken to Port Elizabeth by the Railways on 17 trucks.

The "sea outfall" asbestos cement pipeline will be 175 m long.

The picture shows the pipes being loaded at Everite's siding at Klipriver.

## Sugar looks sweet on speculation

**OWN Correspondent DURBAN.** — The London daily sugar price has been rising, culminating in yesterday's £18 a ton leap in the price of raws to £175 com.

The picture shows the pipes being loaded at Everite's siding at Klipriver.

## Forklift plant for Criterion

**Financial Reporter**  
C R I T E R I O N EQUIPMENT COMPANY (PTY), a subsidiary of Vavasseur South Africa, yesterday opened a R600 000 plant at Roodokop, near Alberton, for the manufacture and assembly of forklift trucks.

The factory is part of an investment project which is expected to cost R2-million.

The managing director of Criterion Equipment, Mr A Archibald, said that local content on the forklift trucks would amount to 60 per cent in terms of value.

Criterion Equipment is one of the largest suppliers of forklift trucks in South Africa, holding more than 20 per cent of the market which is valued at about R20-million a year.

The factory was opened by the deputy general manager of Railways, Mr J M Oelofsen, who said that the Railways had adopted "a policy of eliminating as far as possible the manual handling of goods in favour of mechanical handling equipment."

## Gold up

**NOTICE IS HEREBY GIVEN** that a general meeting of members of the company will be held at the board room, 5th floor, Hyde Park Corner, Hyde Park, Sandton on Friday 1 August 1975 at 09h15 (or immediately after the conclusion of the meeting summoned by the Supreme Court of South Africa (Witwatersrand Local Division) in terms of an Order dated 8 July 1975 (whichever is the later time) for the purpose of considering and if deemed

**MAZISTA LIMITED**

**NOTICE CONVENING A GENERAL MEETING OF MEMBERS**

## Reserves rise

The price rise is put down to American buying or speculative hedging based on failure of the Soviet wheat crop.

There are reports in America that Russia has

# Call for <sup>RDM</sup> tribunal <sup>11/7/75</sup> to protect consumer

By CLIVE EMDON

BLACK AND White consumers in South Africa should be served by the equivalent of the Australian "Small Claims Tribunal" which has an "arbitrator" with power in law to handle complaints from consumers on goods valued under R600.

The purpose of the tribunal is to make justice accessible to the public at no cost.

A visiting Queensland attorney, Mr Graham Isles, who has made an appraisal of consumer complaints by Blacks, particularly dealing with credit buying of furniture and cars said "Such a tribunal would perform a very necessary function in your commercial life."

"An arbitrator given statutory powers, receives consumer complaints and in an informal manner calls the parties together," he said.

It would cut out the cost of hiring lawyers to handle suits in the courts, and obviates the problems of delays either in direct negotiations between the consumer and firms or in the courts.

The Australian practice was for complaints to be filed to the tribunal, and for these to be served on the firm involved in a dispute, or a claim.

The arbitrator then calls the parties together, without legal representatives being present and adjudicates on the case then and there. If a defendant doesn't turn up, judgment is given against him.

If the arbitrator makes an award against a firm and the company does not abide by his decision, it can register the award through the courts and an open court suit ensues.

Mr Isles said that in the South African context there seemed to be a pressing need for the establishment of an agency to handle consumer complaints, particularly those of the Black consumer.

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

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

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

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

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

"The Consumer Council has been similarly irresponsible."

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

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

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

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

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

#### ABOVE CRITICISM

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

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

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

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

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# Consumers accused of 'terrorism'

Cape Times 16/7/75

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

## 'Motor trade handled with velvet gloves'

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

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

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

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

### "CROOKED DEALERS"

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

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

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

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

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

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

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

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

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

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

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

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

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

"We have every reason to believe that today far greater injustice is being done by skilled consumer terrorists (of which there are many) and by the protagonists of consumers, than by dishonest or inefficient traders."

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# Motor man sticks to his guns

Cape Times 17/7/75

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

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

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

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

### "NO MONOPOLY"

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

Mr Roelofse has described Mr Du Plessis' allegation of consumer terrorism as "laughable".

The MIF director said yesterday that it was statements such as those made by Mr Roelofse that made him talk of consumer terrorism. He denied that there was a monopoly of motor vehicle spares and said anybody who needed spares could shop around and find cheaper ones.

Many of the problems experienced by consumers in their dealings with the motor trade were their own fault.

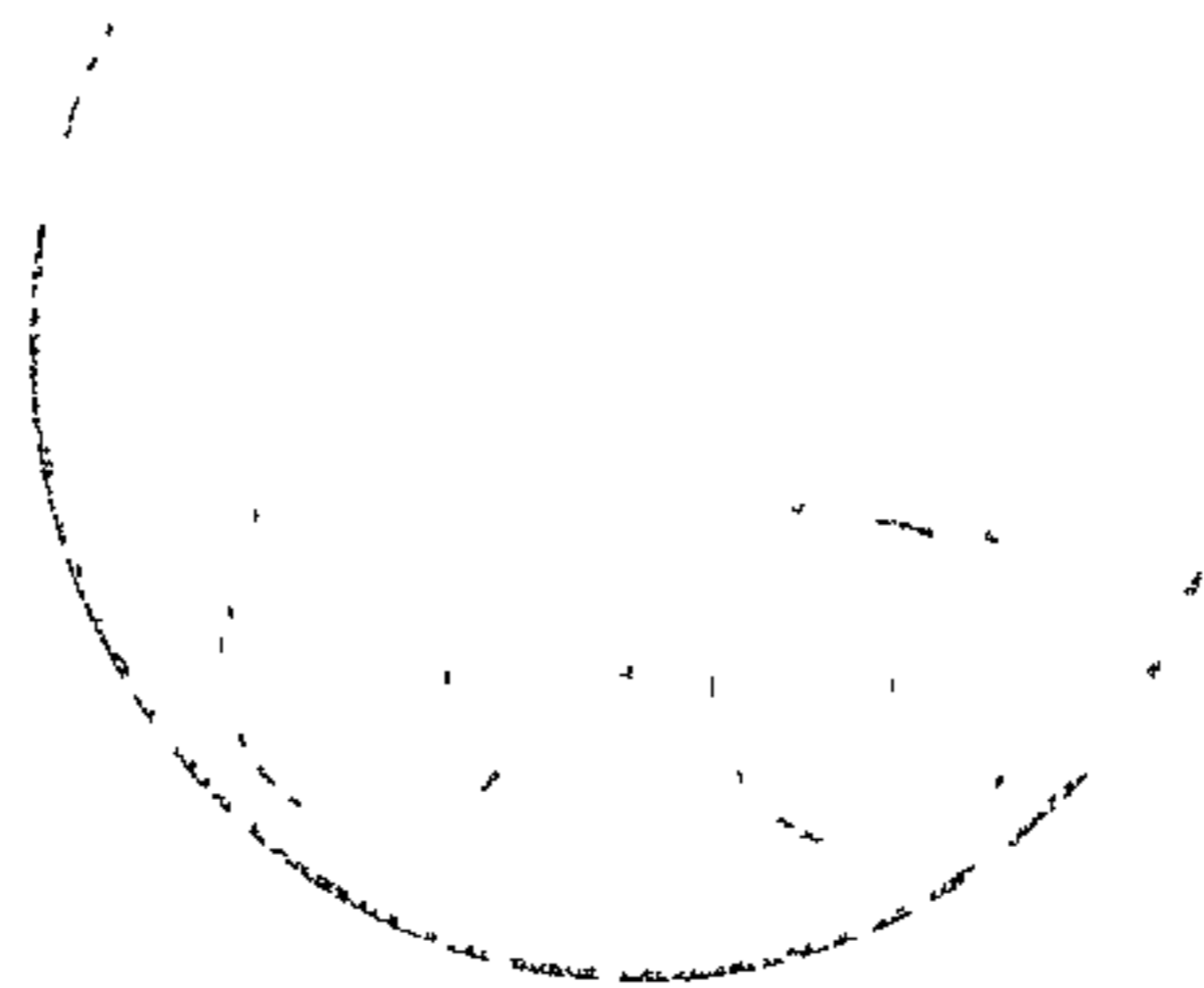
### "GET QUOTES"

"If you are going to build a swimming pool you get two or three tenders, but people take their cars to the first available garage. Get into your car and visit two or three garages and get their quotes before having the work done," Mr Du Plessis advised.

The trouble started when people told their garage that there was a knock in the engine. They asked for it to be fixed, expecting the job to cost about R20, but when they received a bill for R200 they complained. "The contractual agreement between the customer and the garage is far too indefinite," Mr Du Plessis said.

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For its part commerce must abide with "the rules of the game." "Responsible commerce," says Verheem, "considers itself to be part of the *volks-huishouding* but responsible commerce is trying to do for consumers. It are the enemy not only of the consumer but of responsible commerce and of the national household."

I asked Verheem what qualifications he has for the job. "I'm a consumer. I'm responsible for household purchases. And I'm presently in charge of the department for the publication of study material, which entails buying materials, equipment and labour. If I want to buy a certain article I won't buy the first one I see -- I like to compare prices and quality."

But it's not just that he sees with a consumer's eye -- he believes in service to the public. A former lecturer, he was also at the State Tender Board for a year before coming to Unisa and there, he feels, amply demonstrate his commitment to what he calls "national-mindedness."

A family man (four children) Verheem lives in the Pretoria suburb of Monument Park, where he "likes to sit, think, in a garden around the house" and practice karate with his sons.

These activities, along with reading and angling, will be his recreation as he settles into the new job. Until at least the end of the year he will be "digging in the present set up" at the Council, "to become acquainted with its policies and functions", so it's likely to be orientated before action.

Jas3"

## National housekeeper

FM. 25/7/75 (248)

Slow-spoken, cautious Johann Verheem (36) takes over as director of the SA Co-ordinating Consumer Council on August 1. It used to be fiery Eugene Roodloof's job but Verheem will eschew the crusader's mantle.

"I'm going to serve the consumer," he explains, "but he is not the only component of importance in the national household (*volks-huishouding*). Commerce and government, in Verheem's view, have their place too, in a complex interplay of interests which he represents diagrammatically (see next column).

All the components have a responsibility to one another, and the interests of the *volks-huishouding* must be paramount. Explaining all this, Verheem reflects his background in philosophy (he has honours and an MA in the subject, and is currently working on a doctorate on the philosophy of communication).

As Verheem sees it, part of the coun-



# Send a challenge to the Cabinet

BY DEREK TAYLOR

CONSUMER crusader Eugene Roelofse yesterday challenged members of the Cabinet and the Consumer Council to live on the amount of money the average Black housewife has to spend on food for a family of five.

And he called on all trade unions to intervene on behalf of the average housewife, now fighting "a last-ditch stand" against uncontrolled inflation of food prices.

"The plight of the White pensioner and the Black housewives of our sprawling townships has now become a matter of great concern," said Mr Roelofse.

"No matter how they try, they simply cannot make ends meet. This bodes ill for the future of our country.

"The authorities can no longer get away with the traditional story that the consumer is responsible for inflation and can control it by buying 'more judiciously'.

"The housewife cannot even seek substitutes because as the price of one commodity rockets its substitutes follow."

Mr Roelofse said the average housewife, who disposes of an estimated 80 per cent of family income, could no longer clothe and feed her family as she wished.

"It is therefore nonsense for the Consumer Council to come out with its recent

duty to members and the public at large if they did not take a hand in the matter.

"When people's stomachs are empty it is time for everybody to show enough public concern to debate the matter fully and in public," he said.

Mr Roelofse, who resigned earlier this year as Director of the Consumer Council in protest against official obstruction to the consumers' interests, said that a national congress on food prices was urgently required.

## Soaring

"That is how the ordinary housewife can be properly represented while the control boards, the producers and distributors are called on to offer whatever explanations they can find," he said.

Mr Roelofse was commenting on Natal University's survey which disclosed this week that South Africa's soaring food prices were now second only to Britain's inflation rate, among eight leading na-

# TRY LIVING LIKE A BLACK?

Sunday Tribune  
27/7/75

should not press for wage increases," he said. "The cost of food has now reached proportions where our trade unions would be failing in their

The survey also confirmed that Black Africans were being hardest hit by continuing inflation prices.

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# Board 'afraid of boycott'

248

STAR 6/8/75

DURBAN — Mrs Dorothy Perkins, chairman of the Natal Consumer Association, claimed today that the Meat Board was "frightened" of a boycott she had promised to launch if meat prices went up again.

Mrs Perkins was commenting on a Meat Board

warning that agitation against the high price of meat and the propagation of meatless days would only result in a cut in production and still higher prices.

"I don't believe it," said Mrs Perkins.

If the Consumer Council announced a meat boy-

cott it would only be publicising and expanding the present natural boycott, Mrs Perkins declared.

"Many people, are already severely restricting their personal meat allocations because it is too expensive — they simply cannot afford to eat meat everyday

"I also know many people have sold their deep freezes because it is no longer cheaper to buy meat in bulk.

"The claim by the Meat Board's Mr D E Heystek that a meat boycott was not the right solution, was not based on fact, Mrs Perkins said.

# Must call for Group Areas Act

ADM 14/8/75

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Labour Correspondent  
THE NATIONAL EXECUTIVE of the Trade Union Council of South Africa has issued a press release in support of the repeal of the Group Areas Act.

The council's 30-man executive is calling for the repeal of the Group Areas Act, the primary provisions of which are based on

racial discriminatory provisions. Urgent action be taken to make additional land and resources available to provide housing for workers of all races in the urban areas. The promotion and encouragement of home ownership. The enforcement through legislation for the provision of equal commitment in all urban areas - street and house lighting, water supplies, roads, sidewalks, recreation facilities. The institution of an emergency urban renewal programme to eliminate

slums. Represented on the Housing Commission by all citizens and organisations. Action against property developers and local authorities responsible for the escalation of land prices in the major metropolitan areas. The national executive will also table a resolution which calls on its affiliate unions representing 200,000 workers to support a demand on the Government to take firm action to remove harmful price and practices. It will also call upon the State to reform the

Monopolies Act. The executive committee also calls for a strong consumer movement which can fight for consumer protection and lower prices.

The National Union of Distributive Workers states that all unions should support the concept of consumption targets. Both in the US and Russia to improve wage and living standards, these set long-term targets for reasonable consumption levels in housing, clothing, education, diet, furniture, transport, medical services, recreation, vacation and retirement.

## REVIEW

The Garment Workers Union is tabling a resolution asking the council's unions to ask the Minister of Social Welfare and Pensions to review Coloured, Asian and African pensions periodically to eliminate differential between them and White pensions.

The union will also be asked to bring the present means test levels for Asian and Coloured pensioners to the same level as that for Whites and to make pensions directly payable to married men and women who qualify for them, regardless of whether their spouses are employed or not.

The national executive committee calls on the State to not only raise the levels of pensions, but to adjust them at more regular intervals in line with rises in the Consumer Price Index.

5-10  
2/24/75  
(3) 246

# Put your house in order says Heunis

Tribune Reporter

MR. EUGENE ROELOFSE, former director of the Consumer Council who resigned this year, last night cited a weekend ultimatum by the Minister of Economic Affairs, warning furniture traders to put their house in order.

He added, "I am completely flabbergasted by Mr Chris Heunis' statement that the price controller, Mr. Joep Steyn is to investigate what he calls practices totally inconsistent with normally accepted codes of business ethics."

"The Government has for so long denied that there is something pretty rotten in commerce in South Africa, and that large-scale exploitation of unsophisticated consumers is taking place — and now they have admitted it, and decided the time has come to do something about it."

Mr. Steyn's "put-your-house-in-order-or-we-will-do-it-for-you" ultimatum was announced by Mr Chris Heunis.

# Roelofse hits at inter-race exploitation

ARGUS 21/8/75

248

JOHANNESBURG. — Exploitation by commercial interests across the colour line added to the complexity of South Africa's problems, Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council, said here today.

Addressing the Afrikaanse Taal- en Kultuurbond, Mr Roelofse appealed for the appointment of a Minister of Consumer Affairs to guard the interests of consumers of all racial groups.

'When it comes to the spending of money, the consumer faces serious difficulties. The seller is normally the expert and the buyer is the layman,' Mr Roelofse said.

'Marketers used the services of psychologists, sociologists and a variety of other experts. There is nothing wrong with this as long as Mrs Housewife takes careful note of the tactics which are aimed at making her buy more than she wants or needs to buy,' Mr Roelofse said.

## NATURAL TARGET

Coloured people and Blacks in general had very little experience as purchasers. The financial and social upliftment of these groups had in recent years created a tremendous market for consumer goods. These people were the natural target of the exploiter.

'Particularly the Coloureds find themselves today to a very large extent in the position in which the "poor White" was in the early thirties. We were not, however, exposed then to modern marketing techniques or to the temptation of excessive credit.'

One should not close one's eyes to the consumer problems of the Black complexes. In Soweto, with its huge population, there were no supermarkets.

'How far would your wife get with her allowance if she had to buy all her groceries at the corner store? How do we expect a housewife to carry her groceries on over-full trains and buses from the city to her home?'

Mr Roelofse said urgent attention must be given to the solution of any problems associated with the erection of supermarkets

'It is in the interest of the Whites that our Blacks should be able to buy the necessities of life at reasonable prices at places near their homes,' he said. 'If we delay any longer, we will create a danger which will not only be of an economic nature.' — Sapa

# Housewives urge press to expose over-charging

248

D. Dispatch 4/19/75

EAST LONDON — If the press backed the Housewives' League and exposed firms which did not give the customer a square deal, the cost of living would drop.

So said the chairman of the league, Mrs Jess Gowar, here yesterday.

"We (the league) have the power to bring down the cost of living if all newspapers would assist us by carrying the names of firms who are charging excessive prices," Mrs Gowar said.

Mrs Gowar said any anomalies should be brought to the attention of the league. "I would love housewives to phone in their complaints. That way we can track down these things."

She made these comments after hearing a complaint from an East London pensioner. The pensioner claimed she was in a supermarket when she saw an assistant removing a band from around two bottles of dishwasher. The two bottles had been marked up at 29.5c a pack and the assistant was then marking each bottle at 29.5c.

When asked to comment, Mrs Gowar said she would first telephone other supermarkets to get their reac-

tion. Later she said the supermarkets she had telephoned all agreed that goods banded together should "never be split and then sold at a higher price."

Having spoken to the manager of the store concerned, the regional manager Mr T. Carroll telephoned the Daily Dispatch.

He expressed concern at the inquiries and said he had investigated the matter and found the reason for the removal of the band was quite easily explained.

When the store had or-

dered more bottles from the distributors, they had had to accept packs banded together as this was all that was available. However, the store paid single-pack prices. They were, therefore, quite entitled to mark each item separately.

Mr Carroll said when the product was launched there had been two bottles banded together, but this was merely to promote the product. "What it amounted to really was that we were giving one bottle away," Mr Carroll said. — DDR.

# Prices: STAR 16/9/75 charges shelved

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There have been no price control prosecutions in Johannesburg Magistrate's Court since mid-June because the two price control inspectors are no longer working.

One has had a heart attack and the other has resigned, said prosecutor Mr A R van Wyk yesterday.

As a result all cases had been struck off the roll, he added.

Mr van Wyk said the Transvaal Attorney-General, Dr Percy Yutar, expressed disappointment when he heard there had been no prosecutions.

It was Dr Yutar who asked in July that price control offenders be given maximum sentences without the option of an admission-of-guilt fine.

He also asked for the Press to be told of price control cases.

Now Mr E G de Beer, the deputy price controller, says cases will be taken up by staff members at the price control office.

Mrs Margaret Lessing, of the National Consumer Union, said today she found it hard to believe no inspectors could be found in Johannesburg.

She urged consumers to help the government enforce price control measures by reporting exorbitant prices and profiteering to the Price Controller.

The Minister of Justice, Mr Kruger, has said that last year there were 2381 convictions for breaking of price control regulations.

Fines totalling R75 600 were levied.

There had been 3155 prosecutions.

In April the Price Controller, Mr G J J F Steyn, said the price control inspection service would be intensified.

# Farmer, consumer

① Agri-721  
2) 248  
3) 1102

## must co-operate

Mercury 20/9/75.

(248)

**SIR, —** In your newspaper of August 18, 1975, on page 5 in "Hers," Mrs. Dorothy "Watchdog" Perkins calls farmers to put their point of view in the cost of living war that is raging between producers and consumers and, on behalf of the Dundee Farmers' Union I wish to make a few comments.

May I, right at the outset, stress that it is a great pity that consumers should think in terms of a "war" between two groups who vitally need each other. The producer must have a market for his products, he must have a consumer to take up what he produces. On the other hand, the consumer must have somebody to produce the products which they must have to survive. This then is an absolute partnership which reaches its perfect balance when the producer and consumer are directly linked together.

I think all further arguments must be based on this ultimate objective and we, from the producers' side, must do all in our power to start building the bridge over the very deep gap at present existing between producer and consumer, but I honestly believe it is also of vital importance that the consumers must also start building operations from their side, and Dorothy Perkins now has the organisation for doing this, while organised agriculture has all the tools to build such a bridge.

### STOP ACCUSING

I therefore plead that producers and consumers should stop accusing one another, and should rather use those energies to come closer to one another, because I believe that our solution lies in shortening the distance between these two groups.

The second comment is that, from time to time, we publish factual figures to indicate to our consumers that the producer is not making all the profits which are fabricated in minds of people who wish to wage a war.

In 1973 I personally wrote an article indicating that, from 1950 to 1973 all consumer prices rose by 119 percent while producer prices rose by only 92 percent

and, together with this information, I submitted that the salaries from 1960 to 1973 increased by 207 percent for mine workers, 237 percent for factory workers and 258 percent for public service workers. I further proved that where farm produce was sold on open auction, in other words, where supply and demand was the only factor, prices had risen far higher than the controlled produce prices, which indicated that our consumers' buying power had played a very important role in increasing prices, and surely the producer could not be blamed for this.

### FIGURES

In 1974 we again made an investigation and published the following information. In 1960 factory workers were able to buy 11,71 bags of mealies and 155,1kg of meat with one week's salary and in 1972 the same worker could buy 22,78 bags of mealies and 185,7kg of meat also with one week's salary.

On August 2, 1975 we made a statement at our mealie congress that the percentage of a man's salary spent on buying basic food like mealie-meal compares very favourably with overseas countries, in spite of the fact that the South African producers have to contend with production factors unknown to overseas producing areas.

And finally, at the Natal Agricultural Union Congress on September 10 and 11 in Durban, up to date statistics were again made available.

I am trying to say that we, as producers, are not ashamed of giving our consumer friends the factual information, to prove to them that we are serious in our attempts never to exploit them, and I seriously hope that Mrs Perkins will accept my word for this, but at the same time she must also be prepared to accept that the producer also has a

right to expect a livable return on his efforts, with all the hazards nature has in store for him.

### BUYING PATTERNS

Now lastly, I am very glad that Mrs Perkins is called a "Watchdog" in the article that appeared in your newspaper. May I now respectfully submit that she also challenges the buying pattern of the people she represents, to satisfy herself that her people buy at the most advantageous prices. I have not the time to get the information to prove how important this matter is, but Mrs Perkins might be interested to know that our vegetable farmers received the following prices on the Durban market during the week of her letter appearing in the newspaper:

Cabbages at 5c per head, cauliflower at 16c per head, carrots at 2c per 1kg, beetroot at 10c per 1kg, potatoes at R2 per 15kg and onions at 35c per kg.

Now I suggest she asks her people what they paid for these vegetables during that week. I am confident that she will be shocked, and will then accept my further suggestion, and that is, that it is high time that organised consumers and organised producers came together to combine their efforts in looking for a narrowing of the gap at present separating these two groups, and I assure her she will, in this way, achieve much more positive results than merely talking about the problem.

My last word to Mrs Perkins is a quotation I have used before: "Burn down your cities and leave our farms and your cities will spring up again as if by magic but destroy our farms and grass will grow in the streets of every city."

I M VAN ROOYEN,  
General Manager,  
Natal Agricultural  
Union





Mr Roelofse

Cape Times 7/10/75

# S Africa: (248) Con-man's paradise —Roelofse

JOHANNESBURG. — Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council, said here yesterday that consumers were not adequately protected by law and that South Africa was "a con-man's paradise."

Mr Roelofse, addressing students of the faculty of law at Witwatersrand University, said: "It is a blot on our society that we have so far failed to act effectively to protect the poor, the ignorant and the illiterate against the ravages of credit sharks."

"Why should semi-literacy or lack of sophistication make an individual a prized and often perfectly legal target of exploitation?" he asked.

Mr Roelofse said ordinary people were asking whether the phrase "business is business" was becoming a socially acceptable umbrella to cover falsehood and deceit.

Alternatively, was the phrase used in order "to dress up a knave as an enterprising, public benefactor, a cheat as someone to applaud?"

Mr Roelofse praised the press for the part it had played in trying to protect the consumer.

He asked whether the time had come for laws to deal with fraud, more specialized staff to enforce them and special courts to try the cases. — Sapa.

# Roelofse questions R2-m consumer plan

AR645 29/10/75

KEMPTON PARK. — The Government's plan to spend R2-million on a publicity campaign to educate the consumer raised many questions, Mr Eugene Roelofse, the former chairman of the Consumers' Council, said last night.

'Judging from Press reports we ordinary consumers are indeed an uninformed, ignorant bunch of wasters. Presumably few of us think before we spend money, few of us try to live within our means, few of us try to buy the best quality and few of us compare prices.'

He said Dr Lawrence McCrystal, the Chairman of the Government's Inflation Committee, should be well placed to broaden the consumers' minds.

## CONSUMER LEADER

Dr McCrystal, an economist who is also director of the Grocery Manufacturers' Association, had an expert knowledge of the marketing policies of grocery manufacturers, he said.

However, he asked,

'Why did the powers-that-be not appoint a consumer leader as chairman of the committee which is going to educate us consumers?'

Mr Roelofse said it was nonsense for the Association of Chambers of Commerce (Assocom) to suggest that there was a rising tide of anti-business sentiment.

'The sentiment which is rising is an anti-exploitation sentiment, an anti-price-juggling sentiment and an anti-fiddle sentiment,' he said.

Referring to Assocom's plans to spend R100 000 per annum to educate the consumer on the free-enterprise system, Mr Roelofse said the consumer already knew its advantages and appreciated its benefits. — Sapa.

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# 'Think twice'

## warning

## is attacked

Cape Times

30/10/75

248

THE Cape Town Chamber of Commerce, in a statement issued to the Cape Times yesterday by its director, Mr J B Drake, criticized the warning by Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council, that consumers should "think twice before you buy".

The statement said the Chamber of Commerce was somewhat surprised at the prominence the Cape Times gave to the warning and to the views (of Mr Roelofse) which accompanied this warning which are highly questionable.

"To begin with," the statement reads, "Mr Roelofse suggests that businesses engaged in cutting prices are selling goods at less than they are paying for them. None of the firms have indicated that they are doing this."

### LOSSES CUSHIONED

Furthermore the Chamber is informed that price reductions have been made possible through satisfactory trading conditions and that this and the anticipated increase in turnovers, albeit on the basis of substantially reduced profit margins, would help to cushion any loss of profits that may be sustained.

"To suggest that supermarkets would have to 'lift commodities' while selling others at below cost is nonsense. Anyone who does so will find that the 'lifted commodities' will simply remain unsold and will sooner or later have to be dropped in price."

"Prevailing competition  
Turn to page 3, col. 6

## Warning attacked

Continued from page 1

and consumers themselves, most of whom are not quite as naive as Mr Roelofse would seem to believe, will see to that.

### SINCERE GESTURE

"The Cape Times will be aware of the contents of the Government's manifesto on inflation and the part which the private sector has been asked to play in containing prices."

"The Chamber would prefer to believe therefore

that the chain stores concerned are acting in the spirit of the manifesto and that the current price-cutting campaign was begun as a sincere gesture to the consumer.

"All this is yet another example of the irresponsible anti-business sentiment with which the business community is being confronted today."

"This is to be deplored, especially when, as so often is the case, there is little or no justification for it."

# Railway women do survey on supermarket prices

248

EAST LONDON — Yet another women's organisation is keeping an eye on prices in East London supermarkets.

The South African Railways Women's Association is following in the steps of the Housewives' League by carrying out surveys in the four major supermarkets in an attempt to help the housewife get more for her money.

The Railway women carried out surveys on September 29, October 8 and October 22. The stores concerned were Checkers, OK Bazaars, Pick-n-Pay and Supervalu.

Lists of essential monthly foods for a family of two adults and three children were drawn up and the results were

Checkers. R33,85,  
R33,85; R35,18

OK Bazaars: R32,69;

R33,31; R33,81  
Pick-n-Pay: R32,41;  
R32,05; R33,54.  
Supervalu: R34,09;  
R33,82, R33,97.

Meat products were not included in the survey.

Mr E. Sparg, owner of Supervalu, criticised the other three supermarkets "These blokes kick up a row in the press and pull the wool over the public's eyes," he said

Mr Sparg was referring to the price war between the bigger supermarkets.

However, spokesmen for the bigger supermarkets said prices were being reduced to combat inflation

The regional manager for Checkers, Mr W. Cooper, said his company had never intended starting a price war

Referring to their cost-price offers on 100 essen-

tial items, Mr Cooper said manufacturers had guaranteed they would not increase the prices on these items before Christmas.

The regional manager of Pick-n-Pay, Mr T Carroll, said by reducing prices he hoped the turnover would be greater.

Asked whether increased public spending would not cause greater inflation when the prices were again increased, he said they were keeping in with the government's present campaign, but would do everything to combat further inflation in the future.

The regional manager for OK, Mr W. Hurwitz, said his head office was formulating their price campaign. They were, he said, going to reduce the mark-up on all items. —  
DDR.

Star 7.11.75

# They tried to gag me - Roelofse

Question . . . . .  
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248

Do not write in this margin

While he was director of the Co-ordinating Consumer Council, Mr. Eugene Roelofse was told not to make statements that would embarrass the Minister of Economic Affairs or the Associated Chambers of Commerce of South Africa.

The warnings came from members of the consumer council.

Mr. Roelofse reveals this in his book "Sorry I Upset You" which is to be published next week.

He also explores the question of political influence in the consumer council and says he was once told it was politically necessary to let things cool on a particular matter.

On another occasion a council member indicated that he objected not so much to what Mr. Roelofse was saying in his attacks on profiteers "but that I actually seemed to enjoy saying it."

Realising that controversy was frowned upon by the Consumer Council, Mr. Roelofse says he "mentally resigned" and started looking for another job.

In a foreword to the book he pays tribute to all those who made it possible - including the con-men and racketeers he met during his years as director of the consumer council.

Mr. Roelofse expects the book to cause a political and economic row.

"I can just smell the salty sea air of Cape Town," he says. "I'll probably be seeing the city from Robben Island next year."

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SUN. TIMES-MAG. 9/11/75

# stand a chance



Eugene Roelofse . . . Everyone but the consumer free.

THIS book is dedicated to all the crooks and racketeers in South Africa — and their apologists

I gained a deep insight into the profit motive, and human nature in general, from their activities

They created the conditions which gave me a stimulating four-year stint as Director of the South African Co-ordinating Consumer Council

South Africa's 20-million consumers are the carefully manipulated puppets of parasitic elements, the free-enterprise system, a system in which everyone but the consumer is free.

After my appointment as director, there was barely time to dash down town to buy an ashtray, before I was given the "10 Commandments of Consumerism in South Africa"

- 1 We must not upset Assocom (The Association of Chambers of Commerce)
- 2 Assocom is very influential.
3. The Handelsinstituut has connections in high places.
- 4 We must not upset Assocom
5. We must not embarrass the Government.
- 6 We must co-operate with business organisations to win their support
- 7 We must not upset Assocom.
- 8 We will have to

From the book by **EUGENE ROELOFSE**  
Pictures by **MIKE McCANN**

9. We don't want a Ralph Nader approach here.
10. We must not upset Assocom.

The opening of the Council's office resulted in a flood of complaints from people who claimed they had been conned. But the Council's view was that its function was not to deal with individual complaints I was instructed to pass such complaints to the Press, to the Price Controller — in fact, to anybody else

## Strange

It was strange, almost unreal, to have to convince so many Council members that there were plenty of crooks around, that we were only seeing glimpses of what was going on behind the scenes in the business world, and that the Council's first duty should be to expose wrongs and get action from the relevant authorities.

Usually the Council's decision was that the information be "made available to Organised Commerce." Presumably, Organised Commerce would then show shock and amazement that

somewhere a crook was loose.

They would summon the culprit to appear, rap the table and see that money was returned, a contract cancelled or a salesman reprimanded. In practice, these high hopes seldom materialised

## Leaders

Organised Commerce, to the best of my knowledge, never distinguished itself in crook-catching, not because business leaders were themselves dishonest, but because their systems were designed with a limited objective. to promote trading in terms of the free-enterprise system.

A free-enterprise system can only work within prescribed parameters. As long as traders and consumers have to live together, the freedoms of the one must be related to the rights and freedoms of the other.

Many who shine as apologists for the free-enterprise system have axes to grind and cash registers to ring.

To help or not to help the individual complainer was my dilemma from the start. And I could find no solution. There was none.

It was this

unresolved problem which led to time-wasting debate and eventual estrangement between the Council and myself. It was a stumbling block, no matter what project was tackled.

As Mrs Malaprop might have said, I was holding the baby and wasn't going to pass the buck.

The fact that the Council was receiving a grant from the Government was impressed upon me from various quarters. There were subtle suggestions and sometimes "advice" that my statements to the Press and my speeches were likely to embarrass the Government, the Minister of Economic Affairs or "die mense aan ons kant van die Huis" (National Party MPs)

## Outspoken

Admittedly I had been outspoken about malpractices and the economic exploitation of Coloureds and Blacks. I had also hinted that certain Government departments and agricultural control boards could do with a shake-up.

It became clear that I was not supposed publicly to criticise

Government policy directly or by implication

It took a little longer to realise that I was also not supposed to criticise inertia or bureaucracy in any Government department.

There was also an intricate network in other matters on which only tactful comment was allowed "because it might make things difficult for the Minister"

Consumers were simply told to buy judiciously, to seek substitutes, to avoid wastage, to work to a budget and "to be more responsible"

## Policy

In the meantime, Organised Commerce, Organised Industry and Organised Agriculture were carefully strengthening their connections with the Government, each seeking to influence State policy in a direction beneficial to the interests concerned

Each of these "organised" sectors, and other commercial interests were represented on the Prime Minister's Economic Advisory Council

The consumer was not

Consumers received the booby prize — mere membership of the Standing Committee on Inflation, a committee which reported to the Economic Advisory Council

THE consumer is the man who eventually foots the bill for everything. If the Government needs money up go taxes.

If wages are raised, there is inevitably a product price rise which is passed on to the consumer. If interests rates rise, so do overdraft and mortgage rates.

In his many examples of consumer exploitation, Eugene Roelofse highlights the following:

**HIRE PURCHASE**

IN THE hands of an unethical trader, the Hire Purchase Act becomes a weapon of exploitation and mental cruelty to be adroitly wielded against the ignorant. The poor man cannot afford the expense of a civil action against a store to safeguard his interests.

The free-market economy is a good concept. However, it only works efficiently if the consumer is educated, price-conscious and stable. It has dangerous by-products if it is not used with restraint in a marketing situation where the illiterate or unso-phisticated predominate.

There's one thing I want to make plain — Blacks are not being exploited simply because they are Blacks. Some traders would, if they could, take Whites for a ride with equal verve and nerve. To this extent, they have no racial prejudice.

It is simply that, at present, Blacks are by far in the majority of consumers; that the illiterates or semi-literates are mostly Black, that they lack sophisticated and healthy

consumers; that their incomes, in mere figures, but not necessarily in buying-power, have grown by leaps and bounds; that they are the people with the least notion of their obligations and rights as buyers; and that the credit system, with all its intricacies, is a little beyond most of them.

The Hire Purchase Act states that if certain provisions are put in agreements they are null and void. The Act fails to make the inclusion of such clauses an offence. The ignorant and illiterate are, presumably, supposed to know which clauses are binding and which are not.

As it stands, the Hire Purchase Act is pretty remote from the modern business scene. The protection it gives the buyer is largely illusory.

It is an anachronism profitable to the trader, but which causes loss upon loss to the unsophisticated. There is even "help" for the illiterate. The customer puts his thumb-print on the contract and it binds him as fast as if he had carefully studied the fine print!

It doesn't matter whether the friendly Mr. Jekyll lured and pushed the buyer into debt. It doesn't matter whether credit beyond the buyer's means was foisted upon him. He must pay up and smile. Mr. Hyde will see that he does.

**Encyclopaedias**

D O O R - T O - D O O R sales have been a feature of the South African scene for decades. In many respects, such salesmen provide a useful service to the community. However, thousands of householders have



Eugene Roelofse... Highlighting consumer exploitation

**South Africa is a sucker market**

Extracted from the book 'Sorry, Usset You' by Eugene Roelofse

paid heavily for their foolish belief that they are "safe" at home — the notion that no stranger would dream of being dishonest.

I thought of the Oberholzer family. Five people living in one room in a Johannesburg slum. Plaster falling from the walls. They were barely educated, existing on a pitifully inadequate income.

There was hardly enough furniture to go round. But they had been conned into buying almost R500-worth of Encyclopaedias. The Council had, during previous months, blasted the

encyclopaedia sector week after week. The public had been alerted, and there was little public sympathy for encyclopaedia salesmen.

One or two firms, not satisfied with training sales staff to con the public, went further and conned their own employees out of commissions and other benefits.

Eventually, I had a call from Mr. Joe Asher, head of SAB Holdings. He sold the *New Standard Encyclopaedia*. He said he realised that deception was rife in the encyclopedia sector, that he had already com planned to

the authorities about it, but that nothing had been accomplished. He told me that South Africa was referred to overseas as the sucker-market, that out-of-date sets were being sold, that unscrupulous firms were exploiting the public, and that legitimate firms were suffering the consequences.

"hopping mad" He was "conspiring" in an attempt to impose self-discipline, the encyclopedia sector formed the Subscription Bookellers Association of South Africa; and put Joe

Asher in the chair. A code of ethics was formulated and accepted by members for an automatic three-day cooling-off period. This spliced the guns of high-pressure salesman and enables a householder to cancel a contract within 72 hours of signing without a loss.

Another timely move was the Association's insistence that the wording of all contracts used by member companies has to have the prior approval of the Committee. Some firms found this a bitter pill to swallow.

Salesmen are no longer allowed to say that a customer has been "specially selected" or to pretend that the books are free. This has removed a trap for the unwary consumer. The most important provision of all is that no member firm can accept an order without having satisfied itself that the amount of credit granted is realistic in terms of the customer's means.

As encyclopaedias are sold on open account, such transactions are not subject to the Hire Purchase Act. Customers who got into arrears faced a commission of R500 on the salary deductions from their salaries through orders garnished in terms of permitted in terms of the Magistrate's Court Act.

In fact, I have not found any reference to price control in the official estimates of Government expenditure for 1975/6. The powers-that-be do not consider it essential to have a separate Price Controller and staff. Of course, hundreds of traders, for reasons of their own, do not consider it necessary either.

In fact, an Assocom congress was told by a speaker that there were too many civil servants and that the numbers should be reduced. Questions about price-control operations are frowned upon from most quarters. You are told that you should not be difficult about small matters when Die Regering is faced with such vast problems in Africa.

**Price control**

MENTION "Price Controller" and people tend to think of one person controlling prices on a full-time basis and doing

nothing else. A man with an adequate staff of inspectors.

This is not so. The Price Controller, tall, proud and dignified Mr. Joseph Steyn, is also Secretary for Commerce, responsible for South Africa's local and international trade, trade marks, companies, patents, import and export control, weights and measures and the copyright tribunal. In addition, he is Controller of Petroleum.

He has, also, found on occasions, also found time to lecture to the Housewives' League. There are, of course, Deputy Price Controllers, but they are also Deputy Secretaries for Commerce. And so on, down the pyramid.

Few officials, if any, are concerned with price control in a full-time capacity. The man who drafts the price-control regulations, for instance, also works on the Hire Purchase Act, measures to conserve fuel, interests himself in buy-ard societies and a myriad of other legal matters.

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**Service charge**

THE RE is no generally-accepted definition of the term "service charge". No one in authority seems willing or able to state categorically whether this percentage on your bill is really a payment of service, whether it is a compulsory form of tipping, or whether it is simply a way of raking in extra profits. By objective standards, a "service charge" can hardly be a payment for service, since no hotel which failed to provide service in relation to its tariffs would be likely to meet the grading requirements laid down by the Hotel Board.

Neither would a restaurant which expected its patrons to fetch their food from the kitchen and wash

the dishes afterwards be awarded a liquor licence. Similarly, it cannot be a compulsory form of tipping. If it were, the managements of all establishments levying a "service charge" would surely discourage ordinary tipping. They would also be dutybound to take action against staff who accepted tips.

So one can only conclude that the "service charge" is not a charge for service, it is not entirely distributed to staff, but that some, or all of it goes into the cash register as an extra profit-booster. This was denied by some hotels. They maintained that the entire service charge was divided among waiters, cooks and other domestic staff. One hotelier said: "I assure you that all this money goes to the staff. We've got to give it to them because we pay such low wages."

Other hoteliers said that they retained part of the service charges to cover the cost of breakages. During 1974 licensed hotels in South Africa had a turnover of R97-million for accommodation and meals. A 15 per cent service charge on this figure would be about R14.5-million. Was all this given to waiters, cooks, porters and domestic servants, I wonder?

But please don't bother the authorities with complaints that an undefined surcharge of 10 or 15 per cent is being added to your bills, and don't be silly enough to suggest that 10 per cent adds to inflation. Surely you know that inflation is worse overseas — in England, France, Brazil or Borneo.

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# Consumer body

Cape Times 10/11/75

## issues warning

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Staff Reporter

THE South African Co-ordinating Consumer Council yesterday issued a warning to consumers to be aware of "special discounts, sales and cost-price selling" of certain articles offered by businesses in the anti-inflation campaign.

In the statement the council also warned the public not to buy impulsively and to check that reductions were genuine. There should be a need for the article concerned and consumers should not buy simply because something appeared to be a good buy.

Some of the hints given to consumers considering buying articles were:

- Do not allow advertising or in-store promotions to formulate your decisions.

- Do not stay in a store longer than necessary — the longer time in a store means money spent.

- Stick to the shopping list at all times and use objective information

from advertising to make up the shopping list.

- Support stores that are making a positive contribution to combat inflation.

- Any form of saving, regardless of how small it is, is a contribution in the fight against inflation.

The council's statement adds that responsible buying is not a short-term policy, but will have long-term benefits which will contribute eventually to stabilizing prices.



JOHANNES looked scared. He was obviously not very bright, yet he had gone to a lot of trouble to look presentable in his shabby but well-pressed clothing. A typical example of the better class Black workman.

"They sold my bed, baas," he said plaintively.

He was sent home to collect all the receipts and returned to tell his story. He told it in bits and pieces, carefully including all the irrelevancies so characteristic of the speech of people the high pressure demands of modern life have caught unawares

"I pay R108 and get behind. They come to my house when I am at work. They take it away on the lorry yesterday. When I went with the balance today, they say I must go away. The bed he is sold to another person. The baas not want my money. He angry. He want to donder me."

The old racket, I thought. Repossession without a court order when most of the purchase price has been paid. The goods are then sold to another customer — not at a loss, of course.

The furniture trade had repeatedly rejected the accusation that such things were

THE Americans claim the consumer is king. Nonsense. Nowhere is the consumer either king or queen. South Africa's 20 million consumers are the carefully manipulated puppets of parasitic elements within the free enterprise system, a system in which everyone BUT the consumer is free.

Should you consider my judgment too harsh, my congratulations. All you have to do is close your eyes and open your purse.

You'll avoid all those nagging thoughts

about con men, legal entanglements and public servants who instead of protecting you, prefer to drift along from tea-time to tea-time.

If you have unbounded faith in your fellow man, the effectiveness of Government protection, and the theory that inflation is temporary and will quietly go away if you don't talk about it — please don't read this article.

It might upset you a little...

done by "responsible" traders, and that repossessed goods were being sold at a profit a second time.

Here I had caught a branch of a national furniture group red-handed

Johannes had certainly been overdue

a handsome profit, leaving about R12 to be collected.

I phoned the branch manager of the store and he was tough and aggressive. Johannes had told me that he had been ordered out of the shop and had also been threatened

Extracted from "Sorry I Upset You" by Eugene Roelofse

with his last few payments and I pulled him up about this. However, the cost price of the studio couch had been about R50 and the selling price more than R100. The dealer had therefore already recovered his cost and

with violence I was not surprised

The man seemed incapable of negotiation. Possibly he was aware that he had also committed an offence by re-selling the goods before the expiry of the 21-day

# Pay Pup and Ship Up

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24/11/75

Sunday Times Magazine

16/11/75

1975

period after repossession, as laid down in the Hire Purchase Act.

Not exactly getting co-operation from the store, I spoke to a director of the company and asked him whether I should advise the customer to obtain a spoliation order against his subsidiary before calling the police, or vice versa.

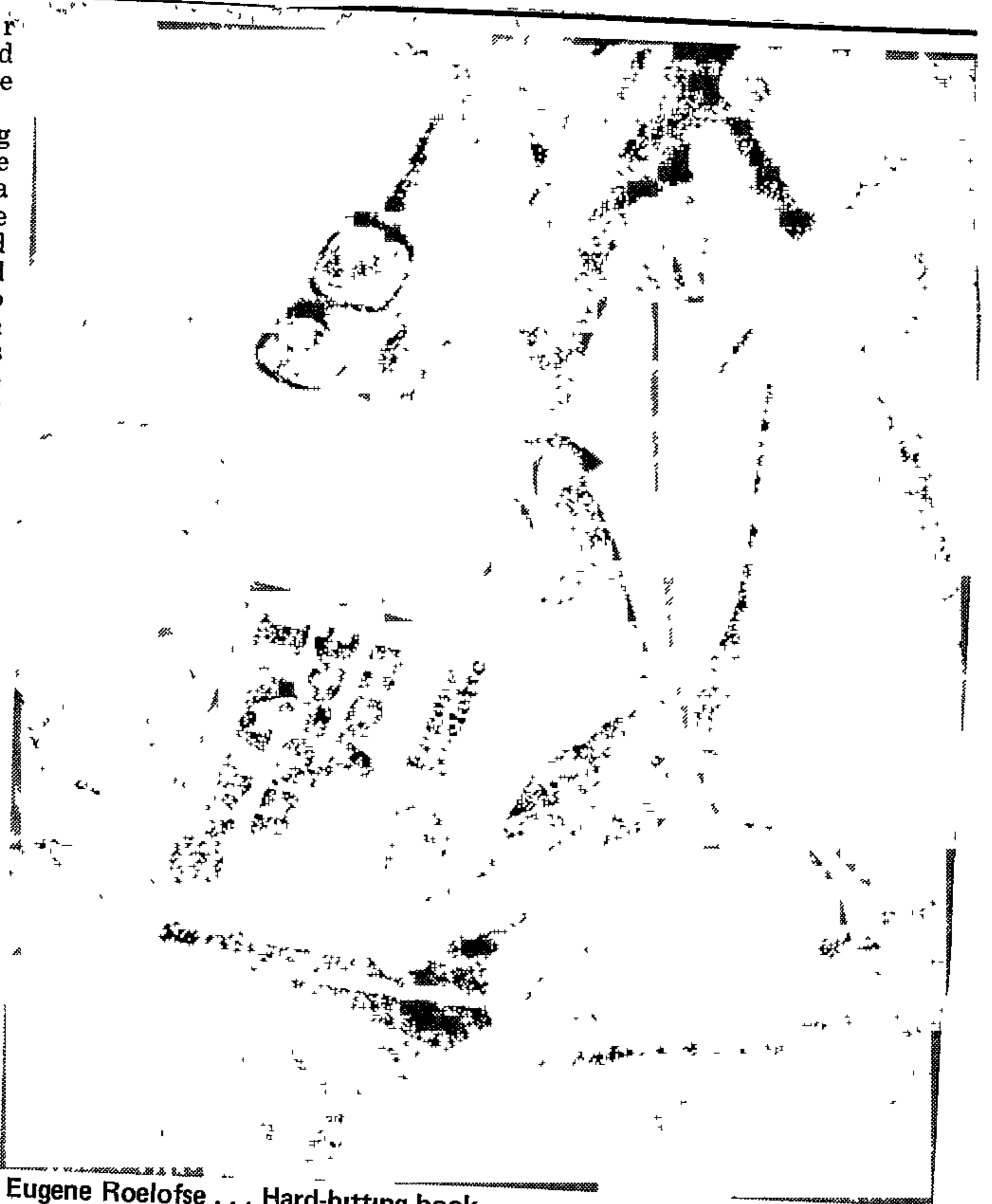
This produced results:

Within three hours the studio couch had been repurchased from the new buyer and delivered back to the store. It was inspected by the original purchaser who said he was satisfied with the condition of his bed. Johannes then paid the balance and also received gifts from the store as a gesture of goodwill.

The truck driver working for the furniture store was obviously nonplussed. He had repossessed the bed, taken it to the store, delivered it to the second customer, fetched it from the second customer, brought it back to the store and was now instructed to re-deliver it to the original purchaser — all within 48 hours.

Since I was happy about this incident, I

• Continued on Page 5



Eugene Roelofse . . . Hard-hitting book.

Continued from Page 4

told the story to my chairman, Professor Weyers. He is by no means a hard-hearted or unkind man, but he questioned whether, by doing such work, I was investing my time profitably.

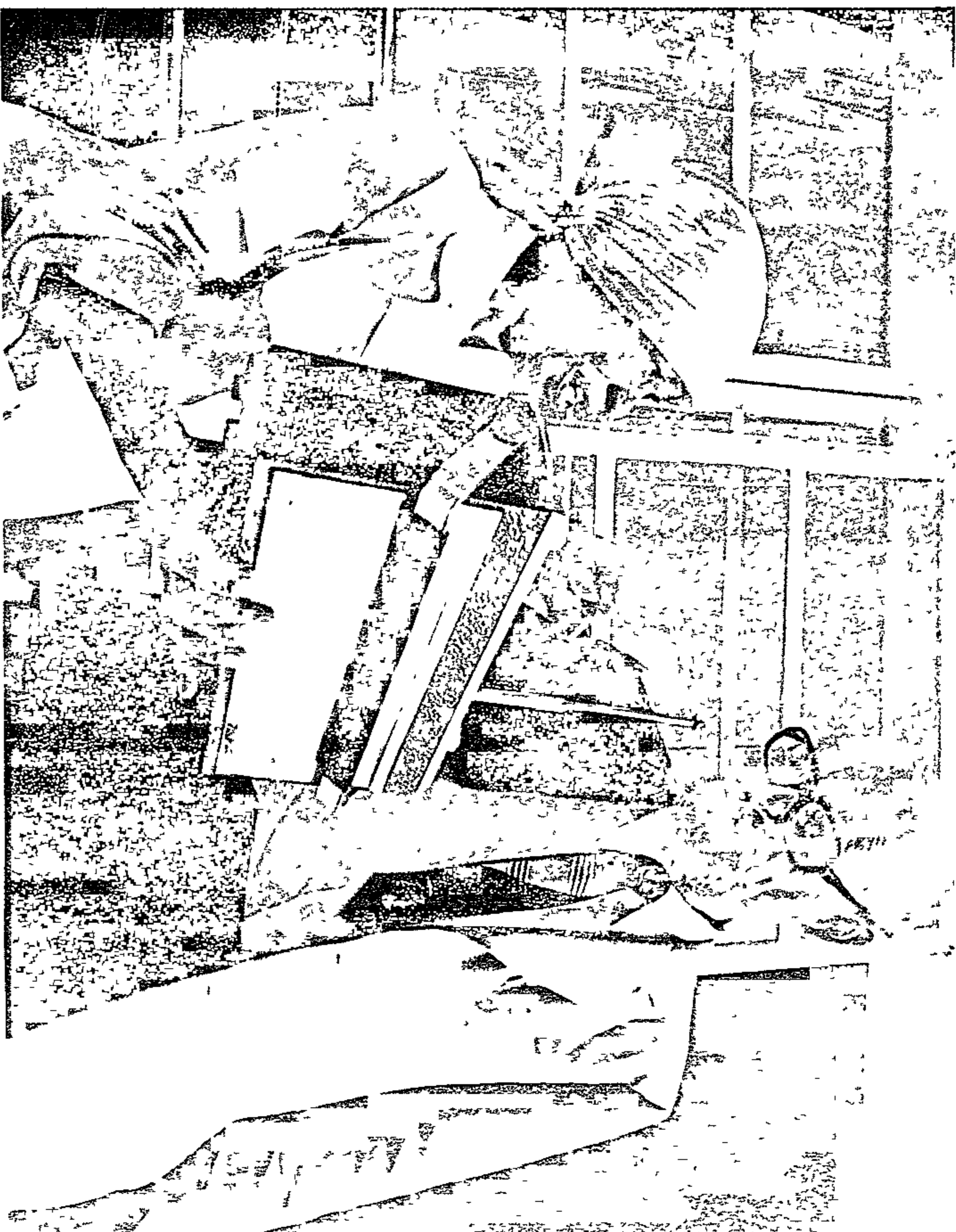
"It's all very nice to have helped this man, but would it not have been a better investment of time to have collected the facts in order to produce a memorandum, to negotiate about such situations with organised commerce and the authorities, so that on long term such practices would be stopped and hundreds, perhaps thousands, of consumers would be protected?"

Perhaps it was simply a rhetorical question, but somehow it turned my happiness into deep disappointment.

As an academic, Professor Weyers was probably right to pose the question. But recalling the picture of Johannes standing in my office, abject and insecure, compared with the Johannes of a few hours later, a happy man, I knew

CVT

# Consumers are just carefully manipulated puppets



Eugene Roelofse . . . Advice on the best buy



*Sunckey Times*  
*18/11/73*  
*Mogasa*  
*248*

repossessions without court orders, threats of violence against customers, failure to deliver, substitution of orders, unrealistic credit to the poor, and much more.

### Quote

"If we haven't got a court order we ask for the return of the goods. It's a voluntary repossession, you know. If the customer or his wife aren't at home, we ask the children." — Furniture dealer.

that what I had done was right and that I would do it again and again.

Memoranda would have to take second place.

In any case, I had produced just such a memorandum about two years' earlier. It contained, chapter and verse, a damning ing evidence of malpractices within the furniture trade, details of firms a r y

The issue HAD been discussed with the Furniture Traders' Association and subsequently with the Better Furnishing Council.

The results were minimal and the memorandum joined its predecessors in our files. There were clucks of concern at council level — and that was that. No interview with the Secretary for Commerce. No immediate tough talking to the Minister of Economic Affairs.

### Fertiliser

WHEN you buy 50-kg of garden fertiliser you can be charged up to five times the price of that quantity as pegged by the Price

Controller. What is more, it is completely legal and no one can, or apparently wants to, do anything about it. Its free enterprise, you know, so just keep digging into your pocket.

During October 1973, the Consumer Council did a survey and found that, although the price of 50-kg bags was controlled at the then prevailing price of R3,10 a bag, the prices of other quantities were not subject to price control.

It did not take our protagonists of free enterprise long to spot the gap. Bags containing 10 kg were being sold at R3 and 20-kg bags at R4,40 — R1,30 more than the controlled price of 50-kg bags, which of course were "not available".

Something should be done, we decided. So we wrote to the Price Controller in mid-November. A

month later the reply came — we were informed that only 50-kg bags of fertiliser were subject to price control (which we had known from the start).

But, we were told, if we considered it desirable that price control be instituted over packs of lesser quantities a "motivated representation" should be sent, not to the Price Controller, but to the Secretary for Industry.

Our correspondent at the Price Controller's office kindly attached a copy of Government Notice R 2420, dated December 29, 1972, showing how the prices of fertiliser had been fixed — not by the Secretary for Industry, but by Mr Tjaart Francois van der Walt, a Deputy Price Controller.

A letter was duly sent to the Secretary for Industry I nd u s t r y I containing what I hoped was a "motivated representa-

tion". He sent back a rather kind and tolerant reply pointing out that consumers bought fertiliser in relatively unimportant quantities, that the annual pegging of fertiliser prices was an onerous duty, and that his department would prefer prices to depend on the law of supply and demand.

Any way, he suggested, perhaps we would like to approach the Price Controller, to whom he would send a copy of our motivated representation.

It was now June 1974, and I wrote to the Price Controller pointing out that we had originally written to him, that he had referred us to the Secretary for Industry, that the Secretary for Industry had referred us to him, and could somebody please do something about the price of fertilisers in the bags bought by householders, and thank-you-for-your-kind-attention-to-the-

matter. At the end of August 1974, the Price Controller acknowledged my letter and said that the contents had been "noted".

In almost a year of negotiation and representation, both motivated and unmotivated, we had accomplished precisely nothing except to learn that, from the official point of view, the whole thing was rather difficult, troublesome and not worth bothering about.

So pay up consumers — just think how you keep the wheels of commerce turning. And as Dr Nic Swart, professor of Business Economics at Potchefstroom University, told the Afrikaanse Sakekamer in Lichtenburg on November 11, 1974: "Retailers are not making excessive profits. Not excessive by their standards, anyway."

Cape Times 17/11/75

# Survey

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## queried

**A DIRECTOR of Grand Bazaars, Mr Stewart Cohen, has queried the method of a survey conducted by the South African Railway Women's Association and has asked the association to produce the figures and prices behind their latest cost-of-living graph.**

But the chairman of the executive of the association, Mrs S Ackermann, was adamant yesterday that "we will not give them to him"

She said the association was confident they had not made a mistake in the survey which put Grand Bazaars last in the Peninsula supermarket "race" (by 30 cents) for a basket of groceries on November 10 this year.

Mr Cohen said yesterday that Grand Bazaars would like to check out the association's figures as "we are confident there are a number of errors in the survey which could be misleading"

He said that on Friday, November 14, he compared prices at the four supermarkets in the association's survey, following the same list of categories used by the women on November 10, like them, looking for the cheapest article, regardless of brand, in the category.

### NOT COMPARABLE

He said he found a big discrepancy between their total figures and his

"Non-identical items are not comparable," he explained. "The women conducting the survey looked for the cheapest item on the shelf in a particular category, regardless of what was in stock or not. They did not take into account differences in grade and quality, and their

categories, such as 'loose tea', were too wide

"It is no good conducting a price comparison of non-comparable items. We want a fair survey and we want them to check out their survey prices with the supermarket buyers as the newspapers or similar organizations conducting surveys normally do"

Mrs Ackermann said yesterday that she had spoken to the association's head office in Johannesburg about the issue but the association was not prepared to release the list of prices.

### "NO MISTAKE"

"It virtually has nothing to do with Mr Cohen," she said. "It took four of us at least four days each to compile the totals for that graph. It was checked and rechecked and whenever there seemed to be a query we went back to the supermarkets to check again. Finally, the graph was drawn up by a statistician... We really did not make a mistake"

Commenting on Mr Cohen's statement that non-identical items were not comparable, Mrs Ackermann said. "We don't profess to compare items. We are trying to find where the housewife can buy an overall basket of groceries at the cheapest possible price."

Hers, she said, was a nationwide association and she was glad its survey had "woken up" the supermarkets.

# New opening for public complaints

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A departmental section to deal with individual consumer complaints has been set up by the South African Co-ordinating Consumer Council.

The council, which is a government-subsidised consumer organisation, has in the past only been able to investigate areas where there were general complaints.

The director of the council, Mr J Verheem, announced the new section during a report to the Consumer Union recently. He said he believed valuable information could reach the council through individual consumer complaints.

As an experiment he had appointed a full-time staff member, Mrs L du Preez, who will also give

constructive advice to callers.

Anyone wishing to report their complaints should telephone Mrs Du Preez at Pretoria 48-5500.

During the recent annual meeting of the South African National Consumer Union, which was attended by most of the consumer bodies in South Africa as well as several manufacturers, a motion was put forward asking for the Consumer Council to make available its minutes to members of the union.

The motion was proposed by the Housewives' League and read in part: "That the present secrecy of the Consumer Council deliberations be broken by making available council minutes (past, present, and future) to all constituent members of the Consumer Union."

However, no one would second the resolution, and

## PRICE



## WATCH

the idea was passed on for the attention of the council.

Other resolutions which were passed included one asking that instructions and warnings on patent medicines and household products be printed in readable sizes, instead of the minute print often used.

# THAT BRICK DOES STOP INFLATION

S Trib 28/12/75 By CHRISTOPHER MORRIS

DR LAWRENCE McCRYSTAL, chairman of the Anti-Inflation Education and Publicity Committee, said this week he was "completely satisfied" with the anti-inflation advertising campaign and rebuked critics who have attacked it as not getting down to grass-roots problems.

Gist of the criticism has been that planning a meal in advance — or putting a brick in your toilet — for example, does not stop inflation

Wrong, said Mr McCrystal. The basis of inflation was overspending and the first phase of the campaign had been directed at making the public more careful in its spending patterns.

"Inflation arises because as a nation we have been overspending; the Government has been overspending and so has the public. What we are trying to point out is that South Africans have been spending beyond the means of the country and have had too much credit.

"So the emphasis of the campaign so far has been to make people aware of how they can be more careful in their spending patterns.

"But we are not trying to make them cut back too far; we are treading a narrow tightrope between creating an environment of thriftiness and not going so far that we create massive cutbacks in output."

## Guidelines

Dr McCrystal said the campaign was being handled by an advertising agency according to a set of guidelines given by the committee.

"We prepared a document for the agency setting out what we are trying to achieve, such as getting people to cut back on fuel, excessive credit and credit where its life is longer than the life of the product.

"It is obviously stupid in the case of perishables, for example, where you are

paying credit after the product has been consumed.

"At the same time, we stipulated that we did not want to create an overkill situation, a doom psychosis situation."

He said the advertising campaign had been split into three phases. The first, promoting thrift, had already been completed. The second — with the emphasis on productivity — would start in the middle of this month. "This is an important phase, for productivity is ultimately the major factor," said Dr McCrystal. The third phase has still to be decided on, depending on the results and achievements of the first two.

## Day's work

The productivity phase will be aimed at management and workers who must be prepared to do a full day's work for a full day's pay.

Dr McCrystal said his committee vetted all the advertisements and were satisfied with the results. "In a carefully structured survey, we found that in the main urban areas there is a 90 percent awareness of the campaign after only five weeks, which indicates that people are aware there is a major problem and that something has to be done about it."

Whether this will be translated into action by the consumer remains to be seen, for as Dr McCrystal said, "the Bible has been preaching its message for thousands of years, yet people are still shooting each other.

"And we never believed we could change South Africa's deeply ingrained spending habits in a short time. We have tried to reorientate people's priorities and we have achieved this in that people are aware now that something must be done.

"We have created the right environment where action can be taken, and in fact will be taken."

See Page 20

Cape Times 2/3/76

## Buyers are now 'more selective'

SOUTH AFRICAN consumers are becoming more cautious and selective in their buying habits, and the alert marketer should profit from this, according to a special article contributed to the latest consumer survey report of the Bureau for Economic Research at the University of Stellenbosch.

The author, Dr H Oosthuizen, senior lecturer in marketing at the university, says that resistance to sharp price increases — "always a symptom of renewed consumer unrest" — was increasing, notably in clothing, footwear, furniture and household appliances.

The "alert" organization, by adapting, would see consumerism as something to capitalize on, and thus as a new basis for achieving a differential advantage in the market place.

"Nevertheless, few companies seem to move in this direction as aggressively or imaginatively as they might. This is very much so in South Africa."

### ANGOLA

The bureau reported that consumer confidence was showing signs of recovering, and that continuing recovery depended mainly on price increases, increases in wages and salaries, and the situation in Angola.

Confidence would probably increase further, should it be possible to restrain price increases or to justify them sufficiently. "Should this not come to pass, it seems likely that consumer confidence will return to its former low level."

The recovery "may mainly be ascribed to the fact that more consumers are now of the opinion that the South African economy will recover in the short-term (12 months), coupled with an expectation that their own financial situation will improve during the coming 12 months". — Sapa

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# Roelofse challenge under attack

Cape Times 11/2/76

il  
3, 248

**A SPEECH** challenging British chain store king Sir Isaac Wolfson to say whether his South African companies charged Blacks more for their furniture than Whites, was yesterday attacked by the chairman of Lewis Stores Ltd.

Mr A M Harris, chairman and joint managing director of Lewis Stores, said yesterday in reply to a speech by Mr Eugene Roelofse, former director of the South African Co-ordinating Consumer Council "We feel it a mark of hubris that any speaker should imagine that compassion is his own monopoly"

On Friday, Mr Roelofse challenged Sir Isaac to state categorically whether his South African subsidiary, Great Universal Stores Africa (Pty) Ltd, charges higher mark-ups on goods sold to Blacks and Coloureds via Dan Hands (Pty) Ltd than the mark-ups it charges to Whites who buy goods through Lewis Stores"

#### REGISTRAR

And in a letter to the Registrar of the University of Cape Town, Mr Harris said yesterday "During 30 years of trading we have served all communities at the same prices and terms as is the normal custom in the retail trade in South Africa. In fact, our non-European business is a highly valued and substantial part of our activities"

"During those years the business grew from small beginnings to a large scale operation giving employment to many persons of all communities, both working for the company and supplying it. For some 17 years no ordinary dividend was paid to our parent company, who were happy for us to retail profits in this country for the purpose of creative activity"

"In 1972 we purchased the salesman/collector

business of Dan Hands, supplying customers who in many cases did not find it possible to shop personally. We serve these customers in their homes, provide transport where required and collect payments a costly but necessary activity in order to carry on the business"

#### AGREEMENT

"Because of these factors the realized gross profit is lower in this business than in Lewis Stores. A valid agreement on price control by all our groups has been lodged with the Price Controller and the Furniture Trades Association"

"No part of the dividends paid by our parent Company emanated from Dan Hands from 1969 to date. As if self-evident the business was not acquired until 1972 and it has not earned a distributable profit since"

"The policies that we inherited from the original Dan Hands business have been steadily improved and will continue on these lines. Our objective is to create another prosperous organization. Pricing policies are based on market conditions and as you know the market in South Africa is highly competitive"

"In conclusion, we feel it a mark of hubris that any speaker should imagine that compassion is his own monopoly. Our parent company has subsidiaries trading in many countries and all started from small beginnings. These companies have always carried out policies based on fair trading and competitive values, for any other policy would be quite uncommercial and short-term"

# SACC job for Eugene Roelofse

*Cape Times*  
10/7/76

JOHANNESBURG — The South African Council of Churches (SACC) has appointed Mr Eugene Roelofse, the former director of the Co-ordinating Consumer Council, as an "ombudsman" for the council, its general secretary, Mr John Rees, announced here yesterday

In this post Mr Roelofse, who is the author of a book about consumerism, would help to prevent exploitation of people by businesses

"We believe that by sponsoring an ombudsman office we will create a bridge between consumer and churches and commerce," Mr Rees said.

"It will not just be a bridge of communication, but also one of action against practices which exploit particularly the underprivileged peoples of our country."

Mr Rees said the church had an unmistakable duty to promote Christian ethics in the business and commercial worlds.

"When, as now happens, so many people consider dishonesty to be an essential ingredient of commerce, then clearly something is wrong and needs correction," he said

Mr Roelofse had proved his abilities and pinpointed many of the undesirable situations which existed in South Africa

Mr Rees said that before taking up his new post, Mr Roelofse would visit Europe and America to study the work of ombudsmen and consumer organizations. The full details of his work in the SACC would be worked out on his return in September

— Sapa

# Minister Schoeman is quizzed by housewives

By ERICA RUDDEN

THE MINISTER of Agriculture, Mr Hendrik Schoeman, has undertaken to console consumers when price rises on basic foodstuffs are in the pipeline.

Mr Schoeman told me this after a meeting called in Pretoria this week to find solutions to South Africa's butter, cheese and milk muddle.

Airing complaints and suggestions were consumers, housewives, businessmen, supermarket bosses and trade union leaders.

Anti-inflation chairman Dr Lawrence Mc-

Crystal, the Prime Minister's economic adviser Dr P J Riekeri, and members of the Dairy Board were also there.

"It is the first time a Minister has called an open meeting like this with such a wide range of people representing the private sector to ask for help in solving a national problem," Mr Schoeman said.

"I am delighted with the success of the meeting. I intend arranging similar meetings to tackle other problems of this nature, particularly when price increases in basic foodstuffs are being planned."

Mr Schoeman and a team of advisers took notes throughout the meeting. The Minister admitted, "We have made mistakes" -- and appealed for constructive suggestions on how to solve the dairy dilemma.

The meeting featured many criticisms of the Dairy Board, but even its sternest critics pledged to promote dairy products if the Minister withdrew the price rises on butter and cheese.

As a result of pleas made at the meeting, Mr Schoeman meets tomorrow with Dr Riekeri, Dr McCrystal and representatives

of the Treasury to see if a loan to the Dairy Board can be arranged.

The Government has already refused a request for such a loan, but Mr Schoeman said he would be investigating the possibility of borrowing from the Land Bank. If this were possible, he promised to approach the Cabinet for a decision on curbing the butter and cheese price to former levels.

"The outlook certainly looks brighter for the consumer," said Mrs Joy Hurwitz, national president of the Housewives' League, who is spearheading a butter boycott.

# Dairy surplus: Back Africa buyers after secret sales drive

By ERICA RUDDEN

ALTHOUGH AFRICA has begun selling some of its surplus dairy products -- to Black Africa.

This exercise in economic science with states that have no diplomatic ties with South Africa was confirmed by the general manager of the Dairy Board, Mr Piet Jaree. He returned this week

## SECRET SALES DRIVE

Express Reporter

THE Minister of Agriculture is not a man likely to accept boycotts and brickbats.

At the Dairy Board's problem-solving session in Pretoria this week, he was heavily criticised by members of the Housewives' League. But he waited until bedtime to give replies to their fire.

Mr Jaree said that the Dairy Board had been criticised for its failure to solve the problem of surplus dairy products. He said that the Board was aware of the problem and was working to solve it.

Mr Jaree visited African and European countries, the USA and Canada on his self.

He attended the conference of the International Dairy Federation in Canada, where he found that South Africa shared the problem of surplus dairy products.

He said that the Board was aware of the problem and was working to solve it. He said that the Board was aware of the problem and was working to solve it.

He said that the Board was aware of the problem and was working to solve it. He said that the Board was aware of the problem and was working to solve it.

249/250  
(See 249)

# Dairy surplus: Black Africa buys after secret sales drive

BY ERICA RUDDEN  
SOUTH AFRICA has begun selling some of its surplus dairy products — Black Africa.

That exercise in economic diplomacy with states that have diplomatic ties with South Africa was confirmed by the general manager of the Dairy Board, Mr Piet Maree.

He returned this week from a trip aimed at getting rid of mountains of butter, cheese and powdered milk. The overseas market reproduction of these products this year has brought the Dairy Board to the brink of financial disaster — and led to last week's controversial butter and cheese price hikes.

Mr Maree would not name Black states which are buying South African dairy products. "We do not want to embarrass them."

## STAY AWAY FROM DAIRY PRODUCTS

Express Reporter

THE Minister of Agriculture is not a man keenly to accept boycotts and brickbats.

At the Dairy Board's problem-solving session in Pretoria this week, he was heavily criticised by members of the Housewives' League. But he waited until teatime before returning their fire.

"What about your boycott, ladies?" he asked. Sweathily, "I see you have all had milk in your tea."

The ladies tried to explain that they were boycotting butter and cheese, not milk. But everyone at the meeting was laughing too loudly to listen.

He said 'But I can say we are supplying dairy products to various states on the African continent, apart from the territories adjoining South Africa.' It is believed Zaire is one of the countries involved.

## TOP BUSINESS

Express Reporter

Mr Maree visited African and European countries, the USA and Canada on his selling trip. He attended the conference of the International Dairy Federation in Caracas, where he found that South Africa shared a common problem of massive surpluses this year with the rest of the world's dairy producing countries.

He said it was because of this he had been unable to secure any large export contracts. "But we are supplying straight orders — 200 tonnes here and there."

SOUTH AFRICA'S top businessmen have formed a brains trust to provide a preview on management to Government municipal bodies — free of charge. And this week they offered to help solve the Minister of Agriculture's most pressing problem — the Dairy Board crisis.

But Mr Henrick Schoeman seems unlikely to accept the offer of the trouble-shooting team whose members include Dr G. J. Rupert, Dr Frans Oreyga, Mr Andrius...



250

6/11/76 Cape Times

# Economists say no to butter boycott

Own Correspondent

JOHANNESBURG — A cheese and butter boycott is not the answer to the Dairy Board's problem — it will only worsen the situation economists and consumer bodies said this week.

If consumers and organizations pursue the boycott the dairy industry would be seriously affected — producers may even be forced out of the industry — the country would be left with an even bigger surplus Dr Laurence McCrystal

chairman of the Government's anti-inflation campaign said. "Speaking as an economist, a businessman and the chairman of the anti-inflation campaign, I think the boycott is a very bad idea.

"From a business point of view boycotts have never been known to have any good positive effects. Economically they exaggerate an already difficult problem and as the chairman I think boycotts raise problems to a high level of emotionalism," he said.

Mr Mike Hawkins of the Co-ordinating Consumer Council said "The Council has never been in favour of any boycotts. We have yet to see one which has achieved positive results. We have made a motivated approach to the Minister of Agriculture. Mr Hennie Schoeman, on behalf of the consumers. A boycott at this stage would possibly jeopardize chances of reducing prices.

"Milk is not being boycotted at this stage so the manufacture of cheese and butter is continuing — either that or the milk will be thrown away which is a waste. A boycott would only make the problem worse in terms of the country's economy," said Mr Hawkins.

A leading economist, Dr John Cloete said "If people pursue this illusion that boycotting is the solution to the country's economy the dairy industry will be seriously affected. Producers may even be forced out of the industry and the country would be left with a bigger surplus."

"South Africans are very price conscious at the moment and incomes are rather restricted. If the Dairy Board handed the surplus over to supermarkets, who sold it at reduced prices they would probably sell the excess stock on the home market, whereas they are not sure even whether they will sell the surplus to overseas markets."

3-daily.  
248 (250)

# Butter: 'buy to show fight worthwhile'

12/11/76 JFarr

Consumers have been asked to buy more butter and cheese to show that the fight for price reductions was "worthwhile"

The chairman of the Government's Anti-inflation campaign committee, Dr Laurence McCrystal, said it was up to the consuming public to back those who fought the issue

The Minister of Agriculture, Mr Schoeman, announced last night that butter and cheese price increases introduced on November 1 would be dropped immediately.

He said "This decision has been taken as an experiment on the strength of assurances given by representatives of the South African Confederation of Labour, the Trade Union Council of South Africa the Coordinating Consumers' Council the Women's Agricultural Union, the Housewives' League, the

National Council of Women of South Africa and the South African Consumers' Union that they will urge their members to use considerably more butter and cheese at the old prices

"In addition, chain store groups have undertaken actively to promote the sale of butter and cheese"

Mr Schoeman said the price drop had been made possible by a R6 million loan from the Land Bank

Meanwhile, another basic commodity — sugar — goes up by 34 percent today

The Minister of Economic Affairs, Mr Heunis, told a Pretoria Press conference yesterday that the increase which followed a 16,5 percent increase in September, was necessary because of a sharp drop in the world free market price

In the Pretoria-Witwatersrand area a 1 kg packet of sugar will rise

from 21c to 28c and the 2,5 kg packet from 50c to 67c

Mr Heunis said South Africans had bought sugar at below production cost for years through export subsidies

No strong objections were forthcoming over the sugar price increase yesterday. It was described as being "inevitable and understandable"

The managing director of a supermarket chain, Mr Raymond Ackerman, said he was satisfied that an increase was necessary.

He said he had always been willing to fight unnecessary price increases "But if we want a sugar industry I'm afraid we'll have to bite the bullet and accept it"

The increase will, however, have a ripple effect. All products with a sugar content, such as cold drinks and confectionery, are almost certain to cost more soon

● Sugar facts to offset bitterness — Page 17

3-sugar.

250

# Bitter sweet blow to consumer

SPOKESMEN for two supermarket chains, one in Cape Town and the other in Germiston, said last night that the increased sugar price would be a big blow to consumers, coming just before Christmas.

And a spokesman for housewives in Cape Town described the increase as "horrifying".

The Consumer Council said, however, the higher price was unavoidable.

The wry reaction of a major retail chain director in Cape Town, to the almost simultaneous Government announcements that recent increases in the prices of butter and cheese would be revoked but the price of sugar would go up by 34 per cent was:

"I give the Lord takeeth away."

Mr R Steyn, a director of Woolworths and chairman of the economic and business affairs committee of the Cape Town Chamber of Commerce, added that the rise would be a crushing blow to consumers desperately trying to balance their Christmas budgets.

## Old prices

Store heads said prices would not be raised till old stocks were exhausted. The chairman of Pick 'n Pay, Mr Raymond Ackerman, said the rise had been expected since March and could not be compared to the butter and cheese debacle. The rise was very big, but sugar producers had

been subsidizing local consumers for the past two years.

The supermarket chains would now have to direct efforts towards holding down prices of associated goods.

The chairman of the Cape Town branch of the

Housewives League, Mrs Peggy Borshe, described the increase as "horrifying".

"There was no substitute for the pool and it was a staple of their diet. Virtually everything we eat will be going up, and just before Christmas," she said.

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# Now they know...you can't butter up buyers

12/11/76  
S. G. G.

It was largely consumer pressure that did the trick

And the Dairy Board has been forced to back down on its highly unusual method of dealing with a mounting butter surplus.

Pushing up the price to sell more is an even zanier way to market butter than you would think when seen against the findings of an intensive study into the butter industry.

The study was carried out several years ago by Professor Georg Marais of the School of Business Leadership at the University of South Africa.

## ALARMING

It found that when the price of butter went up by, for instance, 10 percent the demand for butter dropped by the same percentage or more. That was for the white market. Even more alarming was

the reaction of the black consumer.

A 10 percent butter price hike was found to result in sales dropping by more than 20 percent.

And this study was held before the introduction of yellow margarine onto the South African market in 1971 when there was no readily available and cheaper substitute.

If a similar investigation were held over the

drop in butter demand following a price increase would probably be much greater.

A comment on the Marais study comes from Mr Grant Robinson, senior lecturer of the School of Business Leadership at the University of South Africa.

He says the Dairy Board's latest price-hike to sell more, far from bringing in extra cash, would have caused

the total inflow of cash into the board's coffers to decrease.

He adds: "These economic concepts are the basic building blocks of any course in marketing

## FINDING

"They appear to be well understood by businessmen such as Raymond Ackerman who has demonstrated these economic facts dramatically by cut-

ting prices and stimulating demand.

Whether the board likes it or not it cannot rewrite or control consumers' economic behaviour.

Mr Robinson says a study by a group of Master of Business Leadership students this year found there appeared to be a lot of surplus butter available internationally.

It was also found that overseas producers were

being given massive government subsidies.

"This," he goes on, "makes the marketing of butter internationally a tough job under the present circumstances."

## HOPING

And the previous performance of our Dairy Board on the export market does little to inspire confidence.

"Say the board continues

es to ditch and in forces in the forlorn of stimulating demand while neglecting the duty of a black nation with referendum voting power give right price.

Then the board end up by applying those consumers surplus hotels and restaurants that are forced to pitter by law.

Mr Robinson concludes: "Even then laws ch

3-Dairy  
248! (250)



Sunday Express 14/11/76

# Consumer power!

## Such pressure that the Govt backed down

By ERICA RUDDEN



● Consumers twisted the Minister of Agriculture's arm — and prices came down. Here Mr Hendrik Schoeman tries to ward off the friendly but fierce critics from the Housewives' League, Mrs Yvonne Forshaw and Mrs Joy Hurwitz.

**THE BUTTER** and cheese bungle has had a positive effect. For the first time the public has won a battle against the authorities — displaying a powerful new consumer clout which the Government cannot afford to ignore in future.

Consumer representatives, trade unionists and housewives are jubilant.

First because butter and cheese prices have been slashed to their original levels. But more importantly, because the public outcry that led to the lowering of the prices heralds a breakthrough in consumer apathy.

"There is a very clear message here for authority," said Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa. "The public is not going to put up with this ridiculous sort of decision-making in the future. Consumers spoke out loud and clear and will continue to do so."

"It is the first time there has been such a positive consumer response — and the first time in South Africa's history that the Government has backed down on a price increase," said Mr Mike Hawkins, public relations officer of the Consumer Council.

Mr Hawkins said the reaction to the butter and cheese price hikes had shown "a breakthrough in consumer concern and action."

Mrs Betty Hirzel, head of the Consumer Union, represents consumers on the Dairy Board. She said in the past consumers had been "absolutely apathetic" but the dairy price increases had generated "a whole new consumer spirit."

"Never before has there been such a spontaneous reaction to a price increase. By getting together and talking it out I think we persuaded the Dairy Board of the error of its ways. The lowering of the prices was definitely a victory for the consumer."

The most militant of all organisations during the dairy debacle was the Housewives' League, which called for boycott of butter and cheese.

The president, Mrs Joy Hurwitz said this week: "It's encouraging that consumers are realising their rights and uniting against exploitation."

"We've been fed up with public apathy in the past. It's been quite frightening how people don't care. Now I think consumers have gained confidence, realised their power. We don't really believe in boycotts, but we will not hesitate to call another one if we feel there is a need."

15/11/70  
250

# 'Buy SA' campaign launched

Pretoria Bureau

The South African Co-ordinating Consumer Council today launched the national "Buy South Africa" campaign in Pretoria.

The low-key, low-budget launching — a Press briefing over coffee rather than a banquet — was arranged specifically in the light of the present economic situation.

The campaign itself rely not on conferences, rallies and speeches to bring home its message to consumers, but rather at the consumer level — in shops, at cash register points, and he hoped, with the full support of the news media.

The campaign would be supported by an emblem bearing the national colours and a Springbok head, with the slogan: "Buy South Africa — Build South Africa."

# Apartheid

STAR

## barrier

26/11/76

## to go

Prétoiria Bureau

Another race barrier is to drop soon — this time that of the white South African Co-ordinating Consumer Council.

This has been confirmed by a spokesman for the Department of Commerce, who said the council's membership would soon be opened to representatives of the various races.

Plans for the move are believed to have been under consideration for some time.

The council is appointed by the Minister of Economic Affairs, who selects seven members from a panel of names submitted by the South African National Consumer Union and appoints two members himself, one representing the Department of Commerce, the other the SA Bureau of Standards.

250

# It's a year you mustn't waste

Mercury Reporter

NINETEEN seventy-seven has been declared anti waste year by the South African Consumer Union. A nation-wide campaign has been launched, past president Mrs. Margaret Lessing said.

Mrs. Lessing was speaking on the radio programme Top Level.

She said union members had unanimously decided that supporting the anti inflation campaign was not enough.

Both the anti inflation campaign and the Coordinating Consumer Council welcomed the action and the Council had joined the campaign throughout the country, she said.

The anti waste campaign has already been launched in Port Elizabeth and Cape Town and will soon be introduced to Bloemfontein, Pretoria and Johannesburg.

Mrs. Lessing said consumers had power and influence and urged people to form groups to probe the problem.

She said consumers were becoming more frustrated, militant and anxious over growing unemployment, balance of payments and the increasing cost of living.

A strong stand against waste could create a dramatic change in the country's inflationary problems.

(250)

# Consumer body has bite

PRETORIA — A new militant consumer watchdog body — backed by the South African Council of Churches and spearheaded by rumpus-raising Mr Eugene Roelofse — is ready to swing into action

Mr Roelofse, former director of the South African Co-ordinating Consumer Council who was asked to resign because of his "too outspoken" criticisms of consumer exploitation, said yesterday "We are ready to go into top gear, and I can promise you, that we will go all out in the interests of the consumer without any wishywashy pandering to any powerful interests which might be hammering the consumer

"I am ready to take a tilt at every windmill of exploitation — unlike at the Consumer Council, where

it was made clear to me that it was "hands-off" to certain sacred cows of commerce and industry, where it was made clear to me that certain criticisms had to be soft-pedalled or left alone"

Mr Roelofse, who will

head an organisation to be called "Ombudsman," will launch the body when he addresses a conference of trade unionists in Cape Town on January 25

"I can promise some fireworks," he said — DDC

250

# Tough new watchdog

Mercury Correspondent

**PRETORIA**—A new and militant consumer watchdog body, backed by the S.A. Council of Churches and spearheaded by rumpus-raising Eugene Roelofse, is ready to swing into action.

Mr. Roelofse is the former director of the S.A. Co-ordinating Consumer Council who was asked to resign because of his outspoken criticism of consumer exploitation. Now he will head an organisation called Ombudsman.

He said: "We are ready to go into top gear, and I can promise you that we will go all out in the interests of

the consumer without any pandering to powerful interests.

"I am ready to take a tilt at every windmill of exploitation — unlike at the Consumer Council, where it was made clear to me that it was 'hands off' certain sacred cows of commerce and industry and that certain criticisms had to be soft pedalled or left alone."

Mr. Roelofse will

launch Ombudsman formally when he addresses a conference of trade unionists in Cape Town on January 25.

"I can promise some fireworks," he said.

Mr. Roelofse, who said he would now "be doing the things I have always wanted to do," said the organisation would concentrate on the middle and lower income classes, pensioners, and particularly Africans who were subject to extensive exploitation.

"We will give far more attention, for instance, to a complaint about the price of mealie meal than we shall to one about the cost of an automatic transmission as an extra in an expensive car."

The major objective of Ombudsman will be to get clear policy statements and action from authorities from the Cabinet down, on any issue involving overpricing, overcharging or exploitation.

250

Cape Times  
7/1/77

# New consumer watchdog body to be launched

Own Correspondent

PRETORIA. — A new and militant consumer watchdog body — backed by the South African Council of Churches and spearheaded by rumpus-raising Mr Eugene Roelofse — is now ready to swing into action.

Mr Roelofse, a former director of the SA Co-ordinating Consumer Council, who was asked to resign because of his "too outspoken" criticisms of consumer exploitation, said in an interview yesterday: "We are ready to go into top gear, and I can promise you that we will go all out in the interests of the consumer without any wishy-washy pandering to any powerful interests which might be hammering the consumer.

"I am ready to take a tilt at every windmill of exploitation."

Mr Roelofse, who will head an organization to be called "Ombudsman," will formally launch the body when he addresses a conference of trade unionists in Cape Town on January 25.

"I can promise some fireworks," he said.

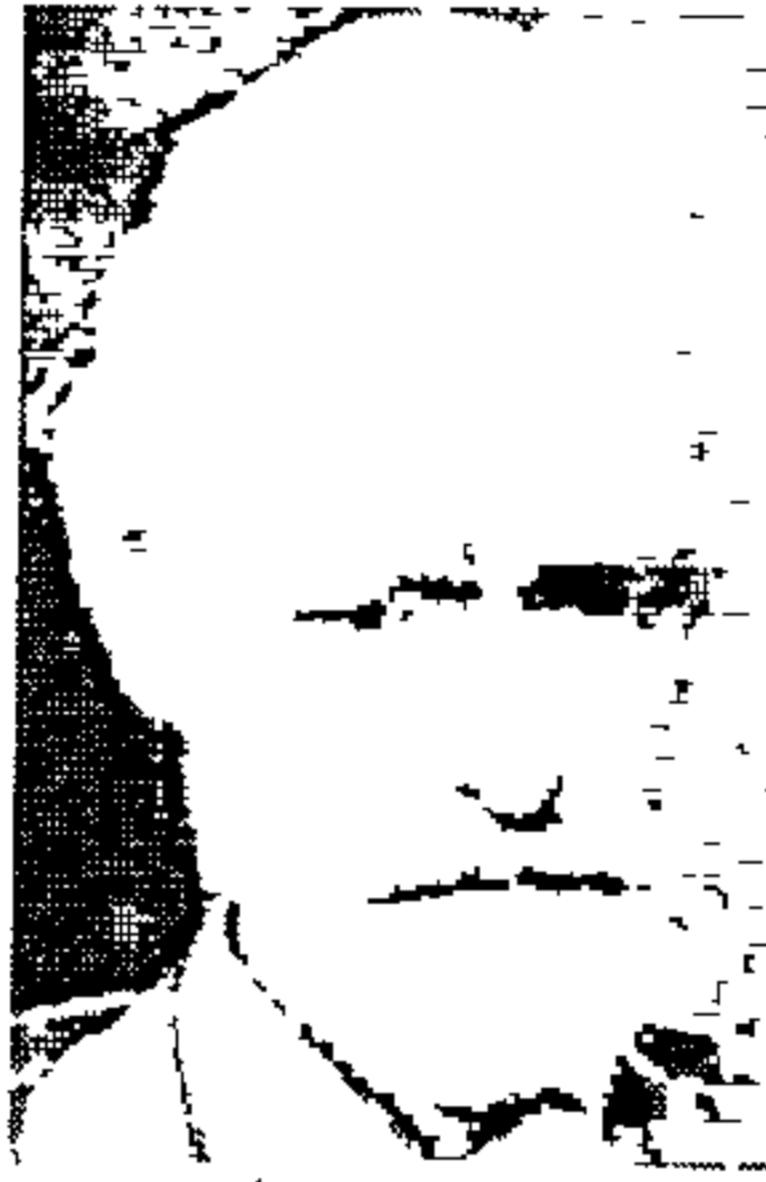
His hands were no longer tied, and he had put considerable research into calculated exploitation of the consumer over a considerable field, he said.

"I can promise you that when I open my mouth the country will be in for some surprises," he said.

## Pensioners

Mr Roelofse, who said he would now "be doing the things I have always wanted to do," said the organization would concentrate on the middle and lower income classes, the pensioners — and particularly the Blacks, who were subject to extensive exploitation

"We will give far more



Mr E Roelofse

attention, for instance, to a complaint about the price of mealie meal than we shall to one about the cost of an automatic transmission as an extra in an expensive car."

The major objective of the body would be to get clear and unequivocal policy statements, and action, from the authorities, from the Cabinet down, on any issue involving overpricing, overcharging or exploitation.

# Call to eradicate 'persistent' price offenders

250

Cape Times  
27/1/77

Staff Reporter

ONLY WHEN the Government had eradicated the "deliberate" and "persistent" crime among traders in South Africa, would consumers respond to the Consumer Council's "wonderful" education schemes, Mr Eugene Roelofse, head of a consumer organization, the Ombudsman Office, said in Cape Town yesterday.

Addressing a meeting of the Cape Town branch of the Housewives' League, held in the Rondebosch Town Hall last night, Mr Roelofse said he believed price control penalties should be the subject of "urgent discussion between the Minister of Economic Affairs and the Minister of Justice".

He suggested special courts with consumer leaders sitting as assessors, minimum fines and compulsory loss of trading licences for offences that were not of a purely technical nature.

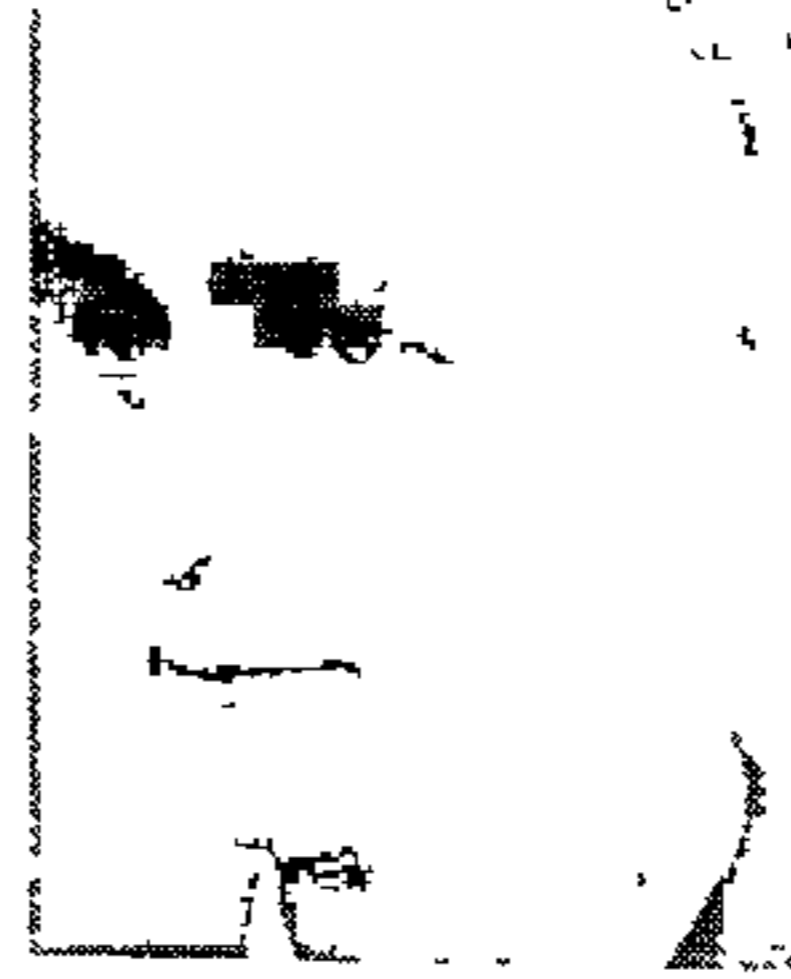
He also suggested "action by the Minister of the Interior in deporting some of the foreign elements in the country who have made an unsavoury reputation for themselves by the merciless manner in which they exploit the Black and Coloured communities".

## Racketeers

"We have unquestionably gained useful and upright citizens from Angola, Maputo and elsewhere," Mr Roelofse said, "but we have without doubt, gained racketeers too. It is the direct responsibility of Dr Connie Mulder to toss them right back across the border and good riddance I say"

It was time, Mr Roelofse said, that South Africa found methods to "scare the pants off" the thousands of price criminals in South Africa

"Only after the Government has eradicated this type of deliberate and persistent crime which is so damaging to our economy and our race relations, will consumers prove responsive to all the wonderful educational schemes the Consumer Council has in



Mr Roelofse

were granted recently enabled South Africa's 4 700 service stations to make, at R400 a time, R1 880 000 "out of the motorist's pocket by selling old stocks at new prices".

"Almost every time there is a price increase, those holding stocks of an item stand to make a packet," he said "It happens with steel, with sugar (R300 000 extra on old stocks), with bricks and with virtually everything else."

Criticizing the latest petrol price hike, Mr Roelofse suggested that oil companies:

- Stop competing against each other,
- Pool all petrol,
- Save on advertising;
- Cut down on entertainment;
- Reduce expense accounts;
- Save on petrol by more "logical" distribution of the product.

Every consumer, he said, wanted to do his share in keeping down fuel costs but as long as Sasol was allowed to "spend money like water in competing with other companies" and the consumer paid every penny of it, then the ordinary motorist could be forgiven for "losing a bit of his enthusiasm".



Cape Times

27/1/77

250

### Imposed

The average fine imposed for price control offences in 1975 was R37,99, less than two percent of the maximum of R2 000, Mr Roelofse said

- Mr Roelofse said he believed penalties should be at least double what a trader could reasonably have been expected to make out of the commission of his offence, for example, a price control offence

Referring to price increases, he estimated that the manner in which petrol price increases

the Consumer Council's emphasis on consumer education.

"How does one educate the poor to resist the siren songs of 'credit-foisters,'" he said.

The time was ripe to start educating some manufacturers, distributors, retailers and Parliamentarians.

The consumer needed equality with the manufacturer, distributor and retailer and this was a situation "to which we cannot aspire by getting the Consumer Council to 'educate' us"

# Consumer body calls for probe

250

## Pretoria Bureau

The Consumer Council will make representations to the Minister of Agriculture and Economic Affairs for an urgent investigation into the price structuring of butter, cheese and margarine.

The council will also ask for a detailed probe into the production, processing, retail and wholesale distribution of butter, cheese and margarine.

The council chairman, Professor Leon Weyers, said the council took notice of the increased butter and cheese prices.

"The council understands the problem which the Minister, the Dairy Board and the dairy industry is facing, but is nevertheless realistic in its approach that this increase could lead to a further decrease in butter and cheese consumption," he said.

The council is also worried that a possible reduction in the demand for butter could lead to a sharp increase in the demand for margarine while the price of margarine is showing an upward trend.

# Bakeries are baffled by bread 'saboteur'

By PENNY SWIFT

BAKERY owners in Pietermaritzburg are taking secret measures to keep their bread safe and hygienic.

For the past two months loaves from at least one major bakery have been found to contain foreign things including a table knife, a stone, copper wire and a hand-rolled cigarette.

Mrs. Marcia Watkins, chairman of the Pietermaritzburg Housewives League believes an imbalance of poison or someone with a grudge could be responsible.

She said this week the existence of strange articles in the loaves of bread could not have been accidental.

Some of the loaves were baked at the Oxenham Bakery in Commercial Road, but other bakeries are believed to have similar problems, although this could not be confirmed.

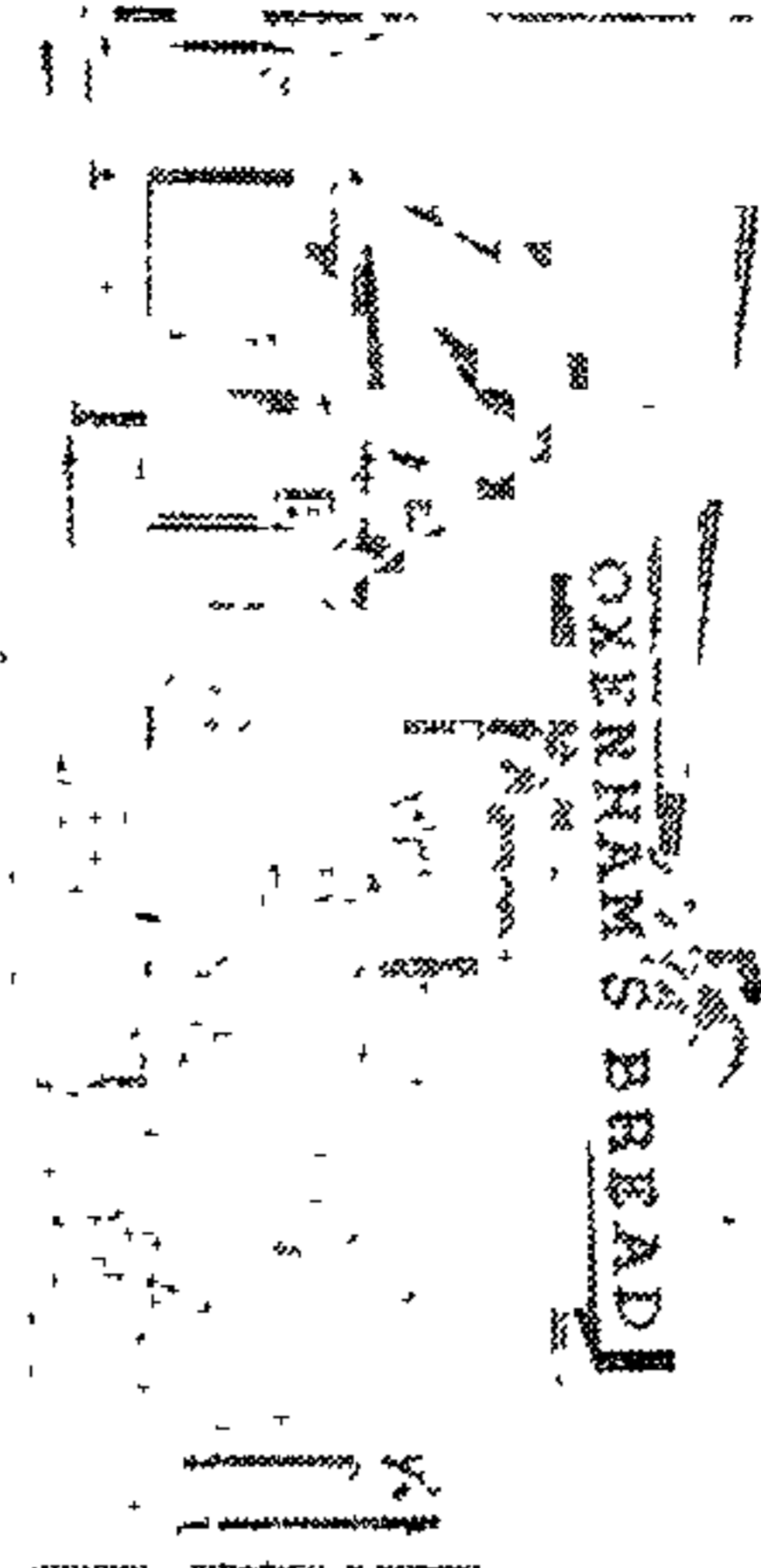
## Secret

The general manager of Oxenham, Mr. Harold Fleet, refused to discuss the matter. He referred me to a director based in Durban, who said his company owned two bakeries in Pietermaritzburg — known to be Oxenham and Sunblest — and said they were "gravely concerned" about the situation.

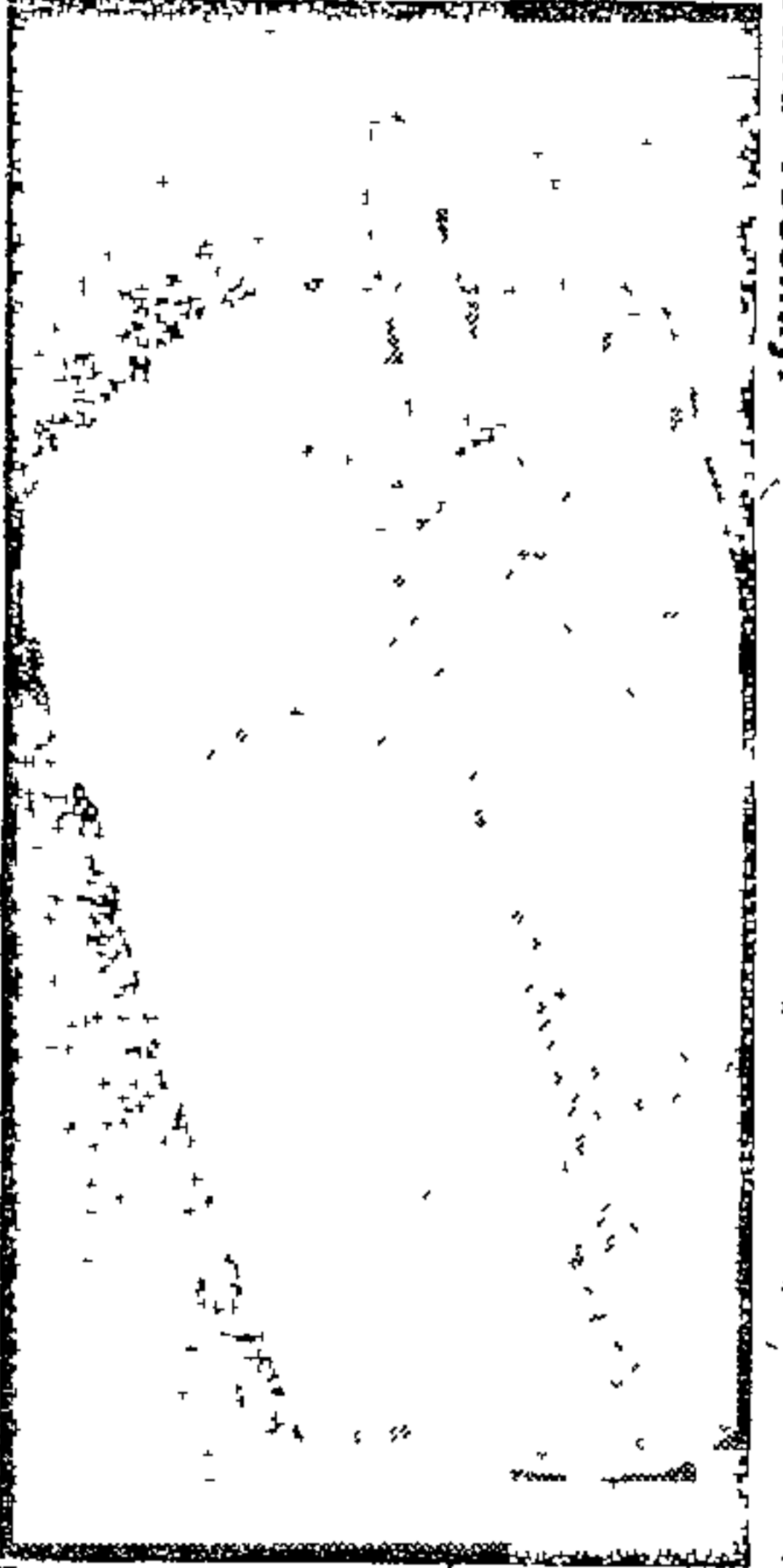
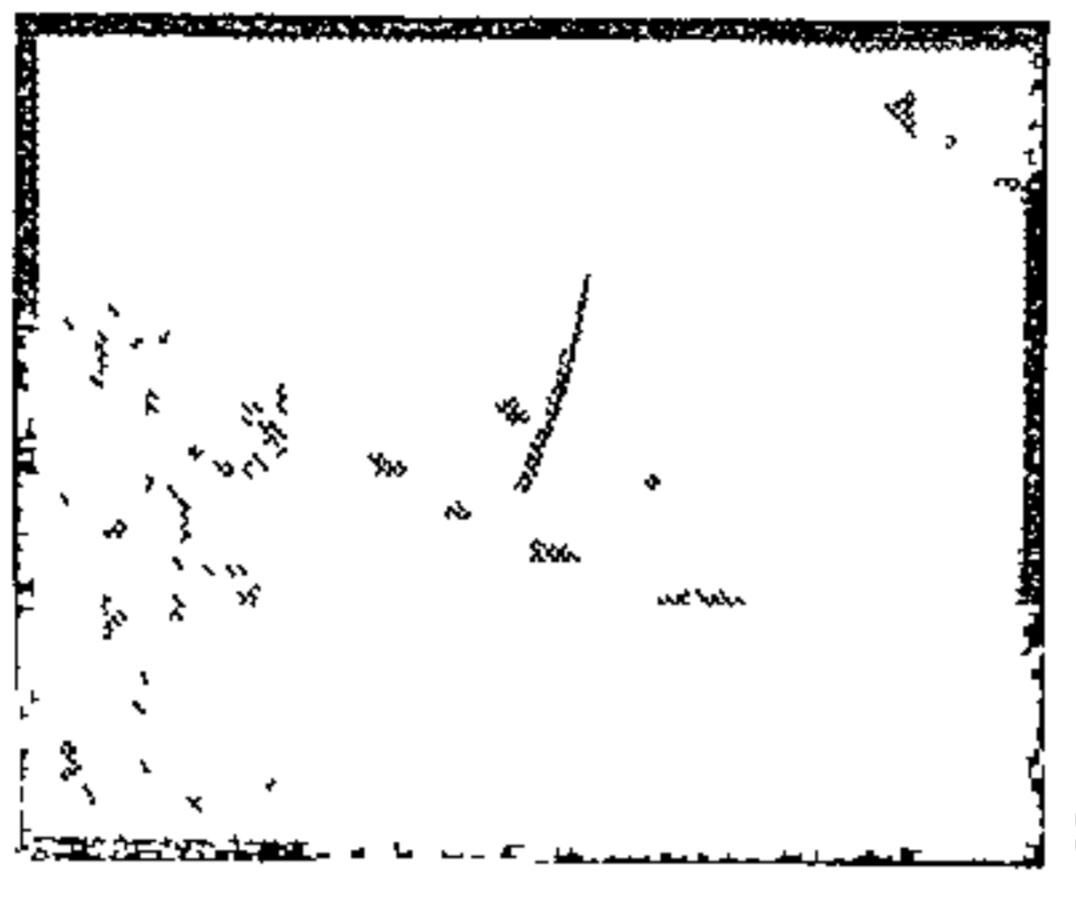
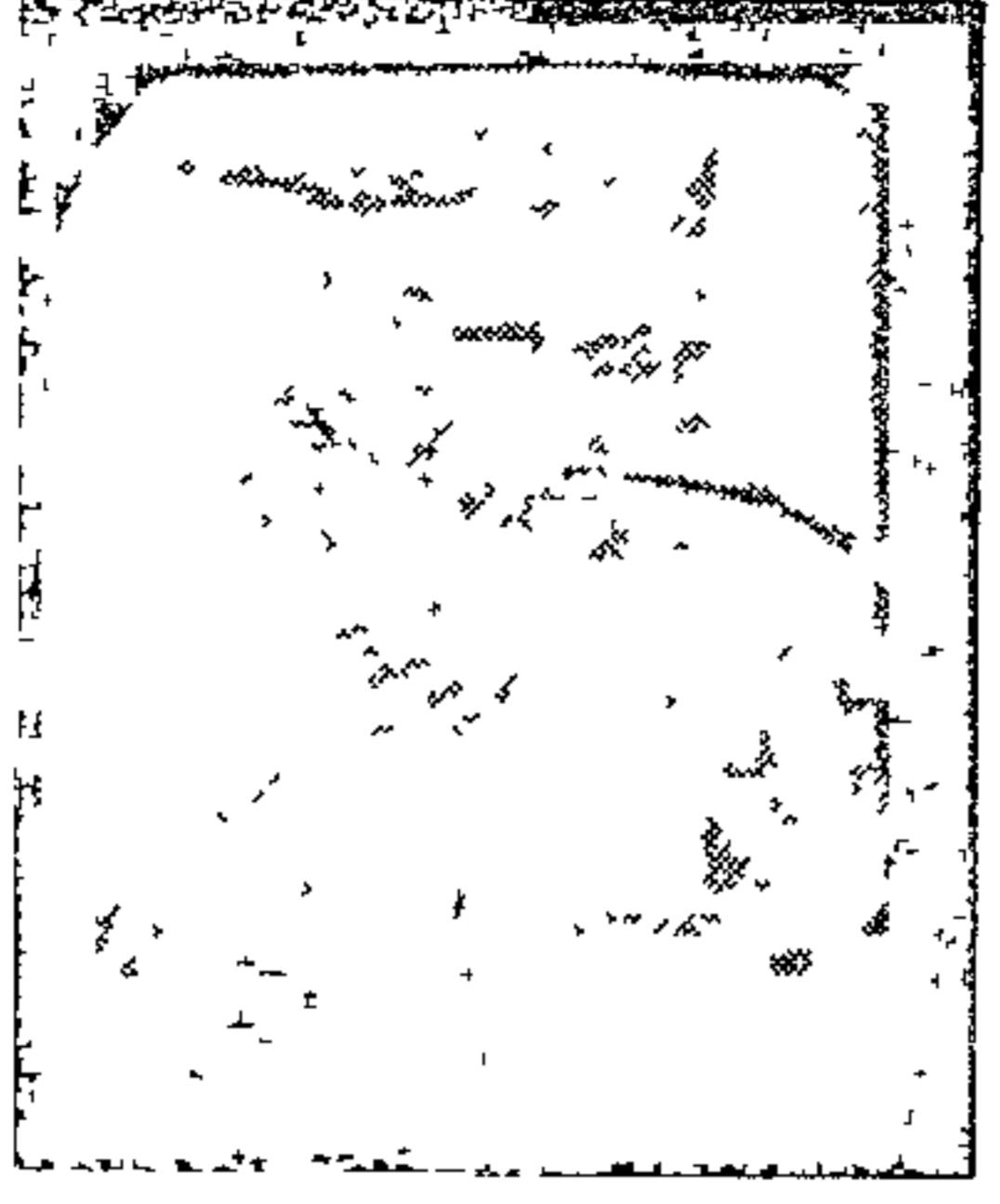
He would not say what were their emergency precautions because "this would be like telling the enemy what action you are taking."

Mrs. Watkins outlined the history of the sabotaged bread. Since the end of May, a long kitchen knife, a nail, a pin, a homemade cigarette, three pieces of copper wire and a stone had been found in loaves from a bakery in Pietermaritzburg.

**KNIFE IN LOAF — NOW A SECRET PLAN TO TRAP 'MAN WITH A GRUDGE'**



The bakery premises in Pietermaritzburg and, below, loaves with a pin, copper wire and even a table knife that have been found recently.



said it was doughy and heavy and thousands of women signed a petition expressing their dissatisfaction.

## Bizarre

Mrs. Watkins said that while their stand for better bread remained firm, the League was now working with the bakers in an attempt to get to the bottom of the foreign objects problem.

She did not believe the bakers had been negligent. The Durban director, who would not be named because he said his job might be in jeopardy, said there was no logical explanation or

reason for what had happened.

He said his was only one of three Pietermaritzburg bakeries whose loaves had been found to contain bizarre objects — but would not name the others.

"We take every precaution to maintain hygiene and security standards," he said that when odd things shipped into the flour, they were normally removed during the sifting process. Most of the objects found in the affected loaves would have jammed the machinery if they had been present before the bread was ready for baking.

"They may have been planted there deliberately"

— even after the loaves were baked. We are very worried and are attempting to put a stop to it."

## Police

He said the matter was in the hands of the police who were "trying to keep it low key". They were first informed last month when a 25-centimetre table knife was found in a loaf of bread.

But a senior police officer said although the incident had been reported, no official complaint was laid. This meant a police investigation could not proceed.

Mrs. Marcia Watkins with the kind of things found in the local bread in the past two months

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# Packaging

## men

Sun. Trib.  
finance & prop.

## up in arms

31/7/77

250

By MADGE SWINDELLS

PACKAGING manufacturers are up in arms about a statement made in the Press recently by Mrs Joyce Hurwitz, national president of the Housewives' League. She says bluntly: "We don't want to spend our money on boxes — we only want to buy the contents."

She added: "There are those manufacturers who seem to have exaggerated ideas about the South African housewives' affluence. Last year a supermarket announced that 1159 of its items increased in price between nine percent to 48 percent because of increased packaging costs. This was greeted by housewives with shock and a good deal of resentment."

"Times are changing. Today's housewives shop around investigating the quality of the goods in the pack versus price, and they compare the value offered with competitive goods on the shelves. The extra value wins everytime, not the pretty package."

Tony Crosby, managing director of Kohler Brothers, feels that the criticism is based on a misunderstanding of the container's functions.

He says: "Of course, packaging does add about six percent to the retail price of consumer products — but if only to separate soap powder from breakfast cereal it is necessary."

He points out that packaging manufacturers themselves have been subjected to cost hikes — the latest about 15 percent — which pushed the cost of raw materials up to about 70 percent of the finished package.

His views are challenged by Neil Werbeloff, merchandising director of the Pick 'n Pay group, who explains that the supermarket was able to cut the cost of 26 household items by up to 15 percent per item by choosing the plainest packaging materials for a Pick 'n Pay pack. Items included breakfast cereals, coffee creamer, ice cream and paperware.

He adds that with items which had been traditionally marketed in expensive packages the company was able to give larger discounts.

"Pick 'n Pay were a bit scared to enter the field of toilet articles because they thought frilly packs would play a large rôle in the purchasing of this type of article, but the result of the plain pack and reduced price was fantastic."

"Manufacturers who still persist in going for the special canister, the give-away free tins and so on are finding their sales dropping. This sort of thing is frowned on by the present-day thrifty consumer," he adds.

# WIVES

PIETERMARITZBURG'S Housewives League has declared war on local bakers over the quality of their loaves.

The league is collecting badly baked bread and plans to exhibit it in the city centre — with labels identifying bakeries the loaves come from.

The move comes only a week after at least one bakery owner implemented secret measures to keep bread safe and hygienic because he claimed people had sabotaged it by putting in foreign objects.

Housewives League chairman Mrs Mercia Watkins said this week that bakers had not carried out their promise of better bread, made after Wheat Board officials investigated poor quality bread in May this year.

Announcing their plan to expose

# DRAW THE

bakeries which do not keep the pledge, she said she already had two loaves for the display.

“Ore is a brown loaf which is so crumbly the top lifted off completely. The other is a doughy, sour, almost raw white loaf with a hole right through the middle. Both were bought this week.”

Her major complaints are that stale bread is still being recycled, sometimes loaves are not fully baked and bakers do not always label their bread.

She claimed that some bakeries sometimes “put stale bread into the fresh dough and underbake to maintain the required weight.”

Although no more foreign objects were found in bread this week Mrs Watkins is angry that the Medical Officer of Health denied any knowledge of complaints.

Dr John O Keefe said this week his

## WATKINS SAYS

department always acted on complaints, but nobody had reported the spate of bizarre objects found in bread during the last few months.

“In April, when a hand-rolled cigarette was found in a loaf, a City Health Department official said it was not a health hazard,” said Mrs Watkins.

Police spokesmen said bakers had until now not laid a formal complaint about the bread that was sabotaged with foreign objects. A senior bakery executive said last week they were taking additional security measures to stop that happening again.

# BREADLINE

All the objects were found after the Housewives League began campaigning for better quality bread in April.

While the women continued their battle this week, two Wheat Board officials slipped into Pietermaritzburg and had another look at the quality of bread available. They spent a week in the area checking on all aspects of the bakeries, Wheat Board manager, Mr Dennis van Aarde said.

“We are aware of the problems and are waiting for the Minister to approve new regulations which will prevent bakers using too much water in bread.”

He said that since May when the Government shifted their subsidy to actual bread sales instead of to the millers, some bakers had been adding extra water to increase yields.

“We are prescribing a dry-solids con-

tent which will determine the basic material used in bread — excluding the moisture content I think there will be an improvement once this is introduced.”

He also said that since the shift in subsidies the Wheat Board had the right to hold back subsidies if bakers contravened the regulations.

He considered the most serious contraventions to be under eight bread and overcharging. Bakers who did not label bread were also contravening the regulations.

“But there is little we can do about foreign objects in bread. This is the responsibility of the local health authority.”

Pietermaritzburg's Health Department has urged people who find foreign objects from now on to report them instead of going directly to the local newspaper.

Sun. Trib  
7/8/77  
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# 'No perfect loaf of bread'

STAR 25/9/77

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It is impossible to produce a standard loaf of bread from a set recipe in South Africa, the Housewives League has discovered

The league, which has been campaigning for a standardised loaf to uplift the often poor quality of bread, reveal this in a statement

Farmers do their own drying of wheat and often cause heat damage

If this remains undetected

the wheat, and any it is mixed with is rendered useless.

Millers receive wheat from all over the country and make their own blends

A low protein wheat is produced in South Africa, and the varying conditions under which wheat is grown make the Wheat Board's task even more difficult, the league said

To prevent more water being added to bread than legally permissible,

the Minister of Agriculture Mr H Schoeman is expected to approve a test soon

For the test the loaf will be sliced and baked for six hours at 105 deg C, then weighed

White bread should then weigh 560 g and brown 548 g.

Wheat Board regulations specify that 103 white loaves and 106 brown loaves should be produced from 65 kg of the relevant flour

Gudy T. ...

27/11/77

250

# Split in women's prices group

By JILL McILRAITH

**ONE of South Africa's most outspoken consumer groups, the Housewives' League, has split from its umbrella organisation, the National Consumer Union, accusing it of "disinterest in consumer affairs".**

In a strongly-worded letter of resignation this week, the chairman of the Housewives' League, Mrs Joy Hurwitz, said that the union was not fulfilling its purpose.

The league, one of South Africa's largest consumer groups, with several thousand members, was a founder member of the union when it was established 10 years ago to co-ordinate women's organisations.

The union now has about 25 affiliate members, including trade unions, church groups and consumer organisations.

In her letter, Mrs Hurwitz says: "Is it possible for the union to accomplish anything if it meets only once every two months."

Mrs Hurwitz says that the league has never received a word of encouragement from the union. An example of this was the league's recent campaign to improve the standard of bread.

Mrs Hurwitz also criticises the National Consumer Council, a Government-appointed body which works closely with the union.

She says the director of the Consumer Council, in his pilot speech last year, "criticised us for our militancy and accused us of acting from motives of self-interest."

Mrs Hurwitz said this speech was sent out as a

The subsequent letter of apology was not circulated to members of the union. She said that the league's dissatisfaction with the council had been communicated directly to the Minister of Economic Affairs, Mr Chris Heunis

Handwritten marks: a signature, a circled '2', and '2/6'.

# "Black" Goods Bill Protection of Consumers

By GERHARD PIETERSE

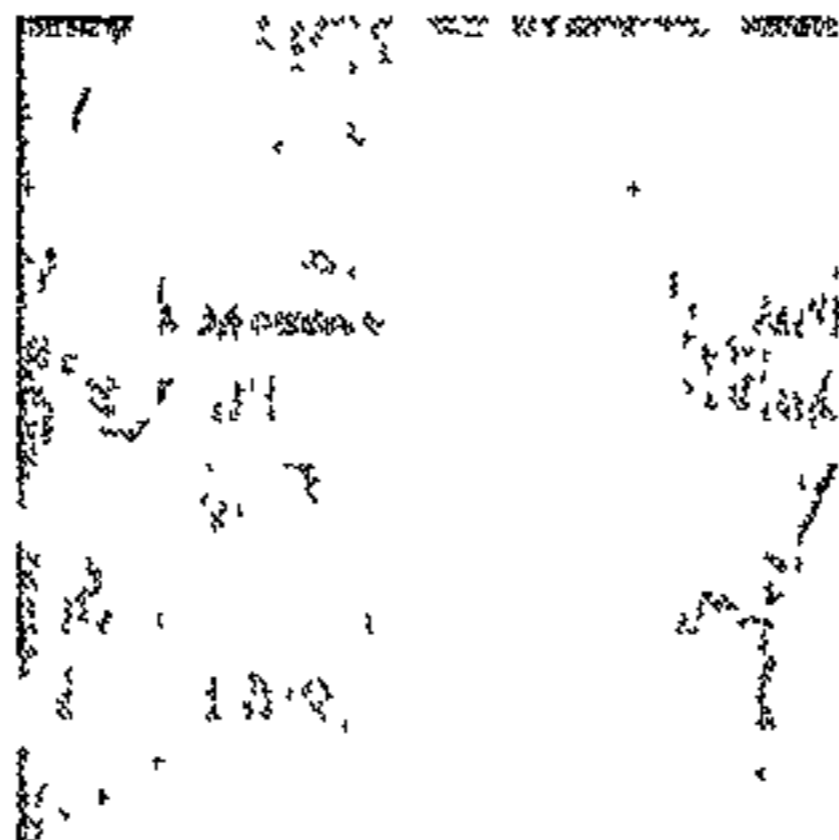
DRAFT legislation to combat racial discrimination in commerce, was rejected by the Secretary for Commerce, Mr Joep Steyn, this week as impracticable and unnecessary

The draft was drawn up by consumer watchdog Mr Eugene Roelofse, ombudsman of the South African Council of Churches

Mr Steyn told him that additional consumer safeguards introduced by the Government recently covered the field adequately. No more were needed

Mr Roelofse told the Sunday Times there was still considerable exploitation, especially of blacks

"It is a well-known dodge, for furniture companies in particular, to establish subsidiary companies aimed specifically at the black market. Prices at these stores are invari-



MR EUGENE ROELOFSE  
Draft legislation

ably higher than those at the store for whites

"On the platteland blacks are not only exploited financially, but treated appallingly badly.

"Throughout trade in general, blacks are treated as second class citizens

"One clause in our draft Bill deals specifically with this and would make it an offence to cause friction between the various race groups"

Mr Roelofse said he was

not put off by Mr Steyn's reply. A deputation was being formed to see the Minister of Economic Affairs, Mr Chris Heunis. If that failed they would seek a meeting with Mr Pik Botha — as the man chiefly concerned with South Africa's image overseas — and eventually with Mr Vorster.

Under Mr Roelofse's draft legislation, the widespread practice of charging blacks a premium on credit sales would be illegal.

The practice was defended this week by Mr Sydney Press, chairman of Edgars, which levies the premium in the form of a ledger fee

"Our credit agreement with black customers makes it clear the fee will be charged. It is necessary because many blacks are a bad credit risk.

"At the moment, our black bad debts are almost three and a half times those for whites"

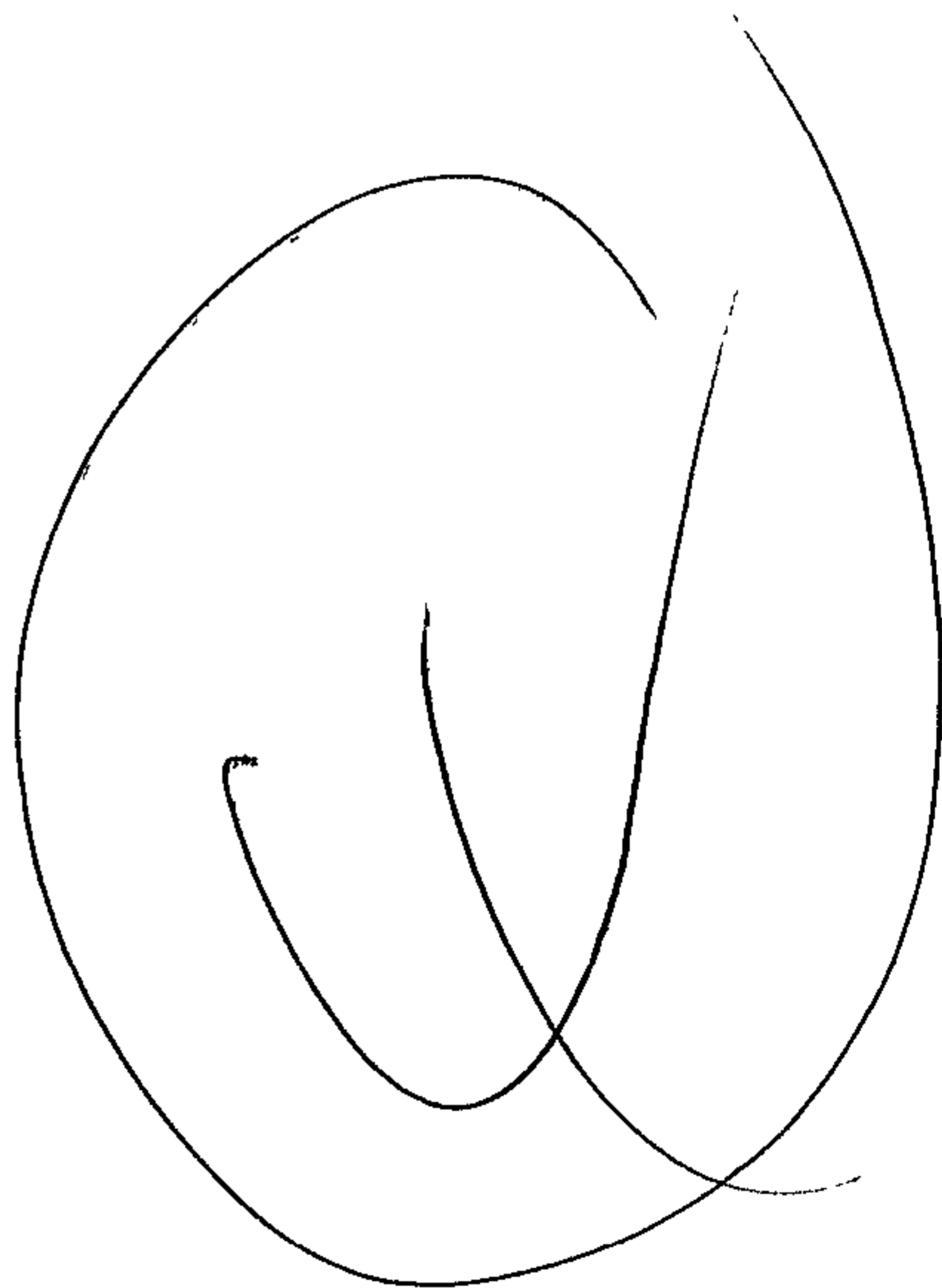


PRICES - CONSUMER  
PROTECTION  
SOWIES

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# Wave of increases expected

DD 6/1/78

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**CAPE TOWN — Mr Eugene Roelofse, ombudsman of the South African Council of Churches, said yesterday that South Africans must brace themselves for a further wave of commodity price increases in 1978 in what he referred to as "a manifestation of power politics on the economic front."**

And he said he would bet the Minister of Agriculture, Mr Schoeman, "a loaf of this ghastly brown bread we get here," that the inflation rate in the Republic would rise to a record level this year — higher than the 21,4 per cent reached last year.

The big increases in the prices of sugar, steel and now white bread and maize were bound to have a ripple effect right through the economy, and what perturbed him most was that not only did the consumer have no say in the matter but that most consumers were blacks, living near or below the poverty datum line.

These people had no one to turn to. The black consumer was not represented on the control boards and while agriculture, commerce and industry had strong

organisations to safeguard their interests, there was no strong movement representing the interests of the ordinary consumer in South Africa.

"What we are experiencing now is power politics on the economic front, and we can take it that we will be experiencing a lot more of it in the year 1978."

Mr Roelofse also said he was not surprised by the move by the maize producers to ask for a price rise next month.

"The Minister admitted on television this week that huge quantities of maize were being exported at a loss and in the same breath practically invited maize farmers to press for an increase in the price.

"The way Mr Schoeman is bringing down the cost of living to housewives in

foreign countries makes him eligible, in my opinion, for special mention in the Guinness Book of Records.

"Black consumers are on the horns of a dilemma. Bread producers say they should eat mealie meal and maize producers say they should eat bread.

"It is time somebody somewhere spelt out clearly to the poor how they are expected to exist," Mr Roelofse said.

Meanwhile, it has been calculated that South Africa's wheat surplus this year could be as high as 380 000 tonnes — enough to produce two million white loaves of bread a day for a year.

The deputy general manager of the Wheat Board, Mr D. F. de Villiers, said yesterday this figure was based on last October's crop estimates and included a

200 000 tonne surplus carried over from 1977.

The price of white bread goes up today by a staggering 25 per cent to 25c a loaf as a result of a R15 million cut by the Government in the bread subsidy.

Mr De Villiers said "Provisionally the board has decided to try the export market again, to get rid of the surplus, but we are not embarking on a large export programme at this stage."

White bread will definitely be cheaper at some of the country's leading supermarkets today — by how much depends on the availability of half cents.

Some leading chain stores and supermarkets yesterday indicated they would not be charging the 5c mark-up for white bread. — DDC-SAPA.

# Prices up 5pc in a month — worse due

## Consumer Page

**Price is sore neck: film fan**

Cinema chains claim that Sier-Kinekor, said the charging one price regard- one-price system was start- less of where patrons sit is not a price increase and that patrons do not mind as cinemas are "so well designed."

The Star Consumer Page investigated queries by cinema patrons as to why the one-price system was introduced.

Some complained they felt it unfair they had to pay high prices and sit, for example, in the front "with all the accompany- ing discomforts of an ach- ing neck and sore eyes."

The publicity director of Sier-Kinekor, Mr. C. Haynes said: "Some people prefer to sit nearer the front."

Mr. Phillip MacDonald, director of theatres at

### PRICE GUIDE

| 6 & 3/2/78                                    | 6                                  | 5                       | 11                                 | Average percentage price rise. |
|---|------------------------------------|-------------------------|------------------------------------|--------------------------------|
|   | Checkers Multi-Market, South Hills | Hyperama (OK), Edenvale | Pick 'n Pay Hypermarket, Boksburg. |                                |
| Pine Tins Tea, 250 g                          | 1.25                               | 1.09                    | 1.17                               | 1.7                            |
| Ricoff, 750 g                                 | —                                  | 3.58                    | 3.29                               | 6.3                            |
| Rama Margarine, 250 g                         | 29                                 | 27                      | —                                  | 12                             |
| Kee Smooth Apricot Jam, 450 g                 | —                                  | 39                      | 36                                 | 5.6                            |
| Taste Rice, 1 kg                              | —                                  | —                       | 74                                 | zero                           |
| Snowflake Cake Flour, 2.5 kg                  | 75                                 | —                       | —                                  | zero                           |
| Stewing Steak, per kilogram                   | Super 2.96                         | Super 1.25              | Grade 2 1.29                       | —                              |
| I & J Frozen Pears, 500 g                     | 64                                 | —                       | —                                  | —                              |
| Dozen large eggs                              | 52                                 | 49                      | 53                                 | zero                           |
| Sunsilk Shampoo (Dry hair), 125 ml            | 8.                                 | —                       | 75                                 | zero                           |
| Gillette Gil Blades (5)                       | 1.09                               | 99                      | 92                                 | zero                           |
| Lux Soap, 150 g                               | 27                                 | 27                      | 25                                 | zero                           |
| Skip, 1 kg                                    | 1.05                               | 1.12                    | 95                                 | 11                             |
| Punch, 1 kg                                   | 99                                 | 86                      | 86                                 | 7.7                            |
| Colgate Toothpaste, 100 ml                    | 77                                 | —                       | 77                                 | zero                           |
| Johnson's Baby Oil, 200 ml                    | 99                                 | 1.10                    | 1.09                               | zero                           |
| Nespray (Nestle), 500 g                       | 1.25                               | 1.27                    | —                                  | zero                           |
| Epol Dog Food Cubes, 2 kg                     | 79                                 | 72                      | 79                                 | zero                           |
| Carlton 4 toilet rolls, 500 single ply sheets | (350) 69                           | 86                      | 84                                 | 40.6                           |
| Nestle Condensed Milk, 397 g                  | 34                                 | 33                      | 33                                 | zero                           |
| Kimbas Nappies (medium dry (6 kg. end over))  | 99                                 | 1.27                    | 1.19                               | 16.2                           |

Prices for our basic shopping basket, first taken slightly less than a month ago, have increased by an average of 5.3 percent since then.

This is despite the fact we were unable to compare two items for reasons of accuracy, and that 11 items surveyed and compared with average prices in the previous survey had apparently not increased in price.

Stores we gleaned prices from in the original survey were Checkers and the OK Bazaars, both in Northcliff, and Pick 'n Pay, Benmore Gardens.

This time we travelled to their hyper-equivalents, the Multimarket, Hyperama and Hypermarket.

**DIFFERENCES**

It must firstly be remembered that although stores belonging to the same group try to stick to fairly uniform prices, these will differ according to stock carried and moved by the stores.

The average percentage price rise we give is therefore intended only as a direct barometer.

The biggest price hike is shown for toilet paper. Before getting too hot under the collar, remember that you now get 150 sheets more than before following standardisation of the rolls.

At the time, manufacturers promised there would be no significant price increase with the standardisation, but with a reflected 40.6 percent increase on our guide, one wonders . . .

**COFFEE**

Coffee, which we all get told is coming down in price, shows a 6.3 percent rise against our last survey. However, old stock at old prices could be the cause of this.

Kimbles, nappies, Rama margarine, Punch, and Skip washing powders and

hikes we were told to expect in the New Year.

Many New Year price hikes have still not really made themselves obvious on supermarket shelves yet. These include those for toilettes and condensed milk.

Our next shopping basket survey will doubtless show the effects of these and other impending price rises announced recently. These will include eggs, rice and dry pet foods.

In our previous survey steaming beef was included but not the grades — we have attempted to rectify this in today's guide. For this reason, we could not make price comparisons for this commodity.

Against January prices a very strong criticism we would like to levy against all supermarket butcheries is WHY aren't the grades of this type and certain other types of meat indicated?

In each instance we had to ask butchery staff, although the grading stamp at the Hyperama was obvious.

Consumers have no way of comparing meat prices or knowing what quality their meat is unless this is done.

We advise consumers not to buy meat from a butchery unless the grading stamp is obvious or the grade is clearly marked on the pack.

You could be one of our two weekly winners of a R20 cheque or hamper.

Tell friendly Doreen, Monday to Friday at 838-518 from 8.15 am to 1 pm, if you have spotted a significant price difference for an article or service.

She'll need

- Complete and accurate details of the product brand name, size and price.
- Full address of store and department in which the "Bad Buy" was found.
- Make sure you have compared identical products only.

Or you can write to her at I Spy a Bad Buy, The Star, PO Box 1014, Johannesburg. Give your telephone numbers if possible.

**DOREEN**

## Difference of R89 in prices of cameras

### I Spy a Bad Buy

"If they want to sell the camera below cost it's their problem," said an Etikind's manager approached about a R89 price difference for a camera.

This is the second consecutive week a high price difference for a camera has featured as a winning bad buy.

Mr P M Bendheim, of Glenmore, Durban spotted the price differences in Johannesburg stores. He wins a R20 "I Spy a Bad Buy" cheque.

Telephoto, said the price was not a special. "We sell at low prices all the time," he said.

Corporation, the distributors, had not the store they had erroneously sent OK Bazaars ginger syrup instead of pressed syrup and marked at the wrong price.

Mr G. Botha, manager of OK outlet, said it does not as a rule stock ginger syrup at all and had not ordered the stocks.

He said the OK would gladly refund anyone who had bought the item from them.

## Q seal of quality

Etikind's at Kine Centre Mall was selling the identical camera for R415 cash.

Mr P Held, manager of the Etikind's store, said "We stuck to our mark-up prices. We do not mark-up ridiculously high figures."

"We are not clearing goods — we will inform the public when we want to."

A school uniform retailer has initiated a quality mark for some garments it stocks to protect consumers.

Mr M Flint, managing director of Uniewinkel's, said the SA Bureau of Standards had set out most school-uniform specifications, but makers were

"We asked an independent Swiss organisation based in Johannesburg. Quilts to test and give their Q label to garments they passed," he said.

"They approved boys' shorts, flannels, girls' dresses and satshirts. We have approached manufacturers of items they rejected and asked them to

glaring malpractices, there are still grey areas which it does not cover and in which consumers can find themselves in as much trouble as before

It is these areas — of high pressure salesmanship, customer ignorance of the pitfalls of an HP contract, and the powerlessness of consumers, particularly blacks, to resolve on their own the problems arising from transactions — that we highlight this week with the story of Bad Buy winner, Mrs Martha Tsotetsi (see below)

Then there is the issue of the two percent of traders who are not signatories to the code. What rights do consumers have with regard to them?

Mr Redelinghuys said that of the 342 complaints received by the FTA last year, 95 percent referred to non-members

"Where we receive a complaint against a member it is plain sailing to us," he claimed

"Within hours the problem is solved"

Complaints which referred to non-members were more difficult but the FTA, he claimed, still approached the retailers concerned

Many feel the problem lies finally with this country's hire purchase legislation

For this reason they are anxiously awaiting the outcome of the Department of Commerce's investigation into hire purchase legislation and the Credit Agreements Bill placed before Parliament last year

Compiled by  
MIGNONNE  
CROZIER

SACU

214  
2/13/78



... the Tsotetsi of Tokoza, near Alberton, with the fridge she bought on HP

CONSUMER PAGE

More than two and a half years have passed since the Furniture Traders' Association, in the face of increasing complaints about malpractices in the furniture trade, drew up a code of conduct for its members.

Judging from the complaints which still stream daily into the offices of South Africa's consumer organisations and newspapers, many people have profited not one jot from this code.

Mr Ronnie Cohen, newly-elected president of the FTA, said this week that the code, which is signed by members of his association — "some 98 percent of all furniture traders in the country" — would "remain the basis for public confidence (in the furniture trade) in the future."

But his statement raises several questions:

- How is the consumer to know which dealers have signed this code?
- Does the code cover all the areas of furniture-buying and particularly, of hire purchase agreements, where consumers

# Those association furniture dealers are hard to find...

have found themselves being exploited or manipulated?

● What can a consumer expect from a retailer not bound by this code?

The Star's Consumer Page asked the executive director of the FTA, Mr S F Redelinghuys, for a list of all signatories to the code.

He refused to supply this, saying the list was confidential. Consumers could know a

signatory by looking for the FTA emblem in the window of his store, and for a framed certificate which would include the code of conduct, hanging inside his shop.

But searching for these emblems, as Consumer Page found in a snapshot survey, is not an easy task.

The code itself has seven points. In terms of these, a retailer agrees that:

● He will not increase the price of merchandise once an order has been accepted.

● Every purchaser has the right to cancel an order, within 48 hours of it being placed or before delivery of goods, whichever is the later, and will be entitled to a refund of all money paid or the return of all goods traded in.

● All customers buying on the lay-by system are

entitled to written confirmation of all particulars.

For the duration of the lay-by, the prices of the goods specified will not be changed and all money received will be refunded prior to delivery should the customer decide to cancel the lay-by.

(The last two provisions do not apply to goods made or ordered specially for a customer, or to soft goods or floor coverings made or cut to order).  
● Failure of employees

of the firm to adhere to the provisions of the code will result in disciplinary steps.

● Voluntarily repossessed goods will, be retained for at least 21 days to enable the customer to pay up all arrear instalments.

Should the customer be unable to settle such instalments no further steps shall be taken against him for payment. While the code refers to some of the most

*Handwritten notes:*  
①  
②  
9/1/78  
M.A.

# Why Martha bought a fridge she didn't need

For 70-year-old Mrs Martha Tsotetsi of Tokoza, life has not been easy.

A widow for more years than she can remember, she struggles to support three youngsters, between two to 20, who live with her in her little home in Moepshe Street

And her only income — apart from occasional help from her four married children and recently, from the eldest in her care — is a pension of R20 a month

Yet in September last year, Mrs Tsotetsi signed a hire purchase contract that committed her to pay a total of R181,20 for a paraffin fridge.

It did not work from the evening it was moved into her home till the day this week when the store concerned — REINGOLDS,

GERMISTON — decided, after intervention by The Star, to repay her money and take back the fridge

Why, one might ask, did Mrs Tsotetsi buy the fridge?

The answer she gave to The Star's Consumer Page indicates some of the great problem areas in hire purchase transactions

- High pressure salesmanship (It was this which eventually forced her into buying something she did not need)

- A lack of understanding by the customer of the pitfalls of HP agreements

- The powerlessness of consumers, particularly blacks. This is Mrs Tsotetsi's story

Some time last year a black salesman, employed

by Rheingold Furnishers, Railway Street, Germiston, began to visit her home, trying to persuade her to buy a paraffin fridge.

"I said I didn't want it but he came again over several months and he spoke smoothly and well eventually I said I would take the fridge," Mrs Tsotetsi recalls

So in October last year, Mrs Tsotetsi, who speaks only Sotho and a smattering of Afrikaans, signed a hire purchase agreement

The cash price of the fridge was R150 but Mrs Tsotetsi was to pay off R181,20 once the HP finance charges and insurance charges had been included

By mid-November, she had made three payments — a deposit of R10 and

two instalments of R5 each

But the fridge was still not working

The salesman promised to bring someone to her home to get it going for her, but no-one appeared

Her son, Mr Martin Tsotetsi, went to the store, but still no-one came to fix it

Eventually, Mrs Tsotetsi made the journey to Germiston herself to complain.

She claims all she got was a promise that the fridge would be repossessed and that she would not get her money back. Finally, Mr Tsotetsi wrote to The Star's Consumer Page for help

The manager, Mr J D Merriman, said the fridge was one of several "new" fridges which had been standing on the shop floor for a long time and had become "slightly damaged" or "shopsold"

But, Mr Merriman emphasised, the fridges were sold "as is" and the store did not give guarantees for them

He agreed, however, to see Mrs Tsotetsi again

After inspecting Mrs Tsotetsi's receipts Mr Merriman offered to fix the fridge, give her another fridge (for which she would have to pay further HP instalments) or give back the money she had already paid

She chose to have her money back, and it was repaid yesterday

Mrs Tsotetsi is one of our two Bad Buy winners this week and will be receiving a R20 cheque from The Star shortly.

## How to win R20

Spotted a large price difference recently? Feel you've been overcharged for some product or service?

Telephone Doreen at 838-4518 Monday to Friday between 8.15 am and 1 pm and tell her all about it

Each week two "Bad Buy" winners receive R20 each

Remember to give Doreen

- Your full name and address and telephone numbers

- Complete, accurate details of product, brand name, size and prices

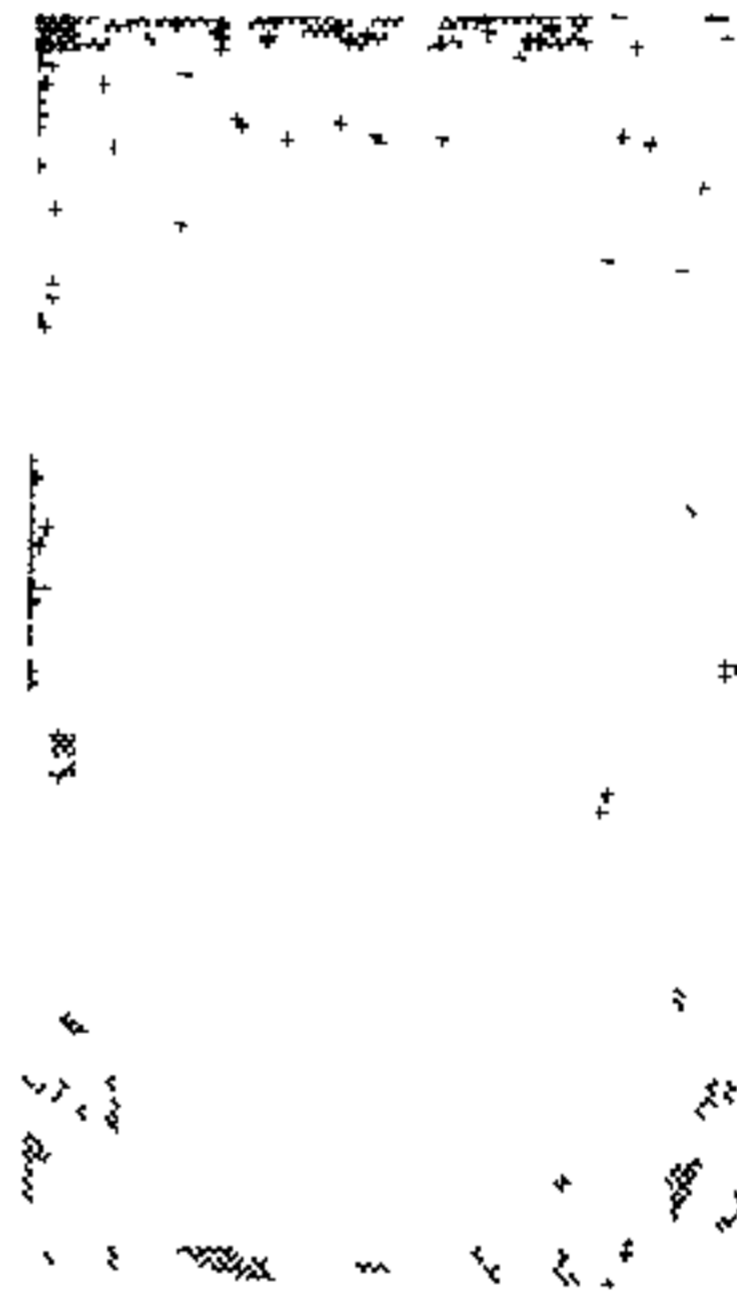
- The full address of the stores in which your "Bad Buy" was found

- Sale items and special offers do not qualify

- Only identical products may be compared

If you cannot telephone, write to Doreen at I Spy a Bad Buy, The Star, PO Box 1014, Johannesburg

Give phone number where you can be contacted if possible, as well as your full name and address



DOREEN

## Rain crumbles driveway

Mr Gasper Primich, of Frederick Street, Observatory Extension, Johannesburg, had barely finished laying down the bricks on his driveway when he noticed that some were crumbling

Later, the rains came, and more bricks began disintegrating. He asked The Star's Consumer Page for help.

He told The Star that on November 14 he telephoned JAYBEE BRICKWORKS, Bedfordview, and asked them what bricks to use for a driveway

He said the man he spoke to recommended a "semi-face-brick"

Mr Primich ordered 11 000 of these at R35 a thousand and paid R385.

Eight thousand were de-

Mr Primich laid the bricks, and when he was washing the surface to remove excess cement he noticed a few had begun to crumble. With the rains, more crumbled to sand

A reporter telephoned Jaybee Brickworks and asked if they supplied bricks for driveways

The man who answered the telephone, and insisted he was competent to answer the query, said they did

He quoted R39,75 a 1 000 (for normal brick colour) and R59,50 a 1 000 (for a blue colour)

When asked if the bricks were specifically for driveways, he said they were not but there was a "tremendous demand" for them.

time for driveways," he said.

It was confirmed that the "normal colour" bricks described were the same as those bought by Mr Primich — they had merely gone up in price

The Star inspected Mr Primich's driveway and found bricks were beginning to crumble or had already crumbled to sand.

The reporter then approached Jaybee Brickworks again and spoke to a Mr Victor, who said he was the manager.

"Mr Victor" told the reporter Mr Primich should have come directly to him, Mr Victor

Mr Primich contacted Jaybee Brickworks

On Monday this week he was visited by a member of the company who

and offered R20 compensation for the crumbled bricks, as well as repayment for the 3 000 bricks not yet delivered.

The Star confirmed this with a Mr A Judelman, who said he was the manager of the company (and who denied that the company employed a Mr Victor)

He said the bricks should not have been used for a driveway

"Bricks for driveways cost R42,50 a thousand," he said.

When it was put to him that a spokesman for his firm had said there was a tremendous demand for these bricks for driveways, he slammed down the phone.

Mr Primich was not satisfied with the company's offer, and is planning to

Present:

# Teaching blacks how to say 'no' to the salesman

Formal Wel

Affiliatic

By TED OLSEN

**BLACK CONSUMERS** who are easily exploited by fast-talking salesmen and unscrupulous shopkeepers, and often bound by "killing" hire-purchase contracts, "need to learn the art of spending and how to say no to salesmen", Mr William Seafield of the South African Co-ordinating Consumer Council said yesterday.

Mr Seafield, regional educational officer of the SACCC, stationed in Pretoria, is in Cape Town to launch a massive consumer-education programme in Peninsula black areas.

"By every means at our disposal, we plan to make the black consumer aware of the traps and pitfalls facing him every time he spends some of his hard-earned wage, and equip him to avoid them," Mr Seafield said.

He has already organized mass meetings in coloured areas - "the first will be in Kensington on April 4" - and has come with cases full of literature which will be



Mr William Seafield

distributed by hand and mail to blacks.

One pamphlet advises on "How to deal with door-to-door salesmen" and lists 27 dos and don'ts, such as:

- Don't be blinded by

special offers or discounts

- Don't ask for a demonstration of something you don't require

- Don't buy simply to get rid of the salesman

- Don't sign any contract if free gifts are offered as inducement

- Don't pay cash deposits to strangers

- Do ask for salesman's identification

- Do ask for specifics - if he is vague, ask him to leave

- Do read the contract carefully even if the salesman has explained it.

Another pamphlet asks "Are you an impulsive buyer?" and warns the black consumer that supermarket impulse purchases can be financially crippling.

Yet another advises on how to complain and gives names and addresses of consumer protection bodies.

Mr Seafield said many blacks were too easily "taken for a ride" and the hire-purchase agreement was one of the worst financial involvements they faced

"Furniture and motor companies in particular have been found to be totally unscrupulous about these contracts. They seldom point out just how much a buyer will pay in interest over the period of the contract and even more seldom do the consumer the favour of telling him that on his meagre salary he simply could never afford the merchandise."

When the consumer realized he had acted in haste and could not meet payments, companies were quick to repossess - "and seldom do they bother with a court order, which is required by law", Mr.

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Buying even a loaf of bread or a litre of milk was often asked to contribute to the University of Cape Town's "hazardous" as township shopkeepers were known to add on "extras such as transport costs - to get the bread or milk to his shop from the city" and the consumer would not know these basic prices were controlled.

Joseph Rowntree Char

Chairman rep. Rowntree Char. to South Af. and the Rowntree Char. of books.

Report from members:

Norman Mr Seafield will start that he was project consumer action committees, was busy with A) He will be run by local blacks. "These Problems Report which he committees will act as watchdogs and blacks will University of Cape Town and Applied from Cape Town hopefully be very aware of their ical advice concern them, thus having a channel to contact through when there are ere 7 projects involve complaints of malpractice" mainly with attempt He recalled seeing expensive furniture and icians (and of houses appliances in shanties. "It's the Western heartbreaking. Blacks often don't know the value of the little money they have. They are not educated as consumers and we plan to

7/13/18 (24) DA

## League warns on costs

PIETERMARITZBURG — South African consumers were about to be hit by a ripple effect in the economy such as had never been experienced before, the national president of the Housewives' League, Mrs Joy Hurwitz, said here last night.

Addressing a local league meeting, Mrs Hurwitz based her forecast on the increase in basic commodity prices, the increased rail and air tariffs, and the not yet felt impact of the national budget and the mooted sale tax.

She said the league executive had held talks with the Minister of Finance, Sen Horwood, to try to have certain basic foodstuffs exempted from the proposed tax.

These included milk, bread, mealie meal and allied products, sugar and meat.

She said the stage was being reached where the South African housewife could not stretch her budget any further.

A disturbing consumer trend among housewives — who spent 90 per cent of consumer earnings, was that credit accounts were being opened to meet bills for clothing and hair-styling. — DDC.





A leap of more than 11 percent in the cost of living last year has set South Africans thinking about their role as consumers. What are YOU going to do in the Year of the Consumer? The Star's Fair Deal campaign looks at the current scene.

By Elizabeth Wilson

This year is the Year of the Consumer, and oh how we need it — not just as an excuse to grouse and grumble but as a springboard for some real consumer action

We could begin by asking ourselves why consumerism, which began in the United States and Britain as early as the 1950s has, until now, hardly touched us, too many of us have been too well off — too well off for a good many years to worry about a price rise here, a bad buy there. Too many have shrugged off shoddy service, thrown away appliances that didn't meet their expectations

## Offensive

When their overseas counterparts have talked on "consumerism" and "boycotts" they're regarded the attitude as offensive and aggressive.

According to evidence before Fair Deal, even lower income urban blacks have been surprisingly acquiescent.

But today inflation and — steadily rising costs are convincing South Africans that money does not stretch. If we are to come out at all we must know what we are buying — and what we are getting for our rands.

It is with this new, more alert consumer in mind, that The Star has launched its Fair Deal campaign

Our aims are simple

# Year of the Consumer... and how we need it!

*Star 30/3/78 (246)*

exploitation by unscrupulous dealers

In Britain an Office of Fair Trading with its own Director General has been set up under the Secretary of State for Prices and Consumer Protection. Perhaps we need one here

The director general, neither a politician nor a civil servant, enjoys a wide measure of independence in his job of aiding consumers

The office is a government agency financed wholly from public funds and it has clearly defined statutory powers and duties

It operates in four main areas — consumer affairs, consumer credit, monopolies and mergers, and restrictive trade practices

But this sort of consumer protection was not achieved without a fight.

wages to be signed up for hundreds of rands' credit.

● They could urge far stricter controls on advertisements which exploit — particularly those taking unfair advantage of the gullible

● They could demand more information from the manufacturers about the performance and length of life consumers can expect from products.

● They could insist on more informative labelling and the listing of ingredients in products such as cosmetics and toiletries.

● They could urge tighter safety controls over products — especially children's toys, furniture and clothing.

● They could alert housewives to the power they wield when they do their family shopping

Star 30/3/78

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- To champion the rights of consumers of all races, at the same time recognising the right of the trader to make a fair profit,
- To adjust the balance of power between the manufacturer and the consumer in order to ensure fairer prices and better quality goods and service,
- To help the consumer understand his legal rights;
- To work towards consumer advice centres in busy downtown areas.

## Complaints

We know from our own experience with Star Line that South African consumers DO have complaints — hundreds of them. And they are not only related to price increases.

Among whites the grievances centre around the poor standard of repair work, the lack of guarantees on goods, overcharging and lack of redress.

There is dissatisfaction with goods which are poorly made — that simply do not function as they should — the iron that packs up after six months, the car that is continually at the garage, the table whose legs come loose.

Black consumers have problems too — sometimes more pressing and more difficult to solve. They want to know about housing. How they can keep pace with escalating cost of food, and fares?

Many want advice on hire-purchase contracts and are frustrated by ex-

## Surveys

British housewives, mainly, began through local consumer groups, to press for better goods and services for their own communities. They did surveys on grocery prices, bus services, packaging, facilities for the aged and they published their findings through their own news letters and local press and radio.

The prestigious consumer magazine Which is a Consumer Association publication

As consumer groups grew and flourished they began to campaign on the wider issues of consumerism.

They sent representatives to speak to all sorts of organisations and they became involved in a very real way with consumer education in schools.

The groups contacted their local chambers of commerce and trade. They provided representatives for various consumer councils and took up individual complaints.

## Encouraged

In South Africa we now see the beginnings of similar groups being encouraged by the SA Coordinating Consumer Council.

What are such groups going to tackle?

- They could start by reminding the Minister of Economic Affairs that he has a wide responsibility for consumer affairs.

- They could ask for some careful scrutiny of the system which allows people earning breadline

- They could sort out those mail order companies which don't deliver what they advertise.

- They could take the SABS at its word that it is there to serve consumers as well as industry and submit goods to it for testing.

- They could teach consumers how to complain effectively.

- They could produce lowcost news sheets filled with "good buy" tips and warnings about unfair trading in their area.

- They could question, and insist on answers, from people making decisions on their behalf and this includes the control boards which we taxpayers finance.

- They could beef up their resistance to unjustified price hikes.

- They could look at ways of turning waste into a community resource. In Britain, Oxfam collects household cast-offs for repair and resale. What seems like a tired old sofa to one person could be a bargain to someone else.

### Question

But what is needed most this year is for consumers to be far more questioning of the motives of suppliers and the claims they make.

Things are NOT always as they seem — this applies in politics and it applies equally to the goods and services provided to us as consumers.

If we want a Fair Deal, we have got to start getting wise and getting organised.

Mark our words, by the time this year is through consumerism will be a word everyone can pronounce.

## Heading the campaign

ELIZABETH WILSON is heading The Star's Fair Deal campaign — a campaign to encourage and inform all areas of the consumer movement in South Africa.

Fair Deal's multiracial campaign team of 12 will work in all sections of the community. It incorporates Star Line, 10 years old this year, and our I I Spy a Bad Buy service which will retain their titles.

Elizabeth Wilson, a

Natal-born mother of three with many years in journalism helped pioneer consumer reporting in South Africa several years ago. Last year a popular magazine chose her as an example of one who is prepared "to buck the system" — that was when "Liz" campaigned for and got a new school for her suburb.

- Fair Deal's telephone numbers: 838-2383 and 838-2343.

# subsidies call

## Food

Star 20/5/78

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20/5/78

## Consumers lash out at increases

Many white South Africans — horrified at the increase in prices of staple foods — feel the Government should use subsidies to keep prices down.

The Star held two opinion surveys: the first to find out how people felt about the 13.5 percent increase in the price of maize and the second to research reactions into the impending 15 percent jump in the price of milk.

The maize survey, carried out by Market Research Africa, canvassed the opinions of more than 400 people in the major urban areas of the country. In the milk survey Star reporters contacted about 200 people in the Pretoria, Witwatersrand and Vereeniging areas.

The surveys showed many whites expected to be badly affected by the increases but that they feared the effect on the poorer sections of the population would be far worse.

### OWN COW

On milk prices, 123 people said they would be badly hit by the increase while 31 said it would have a moderate effect on them. Of the few people who said it would have no effect on them one said she didn't care as she had her own cow.

A large majority said there was no justification for the increase. Only 29 people felt the increase was justified or partly justified.

Most people said the Government should increase subsidies in order to keep milk prices down.

Half of those

viewed in the maize survey thought the price increase would have a "bad," "terrible" or "awful" effect on those who used maize products as their staple food. "Not fair on the poor" was a recurrent comment.

### PRICES DOWN

The Star's correspondent at Pretoria reports that two large supermarket chains will reduce their milk prices next week.

The OK Bazaars will sell milk at 28c a litre on the Witwatersrand, in Pretoria and Western Transvaal from Monday.

In Cape Town, the price will drop to 26½c, in Bloemfontein to 27c and in the Western Cape county districts to 27½c.

A spokesman for Pick and Pay said his organisation would also reduce milk prices. In Pretoria, a litre would probably sell for 28c and in Johannesburg about 26c.

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# Price hikes slated

CAPE TOWN — Consumer spokesmen warned yesterday that the latest price hikes, which follow closely on increases in other basic foodstuffs, posed a threat to the social stability of the country.

The SA Council of Churches ombudsman, Mr Eugene Roelofse, accused the Government of grinding the consumer to dust.

"It is this type of action that will undermine the stability of South Africa. Empty stomachs keep people awake at night, and people who are awake think I warn the government to think twice about where it is heading."

A spokesman for the Consumer Council, Mr Michael Hawkins, described the increases as "yet some more bitter blows to the already harassed consumer".

He suggested the time had come for an urgent reappraisal of the entire system and control of the country's production, marketing and distribution of food.

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, said taking into account the extent of black unemployment, and the average black families' struggle to survive, the Government should have subsidised the milk price rise. —  
DDC-SAPA

## PARISH OF THE HOLYCROSS

NYANGA.

STATEMENT OF RECIEPTS & PAYMENTS

FOR THE YEAR ENDED 31.12.1977

11/18/78 PFP

**EAST LONDON — It's a shambles.**

The new general sales tax — despite what the Secretary for Inland Revenue, Mr J. van der Walt, says. He says he can't understand why there is any confusion at all.

While Dr Zach de Beer, PFP spokesman on finance along with Mr Harry Schwarz, told an East London audience last week the whole issue was totally confused if only because the draft legislation has still to be presented to Parliament.

All we do know for sure is that traders will have the option of adding-in or adding-on the four per cent tax which comes into effect on July 3 — just over four weeks away.

Already major supermarket chains are adopting different stands.

OK Bazaars says it will add-on.

Pick 'n Pay says it will add-on.

Greatermans says it will add-on.

Ackermans says it will add-on.

Click Stores say they are 99 per cent sure they will add-on

But Checkers, although they are part of the Greatermans group, say they will add-in.

Pep Stores, too, say they will add-in.

# The case for add-on

Presting the case for the add-on system, Mr Meyer Kahn, OK's chief executive, said abuse of the add-in form of pricing could lead to consumers being exploited

"We feel that it is in the consumer's interest to identify the exact amount of tax to be paid and the add-on method will reassure the public that prices have not been increased," he said.

He adds the OK's add-on policy will also eliminate the need for double pricing of goods before the new tax becomes effective, something he says could have caused ad-

ditional confusion in the minds of consumers.

A statement by the OK concludes: "The OK has taken the initiative in this early policy statement in the hopes that other major retailers will adopt this add-on policy to maintain consumer confidence, retain effective price comparison and to avoid exploitation of the new system to increase prices."

Meanwhile, the Spar organisation, the cooperative organisation whose membership extends to more than 400 independent retail stores in South Africa, has decided

that the fairest way to show the consumer what the impact of sales tax is, is a straightforward addition to prices after the sale has been completed.

"Consumers know our prices are competitive and the amount of tax they have to pay is absolute," says Mr Solly Matus, chairman of the Spar organisation in South Africa. "In other words, by adding the tax on after the sale the consumer will be able to establish exactly what the price of the merchandise really is."

Mr Matus added there was also less likelihood of unscrupulous mark-ups of

prices to over-recover any tax that might be payable. Customers would be able to see that prices had not been changed

No labour would be involved in remarking every item. Remarking was a costly business and could therefore be inflationary.

Explaining why Pick'n-Pay is going for add-on, Mr Raymond Ackerman said the add-on system would be more credible to consumers.

The housewife would be able to see that the prices of the articles were the same as before the introduction of the tax.

He said his stores would be well sign-posted to explain this to customers and tills would contain a subtotal, the addition of the tax and the new total.

1/6/78

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DD

## Business Editor DAVID DENISON looks at the great sales tax riddle

*Add-on sales tax will be added on at the till. This means you will only know the tax increase when you go to pay for your purchases. Add-in sales tax is incorporated in the price as it is marked on the shelf.*

# The case for add-in

Justifying their decision to go for the add-in system, Checkers say they feel there is convincing evidence to show this is the system that would best serve the interests of consumers in the supermarket field

There were many factors to be considered, said Mr Bob Harvey, executive vice-president of Checkers, but two arguments had tipped the balance

"Add-in will be more practical and convenient in a country where we must think of the interests of all our race groups. In using this system, we will show only one price — the total, including four per cent sales tax. We shall thus be able to say to customers — "The price you see is the price you pay"

"Secondly, the simplicity of the system eliminates all delays, errors and confusion at the till, an important consideration in a country where the great majority favour weekend and month-end shopping."

Mr Harvey said that an independent survey completed over a weekend for Checkers showed that over 70 per cent of housewives would prefer add-in.

"The main argument for add-on — that buyers can compare the cost with pre-sales tax prices — is important with a refrigerator or a lounge suite. But in buying food, people prefer to concentrate on how much they can buy for their fixed weekly allowance.

Thus they need to know the full cost."

Mr Harold Greenstein, assistant vice-president of Checkers, said add-in did not mean traders would be able to slip through hidden increases

"Only a small number of items are subject to price control and here it will be easy for customers and consumer bodies to check general sales tax additions. The media are certain to publish any transgressions.

"In the final analysis, it is competition between supermarkets — the most fiercely competitive industry in South Africa — which guarantees that customers get the best prices possible. This is far more important than the ability to compare pre-sales tax prices"

The arguments in favour of add-in were overwhelming, Mr Greenstein said.

"Assocom has pointed out the importance of speed at the checkout. Under add-on, cashiers must consult an official tax table before ringing each transaction.

"Add-in also makes for better and tighter budgeting. The housewife can see the full cost of each item as she takes it off the shelf. There is no shock for her when she reaches the checkout counter.

"Housewives will know what amount to write on the cheque right away and cash buyers will be saved the possible embarrassment of being short. Under add-on, if you select

goods for R19.75 and tender R20, you will be told by the cashier — once she added on four per cent — that you must find another 78c.

"Every factor which causes delays at the checkout — including people querying the sales tax add-on — is compounded when you have busy people waiting to pay. Over the course of a Saturday morning the delays could add up alarmingly," Mr Greenstein said.

He added that converting the add-in prices would be a "once-off cost" over the 36-hour period preceding July 3. Against this the add-on would cause continuing delays and confusion at checkouts and would eventually mean that retailers must instal new cash registers throughout the country at a cost of millions of rands.

"Retailers who opt for the add-on system may hope to score a short-term advantage by showing their prices to the public at four per cent below the true cost," Mr Harvey said.

"Our decision to ignore this marketing advantage in favour of showing the full price required some courage, but we believe that it is in the long-term interests of consumers.

"We had to look at the position of consumers of all races with a fixed amount to spend on weekly or monthly groceries or necessities. It is obvious their budgeting will be far more accurate if it is based on the full price of each article."

# Some other opinions

A spokesman for the Housewives' League said she was disappointed some supermarkets had opted for add-on

"The consumers' protection is in the displayed price," she said

The league made representations to the Government earlier this year, requesting the use of only one system to reduce confusion. They recommended the add-in system

With the add-on method, consumers would find the marked price was not what would be paid at the till. There would be difficulty in working out the extra four per cent tax. To exclude that confusion of additional charges, computerised tills would be the only solution

With the add-in method, expensive computerised, electronic tills would not be necessary

The league's spokesman added: "The basis of free enterprise is comparative shopping. This will now be very difficult."

The president of the East London Chamber of Commerce, Mr Jack Snell, said his members were evenly split for either system.

Because everybody was working in the dark, the chamber was not in a position to recommend that members use one or the other system

The decision on which system to use would be left entirely to individual members.

Meanwhile, a number of small cafe owners in Pretoria have also hit out at the general confusion surrounding the new tax.

The chairman of the Pretoria Catering Association, Mr A. Simitopoulos, said one of the big problems his association still faced was the taxation of cheaper items, many of which were sold daily by cafes, and on which the new tax would amount to only a fraction of a cent.

He said one of the alternatives would be to increase the tax of higher priced items to compensate for the smaller items.

A number of small cafe owners have expressed concern that the introduction of the new tax would not only cost them money in new cash registers, but also drive customers away from the "corner cafe" rather to buy at supermarkets in an effort to keep the effect of the sale tax as low as possible.

be as much as 10 per cent, could be the start of a general pattern of rate increases around the country," he said

Mr Anderson said there were many factors which would contribute to these rate increases, but the ones he could specifically identify included changes in legislation introduced in the last Budget which affected municipalities.

"Depending on the method of financing used by a particular town or city treasurer, rates could increase substantially," he said

"First of all, the general sales tax will affect the cost of every lease the municipalities are presently tied to. Thus from July 3 there will be an immediate 4 per cent hike in the costs which apply to this type of financing"

Mr Anderson pointed out many municipalities used leasing as a major source of funding in the past and many large municipal undertakings, such as the reticulation of electricity and sewerage works, were financed by

leases

This would mean that municipalities would now have to come to the money market as any other borrower to raise finance in place of the lease deals that had been negotiated in the past. According to Mr Anderson, this could mean as much as an additional three to four per cent added on to the cost of municipal financing for 15-year projects

"Where municipalities have to turn to borrowing to supplement property rate collection, they will be faced with these additional costs of financing," he said

"I foresee ratepayers having to pay for these increased costs within the next year as the effects of the general sales tax and the increased costs of borrowing begin to filter through."

Last word on the situation comes from an East London woman, Mrs A. F. McEnery of St Peter's Road, who makes a suggestion perhaps the East London Chamber of Commerce could act on

She asks "Is it not possible to call a meeting where the public can have the pros and cons of the new tax explained to them clearly and where the public could ask questions and make suggestions?"

"The majority of the public seem to be vague about the new tax, which makes it very difficult for sales staff, cash operators and, worse still, consumers.

"I have had previous experience checking invoices and working in a tax department. Sales tax is a menace. The fact that traders can please themselves whether to add-in or add-on is ridiculous.

"It should be one or the other, preferably add-in, which will not confuse consumers. Shop assistants will have to bear the biggest burden with the add-on system.

"I trust no tax will be charged on articles under 25c."

Mrs McEnery invites anybody interested in calling a public meeting to discuss the general sales tax to telephone her at 23984.

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Although the new tax will obviously have wide ramifications, Mr James Anderson, executive director of National Acceptances, has raised a gloomy prediction — the fact that municipal rates on property could increase substantially because of the new tax

"The increases forecast for Johannesburg ratepayers, which could

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# Housewives join protest over food tax

By SHEILA WING  
SEVERAL prominent people yesterday joined a trade union call for essential foods to be exempted from the General Sales Tax.  
The tax will add 4% to the cost of all commodities from July 3.

The Trade Union Council of South Africa and the SA Confederation of Labour appealed to the Minister of Finance, Senator Owen Horwood, earlier this week, and the Progressive Federal Party financial spokesman, Mr Harry Schwarz, plans to ask the Minister to consider the social consequences if appeals for the exemptions are rejected.

Priority items on the exemption list should be milk, bread, mealie meal, meat and sugar, according to the Housewives' League.

Other suggestions yesterday were dried beans, rice, potatoes, as well as necessities such as paraffin, coal, medicines and candles.

The Housewives' League first appealed to Senator Horwood for exemptions when the new tax was announced three months ago.

They received a reply saying the matter was being given careful consideration.

But last week, Mrs Joy Hurwitz, president of the league, met the Secretary for Inland Revenue, Mr W J H van der Walt, and was

## Now SA must import butter

By PAT SIDLEY  
THE Dairy Board will have to import cheese and butter to counter local shortages over the next few months.

The Director of the Dairy Board, Mr T E Roux, yesterday blamed shortages on low production, high consumption and the low prices farmers have been getting since 1975.

"Many producers have left the industry and the low prices have meant that cows have not been adequately fed, affecting production," he said.

The recent price increases have left the poorer off, but

told no exemptions would be granted.  
Yesterday Mrs Hurwitz said a recent "massive" food price increases made it even more important for exemptions to be granted on basic foods purchased every day.

"The additional 4% tax is going to cause greater hardship to the entire nation," she said.

Consumer watchdog Mr Eugene Roelofse, warned yesterday that ever-increasing food costs were becoming a matter of "national security".

"Enough warnings have been issued to the Government that if all taxes food beyond a certain point, while persisting in exporting food at a loss - it is heading for confrontation."

"Our figures show that a family of five in Soweto is going to pay tax on over 90% of its expenditure."

"The chasm that exists between the Cabinet and the poor must be bridged as a matter of priority," Mr Roelofse said.

Professor Laune Schlemmer, a University of Natal Sociologist, yesterday predicted that the additional 4% tax on basic items would undoubtedly push many black families below the poverty datum line.

● Editorial Comment  
— Page 6

would not increase it dramatically.

The butter and cheese "mountains" of 18 months ago had been reduced by local consumption and exports which had been at a loss, Mr Roux said.

Mrs Yvonne Foreshaw of the Housewives' League said yesterday "The Minister of Agriculture told us the shortages were due to consumers who boycotted the buying of cheese for five days 18 months ago."

The league rejected the claim as absurd, she said.

Consumer spokesman, Mr Eugene Roelofse, said the Minister and the Dairy Board should "be fired"

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problem of raising source of finance closed to the though some families they have officially paid their rent. ch is linked with ern Cape, scores al institution or

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rch Unit, established o-operation of BAAB ie Peninsula's Black encountered by both ns. A report of me of the more urgent lessened by changes in

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# It's going to be tougher to compare those prices

By PENNY GORDON  
Consumer Mail Editor

PRICE-CONSCIOUS consumers are going to find comparative shopping more difficult after the introduction of sales tax on July 3.

This is because some leading food chains have decided on an add-in system, others the add-on.

This will mean that in some stores, a price marked on the item will include the tax — the add-in system, while at others the tax will be added as 4% of the total bill — the add-on system.

OK, Pick 'n Pay and Spar will use add-on and Checkers the add-in.

In addition to making price comparisons a great deal more difficult, two extra situations, potentially costly to the consumer present themselves.

- Items costing less than 12c are exempt from sales tax. With the add-on system, these items are included in the total bill and will be taxed.
- In the case of some items in the add-in system the 4% will come to an odd fraction.

## Sales Tax Watchdog

ONLY 24 days to go before general sales tax is introduced and consumers and retailers alike are still puzzled by many aspects of how it is going to work.

And here's how we can help. Starting on July 3 Consumer Mail will begin a special service, Sales Tax Watchdog, where people can phone in and ask questions or air complaints about the systems used in different stores.

Each day Consumer Mail will publish a series of questions and answers which will clarify different aspects of the tax and its implementation.



of a cent and will have to be costed up or down to the nearest cent.

With regard to the latter, the Government has issued a suggested table of tax for the add-in system in which the consumer will win some and lose some.

The table suggests that on items of 13 - 37c, the tax be 1c. From 38 - 62c it should be 2c, from 63 - 87c 3c and from 88c to R1,12 it should be 4c and so on.

It would be up to the honesty of individual retailers to see that this would not be exceeded.

Speaking in favour of the add-in system, Mr H Greenstein, assistant vice-president (foods) of Checkers said that he felt that the add-in system was less confusing to the consumer.

"Many people add up their purchases as they go, and the total they reach will be the one charged at the checkout. An independent survey was done among housewives and it showed that 71% of them preferred the add-in. We have taken note of the Government table and our added tax will either conform to it or be below it," he said.

Mr Rene de Wet of Pick 'n Pay, however, disagreed and said that he felt that some stores would round off the irregular 4% upwards making the system potentially more expensive for the consumer.

Mr Stan Levy, marketing manager of the Spar group said that the add-on way was fairer and more flexible. "If the tax should change, it would be a simple matter to adjust the add-on system. Also, in this system the consumer knows exactly what his food is costing and exact-

ly how much tax he is paying," he said.

But there is one thing on which the chains are in agreement and that is that it is a pity that retailers were given the option in the first place.

Mr Raymond Ackerman, chairman of Pick 'n Pay, said this week that the consumer would have been in a far easier situation if one system had been imposed.

"She would have known where she was," he said.

And for price comparison tables published regularly by Consumer Mail, the situation will also become more difficult. As items are costed, they will have to be assessed by the researcher conducting the survey, and where applicable, the proportionate tax, sometimes amounting to an odd fraction of a cent, will have to be added.

And housewives, already burdened with increasing prices and who have always conscientiously shopped around, will have to sit down and do much complicated arithmetic to see where they are going to get the best deal.

And that's why Consumer Mail is going to be more of a must than ever.

# Statement by wholesalers

Sunday Express  
Reporter

THE INDIAN Wholesale Traders' Association of Johannesburg reacted to last week's Sunday Express expose on illegal selling on the Johannesburg market with a lengthy statement putting forward their point of view

The statement reads in part:

"We resent the innuendo contained in your report that we are racketeers and responsible for robbing housewives of hundreds of thousands a year

"One of the services rendered by us to our retail customers is the credit facilities running in cases from seven to 90 days, whereas we wholesalers are obliged to pay for our purchases within 24 hours

"The Indian community have, over the past 75 years, played a major role in the development of the fresh produce trade, and third generation South African Indians are now engaged in the trade.

"The experience of the wholesaler in his knowledge and expertise of judging the quality of produce is a service rendered to the customer which is of considerable benefit

"The allegation that the wholesaler makes big and swift profits is unfounded.

The wholesaler has large capital investments in equipment and labour to provide the services

"The essential element of fair play was disregarded by the reporter in failing to enquire from the wholesalers their version before publication

"If there are traders acting irregularly, then justice demands that they should be referred to as traders and the word 'Indian' should not have been used, as it casts a slur on us"

• In fact, the Sunday Express contacted Mr M Bhoola, secretary of the association, in order to arrange an appointment to discuss the Johannesburg market. Later Mr Bhoola said he could see no real purpose in meeting. As a result it did not take place

• Editor's note: The Sunday Express did not imply that all members of the Indian Wholesale Association were racketeers. The phrase "the Indian" was used after consideration, since this was the way in which all parties involved referred to the man concerned.

CHAIN  
STORES  
DISPUTE  
PRICE  
BOOST  
CLAIMS

246

4/1/76

6/7/76

(246)

**Mercury Correspondent**

CAPE TOWN — Consumer claims that many dealers are taking advantage of the new sales tax system by increasing prices and then adding the tax were disputed yesterday by major supermarket chains.

Many consumers are convinced that they are being made to pay more on certain food items and on petrol because unscrupulous dealers want to make a little extra.

These complaints have come from people buying in shops that have opted for the add-in system where the price marked on each item is inclusive of sales tax.

Mr. Chris Niehaus, divisional general manager for the Western Cape of a large supermarket chain that has chosen the add-in system said that the company's 154 stores "would not and could not afford to take customers for a ride."

"I can understand how people conclude that they are being cheated but there is a simple explanation for these price increases.

**Discount deals**

"Most supermarkets are offered discount deals by manufacturers and these are operative for a certain time and are often terminated at the end of a month. If we normally charge say 50 cents for an item and we are offered a discount deal we will drop the price to say 47c.

"Some of our discounts were ending just when sales tax was introduced so customers found that an item that was 48 cents before became 52c on July 3. This is because the deal had ended so we had to revert to the normal price which was 50 cents and then we had to add on two cents sales tax," he said.

**Petrol price**

Consumers who believe they are paying more than the sales tax when they buy their petrol can blame the pumps.

A spokesman for a major petrol company said yesterday the problem had arisen because the petrol pumps were set to work to one decimal place; to one tenth of a cent.

"In the Cape Town area premium price per litre of petrol was 26,1 cents prior to sales tax. Four percent of that is 1,044 cents which would be the sales tax.

"But because the pumps can only cope with up to one tenth of a cent we had a problem. The question was do we drop the ,044 of a cent or round it off to 1,1 cents.

"The Department of Commerce told us to round it off which means the pump price per litre is now 27,2 cents.

27/7/28 Sunday Express 34/10/28

# Market racket: Minister points to possibilities of investigation

Mr Schoeman  
Investigation

THE fruit and vegetable market racket exposed by the Sunday Express is a part of being investigated by the Government level.

It is exposed uncovered the racketeers in a huge operation at Johannesburg produce market at the cost of millions of rands through increased prices to the consumer. It is a result of the investigation of the Sunday Express disclosure.

## EXPRESS EXPOSES RINDS IT COSTS YOU MILLIONS

### BY JEAN LEMAY

discussed at a meeting next week, he told me. It is also being investigated by the Produce Markets Commission according to its chairman Mr Piet Venter.

But the director of the Johannesburg Produce Market, Mr S S Robinson still refuses to comment on the

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# Consumers give proof of cheating

183 246

Star 16/7/78

**Pretoria Bureau**  
The South African Co-ordinating Consumer Council has proof of some businesses putting up prices by as much as 30 percent under the guise of sales tax

This was revealed in Pretoria today by the council's chairman, Professor Leon Weyers, who said the "vast majority" of consumer complaints received were about retailers who used the inclusive tax system

"Typical examples are cheese at a Pretoria supermarket now selling for 71 cents with an obscured label indicating a previous price of 59 cents

breakfast cereal in Johannesburg up approximately 30 percent according to the two clearly visible marked prices, and a washing fluid with a price increase of 12 cents — from 49 to 61."

These were merely random samples of the many hundreds of complaints reaching the council. Some customers had even taken the trouble of taking products with them to the council's offices, said Professor Weyers

The council was taking up each case with the retailer concerned, he said

Professor Weyers

stressed that some complaints about excessive price increases by stores using the exclusive system had been received.

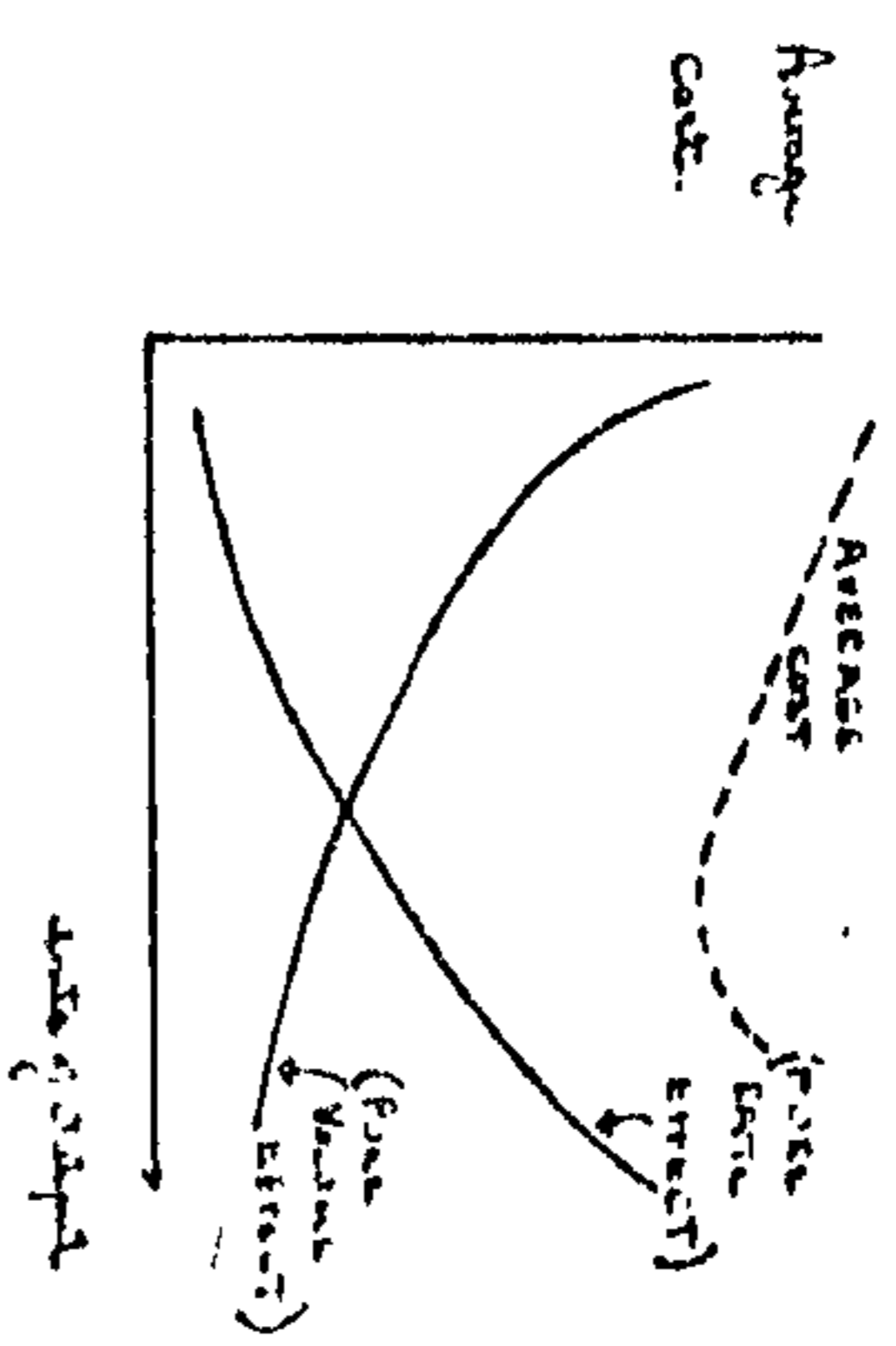
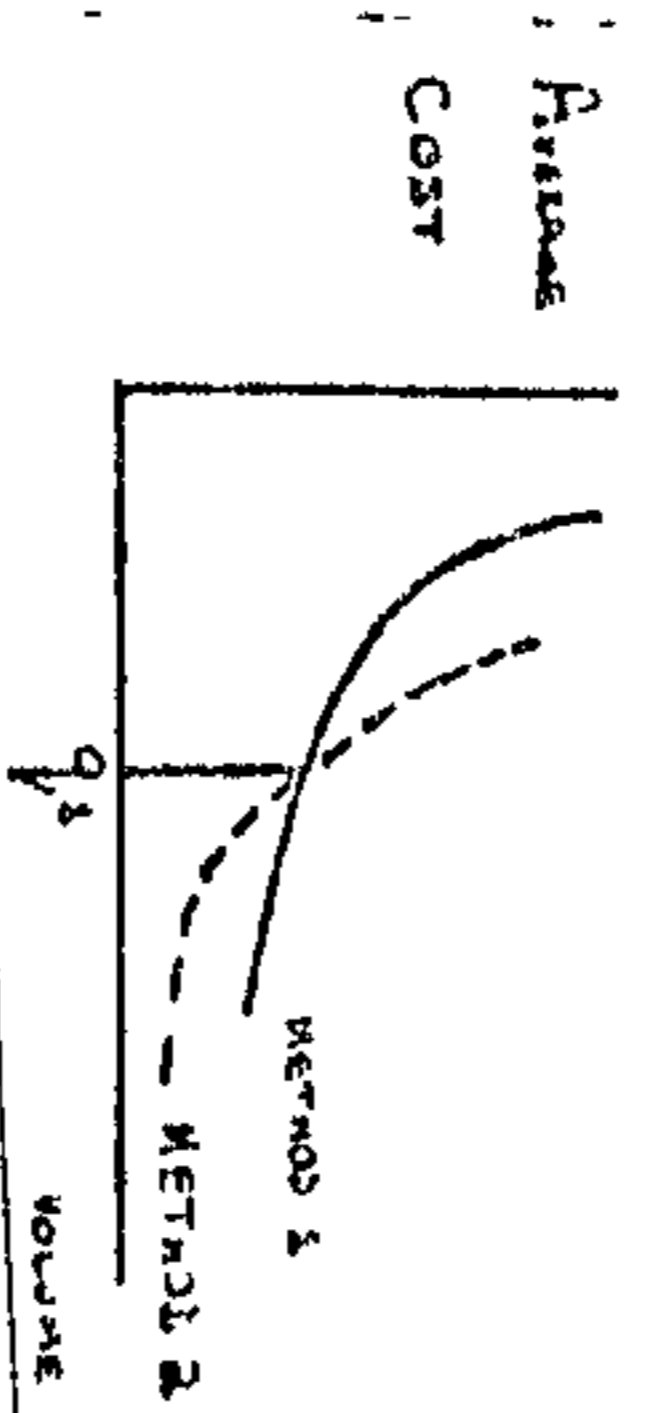
"But at this stage consumers appear to be more suspicious of retailers who have included the tax in their prices," he said.

Professor Weyers said investigations showed many of the price increases were not unjustified. They were the result of direct cost increases which had been kept back by retailers until prices had to be marked for the introduction of the new tax

greater volume is produced, unit costs will fall. This is due to the fact that learning occurs on the job, the cumulative volume economies, and because different planned volumes lend themselves to different techniques of production.

Chamberlin (1948) emphasises the fact that method of production must be seen in relation to volume of output. For if economies of scale are to be explained purely in terms of proportions (i.e. methods) such explanation can rest only on the "indivisibility" phenomenon. But scale effects occur even where divisibility is complete (see Chamberlin, Mcleoud, Hahn, 1949).

The relationship of method to volume is shown in diagram 4. At volumes above Q1 it becomes profitable to use method 2 which has a lower average cost only at large volumes.



# Dept to review GST poser

1578  
388  
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## Pretoria Bureau

THE exemption of all items costing less than 13c from the General Sales Tax — including half loaves of bread — will be reviewed next week by the Department of Inland Revenue

Representatives of cafe proprietors have complained bitterly at meetings in Pretoria this week with the Consumer Council, representatives of the Price Control Office and officials of the Department of Inland Revenue, that on items costing less than 13c they are being made to pay the tax on behalf of the consumer.

The department concedes that the cafe owner has a problem

Customers can buy a large range of items — among them matches; sweets, rolls and buns — without paying GST.

But the cafe owner has to pay the 4% tax on his total turnover, including his cash intake from items on which the customer paid no tax.

A senior Department of Revenue official, however, said in Pretoria yesterday the rounding off tables which allow the cafes to round off the price to the nearest cent, should compensate the cafe proprietor for any loss involved in selling items costing less than 13c tax free

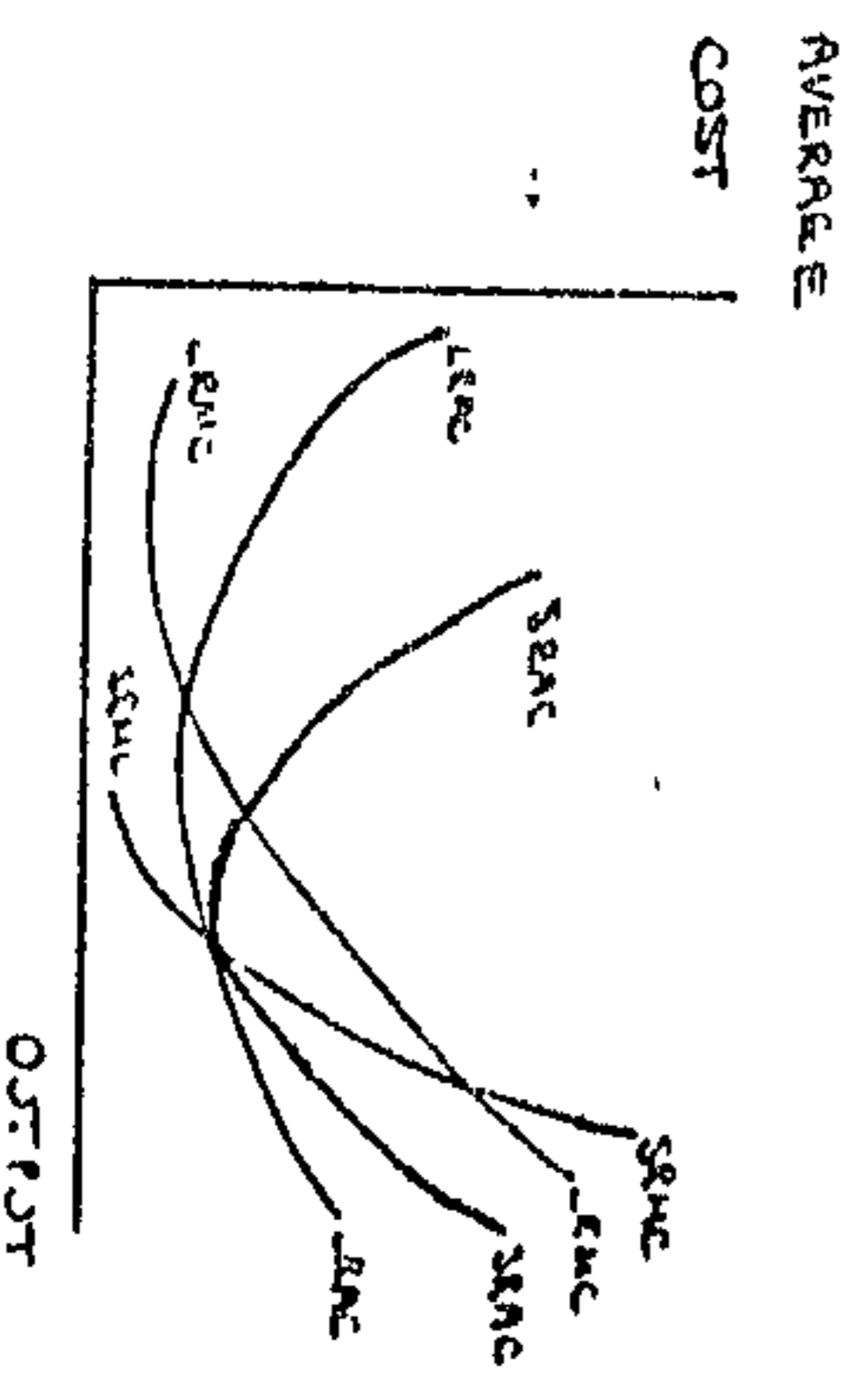
He said up to 25c a trader can add on another cent for GST

Diagram 6 shows the cost functions for each date under consideration. Diagram 6 shows the cost functions for the long run and for the immediate future. LRAC and LRMC indicate long run average and marginal costs:

Analysis further, the effects of variations in production begins, can be seen. The effect as hasty changes in output levels are made, the lower is the cost, the limit increases being the long run average cost

Size of output and thus economies of scale are the result of the conceptual distinction between volume and rate of output.

...../8





# Market

28/1/19

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# dumping edible produce

By VITA PALESTRANT  
Consumer Mail

**SUBSTANTIAL** quantities of edible fruit and vegetables are being thrown out at the Johannesburg City Deep Market.

In a week's observation on the market last November, CONSUMER MAIL saw produce worth about R10000 being dumped — and regular spot checks since then have shown the process is ongoing

Produce dumped must be inspected by market officials — in conjunction with the farmer's market agent — before it can be condemned as unfit for sale. But housewives who tasted samples called them "delicious".

Consumer Mail had a box of tomatoes and a pocket of onions, rescued at random, quality tested by the Department of Agricultural Economics and Marketing. The onions were rated as grade three and the tomatoes either grade two or three.

Mr S S Robinson, market director, says the amount dumped is negligible in terms of the vast quantities handled by the market.

"An average of 0.75 of produce is dumped a year. We are working with a highly perishable commodity. When produce is condemned it is done for good reason".

He said the dumping was done in the interests of the consumer: "A container that has started to deteriorate may appear to be edible, but within two days the whole container will have deteriorated, with loss to the consumer."

The market has become a regular haunt for unemployed blacks looking for free food. Large numbers

be edible, but within two days the whole container will have deteriorated with loss to the consumer.

The market has become a regular haunt for unemployed blacks looking for free food. Large numbers flock there daily to save what they can from large yellow bins before the condemned produce is taken to Robinson Deep tip, where it is dumped and bulldozed.

Legally, anyone caught taking produce could be prosecuted. To date this has not happened. But offenders do get chased away by market officials.

Consumer Mail also saw an official, supervising the dumping of a large quantity of sweet potatoes and onions, help himself to several pockets which he put in the boot of his car. He then chased a crowd of blacks wanting to do the same thing.

We also watched the dumping in one week of: 800 pockets of cucumbers, 1000 pockets of onions, 2100 punnets of strawberries, 1300 prepacks of asparagus, 200 crates of beetroots, 80 crates of lettuce, 500 boxes of baby marrows, 400 boxes of spanspek, 322 boxes of tomatoes, 200 pockets of sweet potatoes, 100 boxes of papinos, 80 boxes of brinjals, 100 boxes of lemons and eight pockets of hubbard squash.

Before the quality testing, the tomatoes and onions were divided into smaller prepack sizes and put into plastic bags. Inspectors were not told where they came from. Only one prepack on tomatoes was said to be under-grade — approximately 10% of the box.

A pocket of cucumbers were shown to Mrs Joy Hurwitz and Mrs Y Forshaw of the Housewives League, and later to fresh producer buyers from a large supermarket chain.

Most said the cucumbers would make a "good salad". They were not told where they had come from.

Mr Robinson said he was surprised at the results of the Consumer Mail quality test.

He said dumping figures for November — when the extensive observation was carried out — were "abnormally high."

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(A) Bunt, (B) D. R. (C) O. R.

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of Natal.



246  
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# Housewives get assurance on bread price rise

The Minister of Agriculture, Mr Hendrik Schoeman, has given an assurance that he will do everything possible to prevent a price increase for bread, before next March.

A delegation from the Housewives' League, led by its president, Mrs Joy Hurwitz, met Mr Schoeman in Pretoria yesterday. They asked him to use part of the R20-m set aside in the last Budget to hold down the price of bread.

The meeting was held to discuss subsidies on basic foodstuffs. The league asked Mr Schoeman to support it in a further plea to the Minister of Finance to exempt these foods from GST, with any further subsidies required to be taken out of the tax.

## CHEESE

Reports of a possible cheese shortage were repudiated by Mr Schoeman, who said the Dairy Board had sufficient supplies until the new summer stocks came in. No price increase for cheese was envisaged. The subsidy on butter (regarded as a luxury item by the league) would be phased out at a later stage, Mr Schoeman said. It could not be removed immediately without damage to the dried skim milk industry.

The league asked Mr Schoeman to consider the

reintroduction of a maximum retail price for maize.

Mrs Hurwitz explained today that the league was against price control, but as the producers' price of maize was controlled, however, they did not see why some retailers should profit from those consumers least able to afford it.

Further talks on the increased price of maize, the export of eggs at a loss and on the levelling of the floor price of meat, were to be held with representatives from the various control boards, Mrs Hurwitz said.

# WIT

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# CONSUMER SOCIETIES LEAD

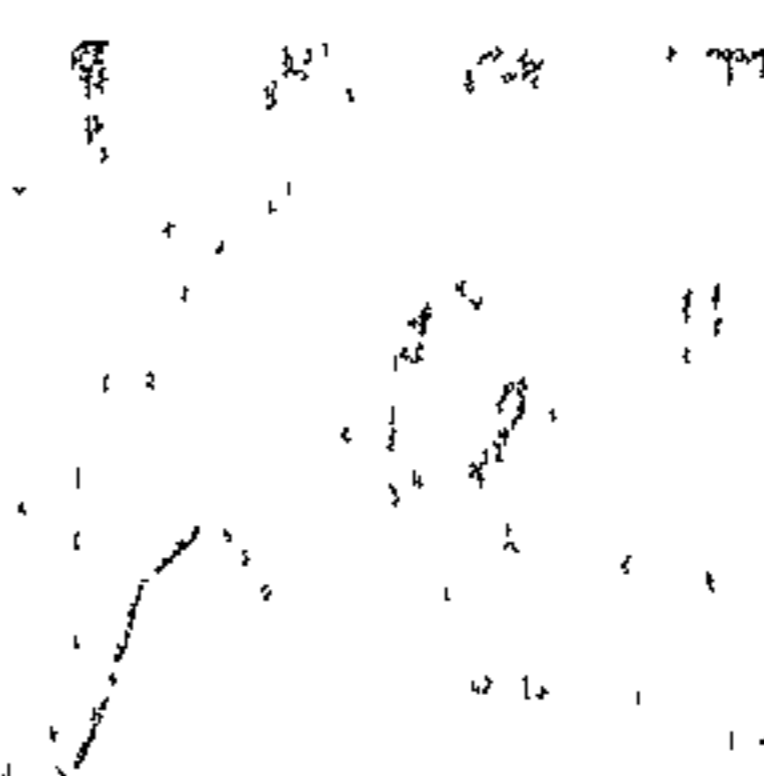
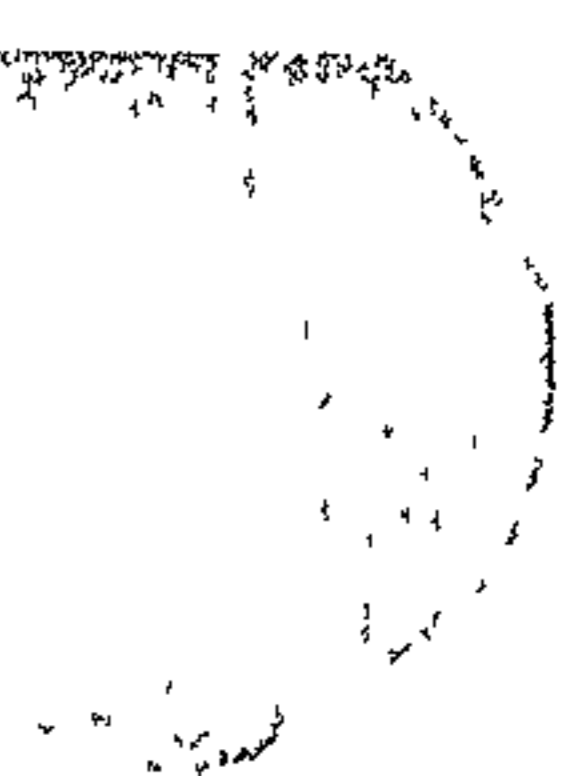
# SEED

The National Conference 1978, to be staged in Plethora from tomorrow may prove to be the most significant and stand-out event in the country's growth of consumer awareness.

The four-day meetings featuring an impressive list of at least 20 top speakers from all sectors, will also give consumer activists the opportunity to promote their needs to boost the public's interest.

It is set by some as the biggest annual post-five project so far when taken by the Consumer Council on the South African National Consumer Council, Dept of Consumer Affairs, Dept of Trade and Industry, Dept of Health, Dept of Education and Dept of Labour.

Consumer Affairs Department will be the main sponsor of the conference. The Council of Consumer Affairs, which has been set up by the Department of Consumer Affairs, will be the main sponsor of the conference. The Council of Consumer Affairs, which has been set up by the Department of Consumer Affairs, will be the main sponsor of the conference.



Margaret Lessing  
Secretary of the National Consumer Council

On the afternoon of the 21st, the Council of Consumer Affairs will hold a meeting at the Plethora Hotel. The meeting will be held at the Plethora Hotel, which is the main sponsor of the conference. The meeting will be held at the Plethora Hotel, which is the main sponsor of the conference.

## STRUCTURE

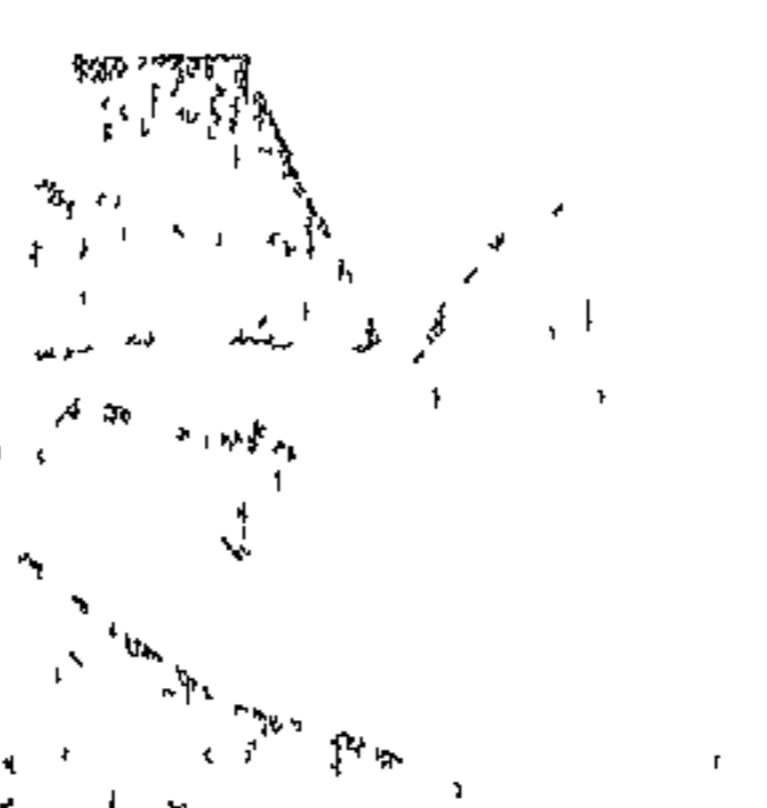
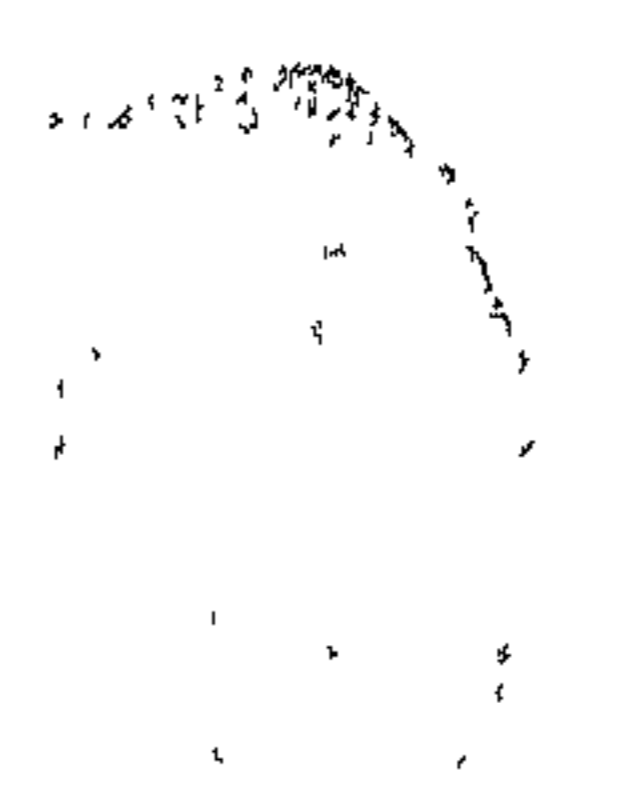
(a)

Afternoon  
The conference will be held at the Plethora Hotel, which is the main sponsor of the conference. The meeting will be held at the Plethora Hotel, which is the main sponsor of the conference.

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This week the Consumer Council and the Consumer Society will hold a meeting at the Plethora Hotel. The meeting will be held at the Plethora Hotel, which is the main sponsor of the conference. The meeting will be held at the Plethora Hotel, which is the main sponsor of the conference.



Jelani Verriam  
Pushing for action

It seems that the Council of Consumer Affairs is pushing for action. The Council of Consumer Affairs is pushing for action. The Council of Consumer Affairs is pushing for action.

## OFFICE SYSTEMS

(a)

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## FINANCE

(a)

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Star 22/8/78

# Laws not enough to protect SA consumers

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Two Government officials today conceded at the National Consumer Conference in Pretoria that legislation does not fully protect shoppers.

The price controller, Mr E G de Beer, outlined a programme of action with the minimum of State intervention.

Mr de Beer's proposals included the elimination of malpractices by entrepreneurs by enforcing codes of business practice as well as legislation, and a comprehensive information programme for consumers.

Mr de Beer said that although a lot was being done to protect the consumer by legislation, these measures alone, however well applied, were not enough.

## SIX POINTS

● Commerce and industry, the State, organised consumers and the media must comprehensively educate the public.

● Healthy competition should be promoted by all participants in trade.

● The entrepreneur sector must be purged of malpractices.

● Persistent offenders must be exposed by publicity and brought to the attention of the licensing boards.

● There must be better communication and liaison throughout the community to facilitate understanding of common problems and evolve solutions.

● The media by objective and responsible reporting must foster trust in our economic system.

Mr C J Reinecke, secretary of the Trade Practices Advisory Committee, told

the conference there were possible shortcomings in South African consumer protective legislation.

He said that compared with consumer legislation in other countries of the Western world, South African consumer protective legislation was of a high standard

But from the point of view of the consumer there might be shortcomings in that South Africa's consumer legislation was scattered over too wide a field and legal

redress was usually out of reach of the offended individual because of high legal costs.

He said over-protection of the consumer should not be encouraged as it would tend to lower consumer alertness.

Addressing the National Consumer Conference in Pretoria, Mr de Beer said

Leading South African bankers will meet the Governor of the Reserve Bank, Dr de Jongh, later this week to discuss a proposal to cut their overdraft rates.

CONSUMER Ombudsman Eugene Roelofse says last week's national consumer conference was silent on several crucial consumer issues. So what did the conference talk about? VITA PALESTRANT, who was there, gives the answer.

(246)  
29/8/78 R.D.M.

# No-action Consumer Action

"Contrariwise," continued Tweedledee, "if it was so, it might be, and if it were so, it would be, but as it isn't, it ain't. That's logic."  
— Lewis Carroll

"CONSUMERISM does not serve the consumer but it serves the economic system." This was the view expressed by Professor Leon Weyers, chairman of the South African Co-ordinating Consumer Council, at the consumer conference, "Consumer Action", held in Pretoria last week.

It was perhaps logical therefore that the conference, sponsored by the Government-subsidised Consumer Council and the SA Consumer Union, turned out to be about the free enterprise system.

But first there was an analysis of what consumerism was and suggestions as to what kind of animal the consumer should be. These ranged from the consumer is "someone who consumes" and "everyone is a consumer" to "anyone who pays GST is a consumer" and "every citizen is a consumer". Consumerism, it was said, "was the politics of housewives."

One thing was agreed: the consumer had to be "responsible". But that word was not defined.

In the only speech given by a member of the Consumer Council, Professor Weyers said the modern economic system was made up of production, distribution and consumption. But some consumer movements sought to "compartmentalise" these areas and "eventually went as far as to assert that enmity and

conflict were fundamental to the interaction of these three areas."

This, he said, violated the very tenets on which the functioning of an economic system rested.

His speech differed only slightly in emphasis from the representative of the Association of Chambers of Commerce of South Africa.

"We must distinguish very clearly between criticism designed to improve the system and criticisms which are meant to overthrow the system," said the president of Assocom, Mr J van Eeden.

Mr Van Eeden said he was shocked at the initial reaction of consumers and trade union spokesmen to the news that the Cost of Living index for July had jumped by a record 4.2%.

"While the increase is obviously greater than many observers expected it to be with the advent of the general sales tax, it seems that the most over-used words in the consumerist's vocabulary today are 'exploitation' and 'unscrupulous'."

Mr Van Eeden called on the Consumer Council to protect the free enterprise system from "creeping socialism" and appealed for a more "objective" and "rational" approach to consumer trends in South Africa.

His views differed only slightly from what the chairman of the Rhodesian

Consumer Council, Mr C Seddon, had to say.

Mr Seddon warned delegates that the "irresponsible" consumer movement that "complained" and "shouted" about every price rise would suffer the same fate as the little boy who cried wolf.

"While a certain minority may think you are doing a good job, the responsible people in the country, who have the power to alter things, may not take you seriously," Mr Seddon said.

It was not always easy to tell whether it was organised commerce or organised consumerism or even organised agriculture who was speaking. As delegates were reminded, responsible consumerism did not "compartmentalise" itself from the rest of the economy.

Perhaps it was this that prompted Mrs Paddy Pierce, vice-chairman of the Consumer Council's award-winning association from Port Elizabeth, to state "We are not militant, we do not wave a big stick." Her association, she said, "enjoyed a very happy relationship with commerce and industry."

But there were at least three speakers who referred specifically to consumer problems. One of them was the secretary of the Trade Practices Advisory Committee, Mr C Reinecke, who told delegates "Over-pro-

tection of the individual consumer should not be encouraged as it will tend to lower consumer alertness."

While consumer legislation in South Africa was of a high standard, there were shortcomings, he said. The legislation was scattered over too wide a field and legal redress was largely out of reach of the offended individual because of high legal costs.

The Minister of Economic Affairs, Mr Chris Heunis, told the conference that although he was disposed towards the idea of consolidating all consumer legislation under one Act, this was not feasible. He also announced the creation of a post for a director of consumer affairs. The powers the director would wield were not outlined.

Price increases were discussed by Mr E de Beer, chief director of the Department of Commerce. He said price control was no solution but since there were still complaints about the exploitation of "uninformed" consumers in respect of the "injudicious extension of credit," the Hire Purchase Act had been substantially amended.

It was generally during the workshop sessions that specific malpractices and consumer problems were discussed at length. But this depended largely on the workshop. At the workshop

on advertising, for example films were shown expounding the virtues of advertising.

Nineteen resolutions were put forward after the workshops, but as it turned out there was no time to vote on them. Instead they were forwarded to the Consumer Council and the Consumer Union for "further considered action." No resolutions came from the workshop on advertising.

During the three-day conference, one entire day was

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spent on introducing senior members of the Consumer Council.

Professor Weyers explained why the chief projects officer was busy with the Buy South Africa campaign.

"I spoke earlier about priorities and although I believe the campaign is important, it should be pointed out, quite frankly, that it is not all that relevant to the consumer considering all the other problems which exist," he said.

He explained that "it just so happened" that there were funds forthcoming from the Department of Industries at the time the officer was appointed. He assured delegates that the officer would be given other long term projects.

Speaking about the Consumer Council's priorities, Prof Weyers said these were neither of a short term nature nor terribly dramatic. They included such tasks as studying draft Bills.

This had led to the Press saying that the Consumer Council was "as usual doing nothing" and to his "good



PROF WEYERS... "compartmentalise and you violate basic tenets of the economic system."

friend the average consumer" saying "why don't you get out there and do something?"

Perhaps the mood of the conference was best summed up in the words of a Consumer Union spokesman. After the session on the consumer and agricul-

ture, she warned delegates not to "bite the hand that feeds you".

But at least two trade union leaders were prepared to do just that when they criticised the free enterprise system for failing to include blacks.

Mr A Malherbe, a vice-

president of the Trade Union Council of South Africa, pointed out that there were 52 Acts dealing with blacks alone. Consequently blacks were subjected to a "socialistic system," he said.

Mrs Lucy Mvubelo, general secretary of the Na-

tional Union of Clothing Workers, said restrictions had resulted in black workers "not being able to consume the very goods they helped produce".

The free enterprise system was not permitted to operate in the areas that needed it most, she said.

# No-action

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It was perhaps logical therefore that the conference, sponsored by the Government, subsidised by the Consumer Council and the Consumer Union, turned out to be about the free enterprise system.

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# Consumer Action

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"While a certain minority may think you are doing a good job, the responsible people in the

country, who have the power to alter things, may not take you seriously," Mr Seddon said.

It was not always easy to tell whether it was organised consumerism or ever organised agriculture who was speaking. As delegates were reminded, responsible consumerism did not "compartmentalise" itself from the rest of the economy.

Perhaps it was this that prompted Mrs Paddy Pierce, vice-chairman of the Consumer Council's award-winning association from Port Elizabeth, to state "We are not militant, we do not wave a big stick". Her association, she said, "enjoyed a very happy relationship with commerce and industry".

But there were at least three speakers who referred specifically to consumer problems. One

of them was the secretary of the Trade Practices Advisory Committee, Mr C Reinecke, who told delegates "Over-protection of the individual consumer should not be encouraged as it will tend to lower consumer alertness."

While consumer legislation in South Africa was of a high standard, there were shortcomings, he said. The legislation was scattered over too wide a field and legal redress was largely out of reach of the offended individual because of high legal costs.

The Minister of Economic Affairs, Mr Chris Heunis, told the conference that although he was disposed towards the idea of consolidating all consumer legislation under one Act, this was not feasible. He also announced the creation of a post for a director of consumer affairs. The powers the

# Action

director would wield were not outlined.

Price increases were discussed by Mr E. de Beer, chief director of the Department of Commerce. He said price control was no solution but since there were still complaints about the exploitation of "uninformed" consumers in respect of the "injudicious extension of credit," the Hire Purchase Act had been substantially amended.

It was generally during the workshop sessions that specific malpractices and consumer problems were discussed at length. But this depended largely on the workshop. At the workshop on advertising, for example, films were shown expounding the virtues of advertising.

Nineteen resolutions were put forward after the workshops, but as it turned out there was no time to vote on them. Instead they were forwarded to the Consumer Council and the Consumer Union for "further consideration". No resolutions came from the workshop on advertising.

During the three-day conference, one entire day was spent on introducing senior members of the Consumer Council.

Professor Weyers explained why the chief projects officer was busy with the Buy South Africa campaign.

"I spoke earlier about priorities and although I believe the campaign is important, it should be pointed out, quite frankly, that it is not all that relevant to the consumer considering all the other problems which exist," he said.

He explained that "it just so happened that there were funds forthcoming from the Department of Industries at the time the officer was appointed." He assured delegates that the officer would be given other long term projects.

Speaking about the Consumer Council's priorities, Prof Weyers said these were neither of a short term nature nor terribly dramatic. They included such tasks as studying draft Bills.

This had led to the press saying that the Consumer

Council was "as usual doing nothing" and to his "good friend the average consumer" saying "why don't you get out there and do something".

Perhaps the mood of the conference was best summed up in the words of a Consumer Union spokesman. After the session on the consumer and agriculture, she warned delegates not to "bite the hand that feeds you".

But at least two trade union leaders were prepared to do just that when they criticised the free enterprise system for failing to include blacks.

Mr A. Malherbe, a vice president of the Trade Union Council of South Africa, pointed out that there were 52 Acts dealing with blacks alone. Consequently blacks were subjected to a "socialist system", he said.

Mrs Lucy Mvubelo, general secretary of the National Union of Clothing Workers, said restrictions had resulted in black workers "not being able to consume the very goods they help produce."

The free enterprise system was not permitted to operate in the area that needed it most, she said.

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## Govt's plan to protect consumers launched

Pretoria Bureau

THE GOVERNMENT has launched its plans for a more intensive protection of consumer interests.

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The Minister of Economic Affairs, Mr Chris Heunis, has announced the re-naming of the Department of Commerce to the Department of Commerce and Consumer Affairs.

The staff of the department involved in consumer protection has been increased to ensure a greater concentration on measures — and their effectiveness — designed to protect consumers from exploitation by traders.

Falling under the consumer protection division of the department are senior staff members who are authorities on legislation like the Trade Practices Act, the Price Control Act and the Hire Purchase Act.

A senior department official said in Pretoria yesterday that the new division of the department had created the machinery to handle consumer complaints — related to price and quality — on a more

extensive scale.

The Minister has also announced an investigation by the Board of Trade and Industries into the way in which some large chain stores are alleged to be abusing their massive bargaining power.

The investigation, which follows an increasing number of complaints, will be carried out under the Regulation of Monopolistic Conditions Legislation.

The complaints are that some stores use unreasonable pressure because of their bulk purchases to negotiate and warrant a discount.

The Consumer Council yesterday welcomed the announcement by Mr Heunis.

The council director, Mr Johann Verheem, said it must be appreciated that greater acknowledgement was being shown to the consumer — especially as this was the "year of the consumer".

He said: "I am not expecting any dramatic changes in the department or dramatic protective measures for the consumer, but it creates the expectation that the greater measure of acknowledgement of consumers and their problems will lead to a better deal for consumers."

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Ages of the workers interviewed ranged from 18 to 65. The average age was 41 (+13) years,<sup>11</sup> and 50% of the men were over 40. A high proportion of men were aged 50 years or more, largely due to the peculiar conditions of Section 10(1)b described above under which a substantial number of men had gained residence rights in Cape Town by prolonged periods of employment and kept these rights only for as long as they continued to remain in Cape Town. (See Table 3).

10. Because of the way in which the sample was drawn, these proportions do not reflect the proportion of the different legal status groups in Cape Town.

All numbers are rounded to the nearest whole number. E.g. 24,4% becomes 24%, as does 23,9% and 23,5%, but 23,4% becomes 23%.

11. See Appendix 1 for an explanation of the statistical practices employed in this paper.

# Wait before stocking freezer

Mercury Correspondent

JOHANNESBURG — The national president of the Housewives League, Mrs. Joy Hurwitz, said yesterday that she was "mystified" by the Meat Board's announcement that "the consumer will have to pay more for meat this December as usual."

"Four months ago, we were assured by the Meat Board that the floor price of meat was going to be held for one year," Mrs. Hurwitz said.

"Reports last week of a price rise in Sandton, Vereeniging and Johannesburg were checked and we were told by the Meat Board that there was no need for a price rise over Christmas.

"There should only be a traditional increase in the price of meat if there is a shortage, and as far as I am aware there is no shortage this month," she said.

## Control

Dr. Jan Lombard, the general manager of the Meat Board, said in Pretoria yesterday that the board would do everything in its power to at least prevent prices from getting out of control.

"We have established measures to ensure maximum slaughterings in all controlled areas in order to maintain a balance between supply and de-

# Housewives rage at Christmas meat 'rip-off'

5/12/78  
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mand.

"But in spite of a 10 per cent increase in slaughterings, the supply of lamb and beef could not meet the demand over the past two months.

"Prices are usually high in December with the public holidays resulting in two short slaughter weeks when maximum slaughtering is not possible," he said.

"But this year the Day of the Covenant is on a weekend and there is now only one short week so that the Meat Board will be able to slaughter maximally in order to curb exorbitant price increases."

Dr. Lombard warned people not to stock up their freezers now but to wait until January when prices would most definitely be considerably lower than during the festive season.

The price of quality beef is higher now than last December at R1,45 a kilo in comparison with the floor price of 88c.

## Demand

The demand for lamb and mutton over the past two months has more than met the supply. Shoppers are therefore advised to make their purchases well in advance of the Christmas rush when prices are expected to soar.

Half lamb and pork chops were selling for R2,34 and R2,50 a kilo in Durban yesterday.

Pork prices have increased since October and are expected to rise again over the Christmas period as there is now an acute shortage of all grades of pork.

TABLE 23: GROWTH OF THE MINERALS INDUSTRY  
(production in sales units - 1000s - base minerals)

|           | 1970   |          |        |        |
|-----------|--------|----------|--------|--------|
|           | Export | Domestic | Total  | Exp.   |
| Copper    | 90     | 31,3     | 121,7  | 400    |
| Iron      | 2 100  | 5 810    | 7 910  | 10 000 |
| Chromium  | 954    | 290      | 1 244  | 2 060  |
| Manganese | 2 000  | 760      | 2 760  | 5 200  |
| Coal      | 1 100  | 50 350   | 51 450 | 14 000 |
| Asbestos  | 241    | 27       | 268    | 500    |

Note: Gold, diamonds and 'others' in



25/1/78  
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# Hard-up farmers told housewife is battling too

rch Unit

The appeal by the Minister of Agriculture to consumers to be "realistic and responsible" about food price increases drew strong reaction from the Housewives' League today.

The Minister, M. Schoeman, speaking in Bergville, Natal, warned that consumers would have to pay more for food or face the spectre of queuing for food in the future.

Unless farmers were able to recoup huge production price increases and survive the effects of the drought, he said, many would go bankrupt. South Africa would then face food shortages.

Mrs Joy Hurwitz, national president of the Housewives' League, warned that if prices were put up further — no matter what the reasons for the increases — consumers would just buy less.

## JUGGLING

"The average South African consumer is really battling," she said. "The housewife is trying to juggle her money to meet higher food costs and she is finding she can't juggle it any more. If prices are increased further there will just be more consumer resistance."

She said the league always tried to understand the farmer's point of view. "Now it's time for farmers and producers to sit down with consumers and get a better idea of what is

happening to us," she said. Mrs Hurwitz said the league had appealed to the Minister of Finance to use any surplus revenue from General Sales Tax to subsidise basic foods.

LOYMENT IN SOUTH AFRICA,

1946 - 2000

man Bromberger

Working Paper No. 15

# Price <sup>(245)</sup> control <sup>25/1/79</sup> on pharmacy products

CAPE TOWN — Price control on pharmaceutical products as a means of combating the abuse of monopoly in the industry is to be introduced at the recommendation of the Steenkamp Commission into the Pharmaceutical Industry, it was announced today.

This was one of the 43 recommendations of the commission which the Government has accepted in principle, as announced by a joint statement from the Minister of Economic Affairs, Mr Heunis, and the Minister of Health, Social Welfare and Pensions, Dr Van der Merwe.

“The Department of Health will endeavour to obtain further information about the price structure of pharmaceutical products, the increase in prices and the factors, usages and practices affecting the prices of such commodities, for purposes of applying price control

as a means of combating a buse of monopoly power,” the statement said.

A further recommendation which the Government has accepted in principle is “that free gift advertising and the ‘bonusing’ of medicines to pharmacists, doctors and dentists be prohibited”

## ILLEGAL

The commission also recommended that it should be made illegal for any medical practitioner with his family or nominees or both to own more than one percent, and for any group of practitioners with their families or nominees or both to own more than 10 percent of the shares of any company which manufactures or sells drugs.

According to the statement the department of health is still consulting the medical and dental council on this matter.

— Sapa

Star 11/2/79

# Public advised 'Don't buy' as food prices rise

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TABLE 36:

Increases in prices of foods and other household products announced yesterday have been described by the national secretary of the Housewives' League, Mrs Tom Frere, as "horrifying"

But consumers could make do without most of the foods affected, she said

According to supermarket chains, nearly 1 000 lines, including tinned fruit, vegetables and jam, soup, baby food, chocolate and polishes, are to be increased between six and 15 per cent, following wholesale price increases from manufacturers.



A spokesman for the major producer of canned foodstuffs, Langeberg, said products involving fruit that was in season at the time — such as sweetcorn, tinned apples, apricots and peaches, and apricot and peach jam — had been raised in price by an average of 8 per cent

There would not be further increases till April and they would only concern products in season at the time.

He said costs of labour, cans, fruit, sugar, glass containers and electricity had risen severely and manufacturers could not absorb them

Mr Denis Swingle, chairman of Reckitt and Colman SA, said it had increased prices of Purity baby foods early last month — "basically because of cost increases"

A spokesman for Nestlé said it was working on an increase in prices for their baby foods, but had not increased prices yet

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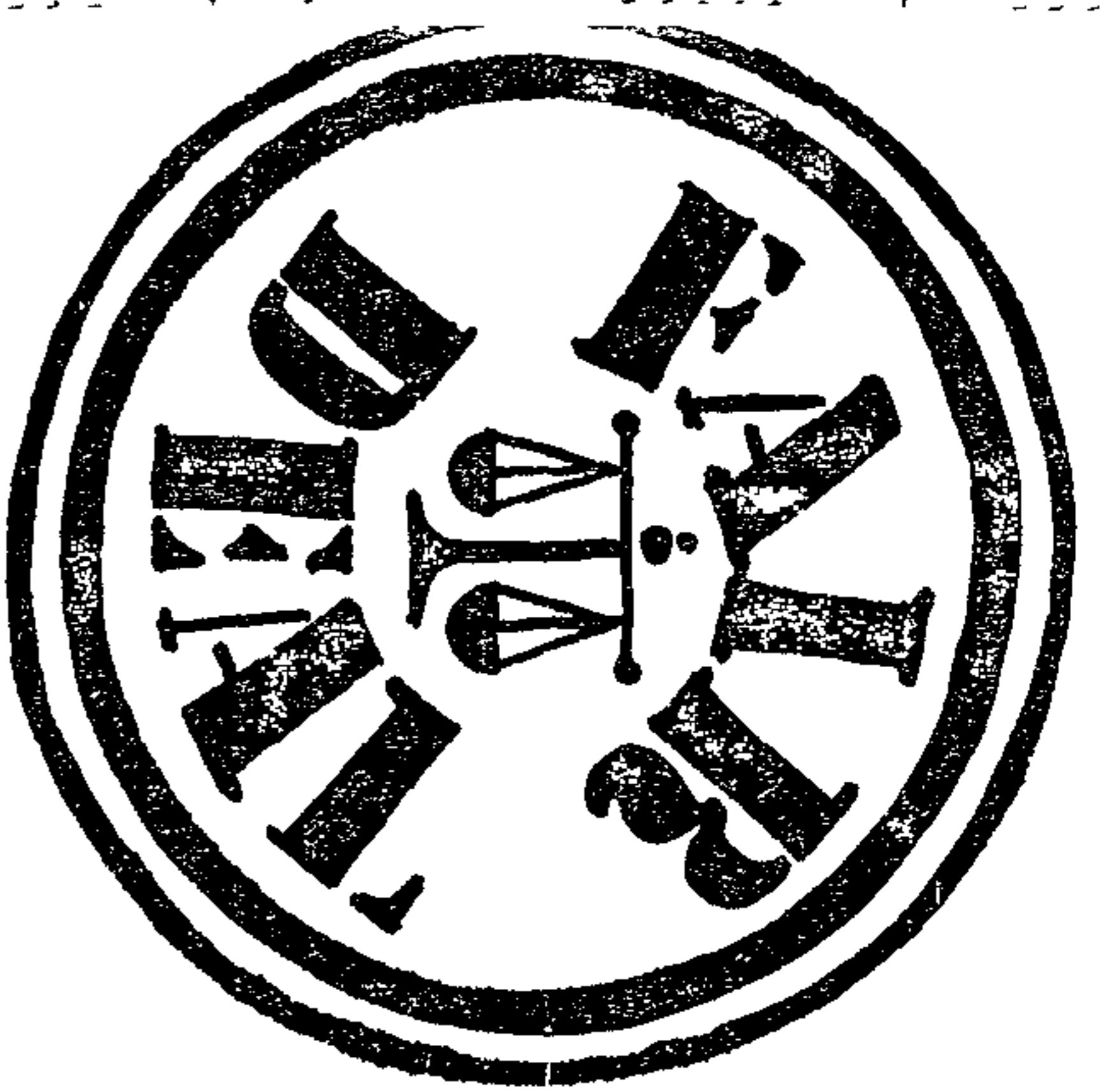
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|           |                      |                      |                      |         |        |
|-----------|----------------------|----------------------|----------------------|---------|--------|
| Copper    |                      |                      |                      |         |        |
| Iron ore  | 9 334                | 8 557                | 8 948                | - 777   | 386    |
| Chrome    | 8 960                | 5 851                | 5 965                | - 3 109 | 2 995  |
| Manganese | 9 176                | 8 935                | 8 993                | - 241   | 183    |
| Coal      | 83 814               | 82 722               | 89 339               | - 1 092 | 5 525  |
| Asbestos  | 21 504               | 30 025               | 30 295               | 8 521   | 8 791  |
| SUB-TOTAL | 146 017              | 162 543 <sup>1</sup> | 170 330 <sup>1</sup> | 16 526  | 24 313 |
| Others    | 17 319               | 23 732               | 24 170               | 6 413   | 6 851  |
| Gold      | 401 907              | 425 871              | 425 871              | 23 964  | 23 964 |
| Diamonds  | 17 415               | 26 877               | 26 877               | 9 462   | 9 462  |
| Platinum  | 71 999               | 83 742               | 83 742               | 11 743  | 11 743 |
| TOTAL     | 654 657 <sup>2</sup> | 722 765 <sup>3</sup> | 730 990 <sup>3</sup> | 68 108  | 76 333 |

61

8/2/79 JCS



# A drug on the market is bitter pill to swallow

## Why it is bitter

|  |               |                           |    |
|--|---------------|---------------------------|----|
| Quantity Prescribed  | Prescribed    | Medicines                 |    |
|  | 10 mg Tablets | Famcithin 250 mg Capsules |    |
| Nearest Size Manufacturer's Pack   | 50 TABS       | 20 CAPS                   | 40 |
| "Retail" price of Manufacturer's Pack (January 1979)                           | R3,82         | R3,06                     |    |
| "Retail" price of Prescribed Quantity  | R2,30*        | R6,12 (Two packs of 20)   |    |
| Bulk Breakage Fee of 10%   | 23c           | Not Applicable            |    |
| Pharmacist's "Professional Fee"  | 50c           | 50c                       |    |
| SUB-TOTAL  | R3,05*        | R6,62                     |    |
| 4% GST   | 12c           | 26c                       |    |
| TOTAL  | R3,17         | R6,88                     |    |
| Difference between the "Retail" price of the drugs and the final price charged | 87c           | 76c                       |    |
|  | 38%           | 12%                       |    |

Special fees charged by pharmacists for dispensing push up the price of drugs considerably. Fair Deal asked Mr Boet van der Merwe, director of the SA Pharmaceutical Society, to explain how pharmacists arrived at their final prices. The table above shows what a pharmacist would charge a customer for two common prescription drugs, and how he would arrive at those prices. Fair Deal chose the drugs and the quantities on the advice of a doctor. The two amounts marked with asterisks have been "rounded off".

By Gary Norton

The price of medicines is a touchy issue nowadays. More and more consumers are querying what they call the "exorbitant" costs of prescription drugs and "professional fees" charged by pharmacists.

But pharmacists are claiming they can no longer survive on the small profits they make on medicines. What determines the costs of medicines in this country?

Only prescription drugs (schedule three and over) are price controlled. Drug manufacturers set suggested retail prices for their medicines. To increase these prices, they must obtain the approval of the Price Controller in Pretoria.

### Delivery costs

According to Mr Boet van der Merwe, head of the Pharmaceutical Society, pharmacists are allowed to make no more than 25 percent profit on the cost price of prescription medicines.

And the society considers it "unethical" conduct to sell prescribed drugs at more or less than the suggested retail price, he says.

"To police this we have a very complex system of checking accounts received by medical and societies against a directory of drug prices," he says.

identical medications on the market. According to the 1978 report of the Steenkamp commission of inquiry into the pharmaceutical industry, there was a definite overabundance of drugs on the South African market.

As an example, the commission said there were 106 anti-rheumatic preparations, while the Transvaal Provincial Administration thought six were adequate to serve the purpose.

The commission also criticised doctors for their lack of price consciousness. The commission found that more than a third of doctors questioned by it knew nothing at all about prices of medicines, while 11 percent said they knew prices "sometimes".

At present, there is no directory of current drug prices available to the public. Although most doctors have access to a drug price index, Fair Deal found that only two of the 10 doctors questioned ever consulted the index before prescribing medications for their patients.

### Breaking bulk

Nearly half the doctors phoned by Fair Deal suggested special brochures of prescription drug prices and pharmacy charges be issued. Circulation to the public should be done by the Department of Health. The public would then be more aware of drug prices when they had a prescription made up, doctors said.

But Mr P P Retief, head of Pharmaceutical Services of the Department of Health, said: "We don't need such a publication because members of the public and institutions are welcome to write to the department or one of its regional offices at any time to query drug prices or increases."

### Rubber ducks

Meanwhile nine Johannesburg pharmacists have condemned the "professional fee" they charge for dispensing a script — 50c (excluding tax) — as too low to help meet their overheads.

"Chemists today may very well look like supermarkets, selling as we do, everything from rubber ducks to toilet paper. But this is not our fault because we are obliged to think up all sorts of ingenious ways of earning more capital to keep a Rank manufacturers' packet to meet a particular prescription. This fee for "breaking

bulk" is necessary for the public and institutions are welcome to write to the department or one of its regional offices at any time to query drug prices or increases."



breaking bulk. This applied only to drugs up to (and including) schedule four.

### Sales tax

"So if a prescription for 16 tablets was brought in, under the new Act the pharmacist may dispense a minimum of 12 or a maximum of 20 tablets, instead of the 16 (depending on the schedule) packed by the manufacturer. It is simply a safety feature to protect the pharmacist financially," he said.

When asked by Fair Deal if 10 percent was perhaps an excessive tariff, Mr van der Merwe said: "Charging for breaking bulk is standard practice in order to cover possible waste.

"If, for example, capsules are left after bulk has been broken and no prescription is received prior to the expiry of the capsules, they must be destroyed. This is done at considerable loss to the pharmacist," he said.

Mr van der Merwe noted the new Medicines and Substances Control Act (1978) permitted a pharmacist to dispense drugs

At least one consumer organisation has questioned the costs charged by chemists for "breaking bulk."

According to Mr van der Merwe, pharmacists may charge a set "professional fee" if they have to break manufacturers' packets to meet a particular prescription.

The Springs branch of the Housewives' League has started an investigation into drug increases over the past few years. Any who feel they have information about price increases of prescription



# 'Foreign bodies' found in two soft drink bottles

VITA  
PALESTRANT

TWO SOFT drinks brought to Consumer Mail by unhappy consumers were found by the Johannesburg Health Department to have fungi in them.

It is a contravention of the health by-laws for foreign matter to be found in food stuffs.

When two soft drink bottles were brought to Consumer Mail with foreign bodies in them they were immediately referred to the Johannesburg Health Department where microbiological tests were carried out.

In both cases it was found that there were fungal growths in them, but according to the health department they were not considered to be a health hazard.

One of the soft drinks, Schweppes Sparkling Lemon, was brought to Consumer Mail unopened after Mr Z Sikwebu spotted something other than Sparkling Lemon in his drink. It was referred, unopened, to the Health Department.

Health Department tests showed that the Sparkling Lemon had a sterile fungus in it — fungal hyphae — which is sometimes found in sugar.

According to the Health Department, the fungus had probably grown in the residue of an empty bottle at the bottling factory and had been killed in the washing process but not removed by it.

The other soft drink referred to Consumer Mail was Coca-Cola.

Mr S Breitinger brought his bottle in shortly after he had bought it and started to drink it.

He did not spot the fungus immediately because of the

He became suspicious only after drinking about half of it

When he spotted something the size of a 20c piece, he immediately brought his bottle to Consumer Mail. This too was immediately referred to the Health Department.

Under analysis the fungus proved to be a fungus genus *absidia*, a rapid growing fungus.

While the Health Department said the fungus could present a health hazard if it were to find its way into an open wound, it would not be a hazard when ingested.

A spore of the fungus could possibly have got into the bottle after the washing process, and continued to grow.

Schweppes is bottled by Coca-Cola, who have the franchise for all Schweppes products in South Africa.

After several telephone calls to both Schweppes and Coca-Cola for comment on the complaints, Mr J H Viljoen, Corporate Development Manager for the Coca-Cola Export Corporation, sent this statement in reply.

“Regarding the Schweppes and Coke complaints, we were the first mineral water manufacturer in South Africa to qualify for the South African Bureau of Standards mark in respect of soft drinks.

“For quality control purposes, we use both visual and electronic inspection. We do not accept responsibility for alleged foreign matter unless our laboratories and/or the SABS laboratories have had the opportunity to inspect both the bottle and contents.

“We request that future complaints be referred to us or the SABS for examination and inspection prior to other bodies being consulted.”

However the Johannesburg Health Department told Consumer Mail they were investigating the matter and taking it up

the leasing market for example. Since the bank had an arrangement with BMW, charging a rate of 15%, Wesbank underwrites schemes with Volkswagen, Audi and Datsun and Volkskas Industrial underwrites leases for Mercedes Benz.

Most hp lending on home improvements has now been brought within the scope of the 14% ceiling proposed in an amendment to the Limitation and Disclosure of Finance Charges Act (J.M. January 19). Barclays was the first to act by transferring all home improvement business from Wesbank to Barclaycard. It has been followed by Stannic, which has retained the business but lowered its rates to 14% maximum.

It is no secret that banks' enthusiasm to expand their home improvement business (mainly for swimming pools, tennis courts and house alterations) has cooled since they got wind of the proposed amendments to the act. Confides one banker: "I don't see how any bank can profitably continue doing this sort of business at 14%."

## HIRE PURCHASE <sup>246</sup> <sub>16/12/79</sub> Bypassing the dealers

Consumers buying goods on hire purchase have only themselves to blame if they are paying the maximum interest of 21%. This is the reaction of general banks to accusations that, despite their well-publicised claims to have reduced interest charges, the average customer is still paying 21% on most hp contracts.

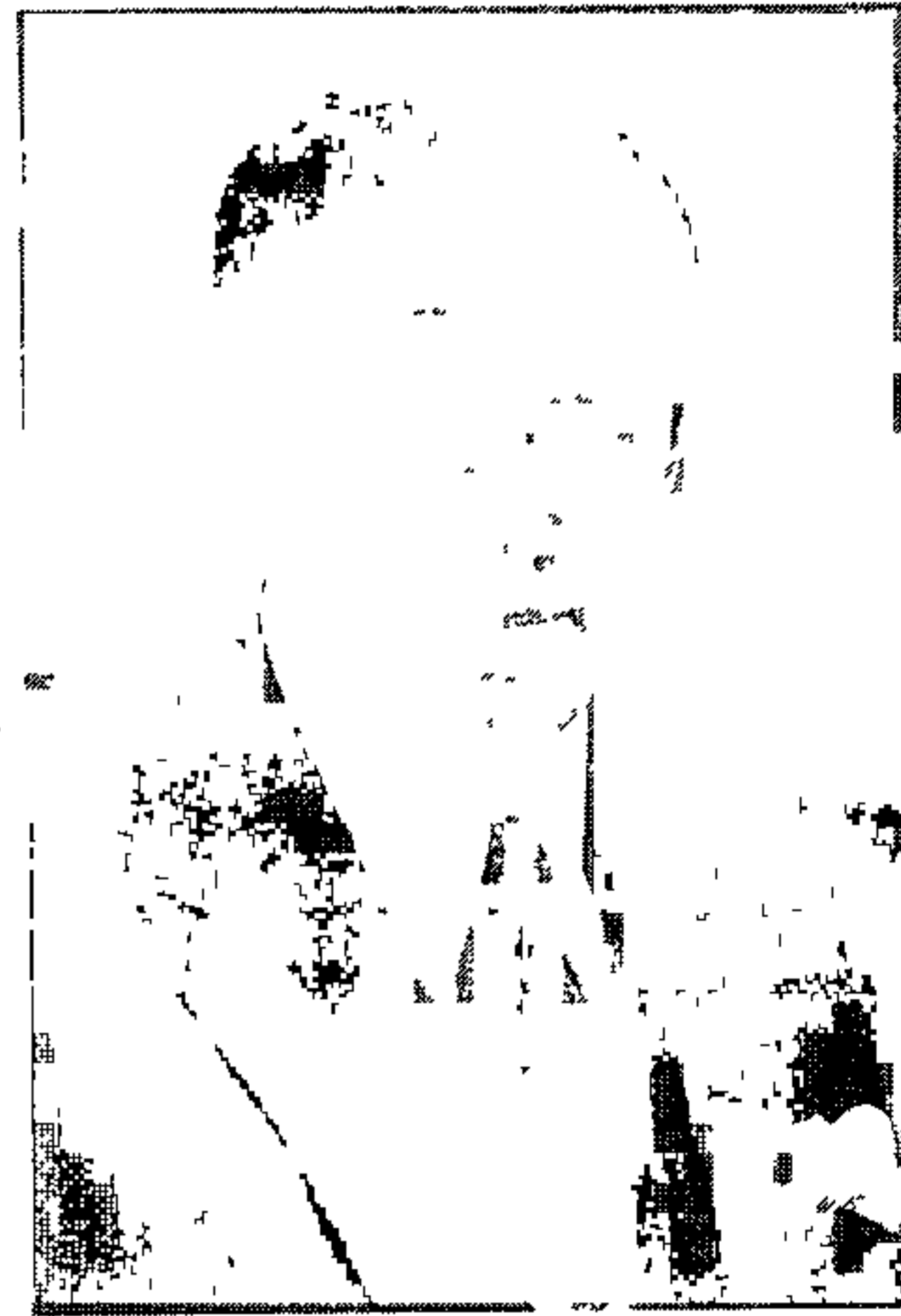
The banks insist they have dropped their charges, but point out that many retail dealers have not followed suit. And most customers sign contracts through dealer organisations rather than going directly to their banks, mainly because of the extra convenience the dealers offer on trade-ins.

While the bank may only charge an effective rate of 16% or 17% on an hp contract running for 36 months, the additional dealer commissions (now between 3% and 5%) may push the effective cost up to 21%. Dealers maintain the commissions are received to cover the cost of discounting the paper with a bank, but banks are adamant that customers who arrange deals directly through their banks invariably score with finer rates.

Even on trade-in deals bankers agree there is no reason why a customer shouldn't first establish an hp facility with his bank, negotiate a trade-in for a new car, and then arrange for the dealer to invoice the bank. No commission could then be charged by the dealer. One major dealer admits that "unless a cus-

tomers fight for a lower rate — in which case we would normally accommodate him — we charge the maximum possible." He also adds that he has not been aware of significant rate cuts by finance houses.

The two biggest banks involved in the hp market, Stannic (its full title is now Standard Credit Corporation) and Wesbank, both concede that dealer networks



Wesbank's Ball . . . cheaper than the dealers

play an important role. First, banks simply have not got the manpower to handle the fast growing hp business. As Wesbank MD Chris Ball, puts it, "I'd have to double my staff." Second, dealers act as agents for banks. In fact, reckons Ball, banks discount roughly as many hp contracts as they write in direct hp business.

What should customers pay on hp and leasing deals? Rentals on small, private leasing contracts — popular amongst professional men — tend to be slightly lower than hp rates, varying between 14% and 17%.

HP rates vary, not only because of risk, but also depending on special agreements between manufacturers, dealer networks and banks. For example, in the consumer market, Stannic offers a special deal on most moveable goods to AA members, amounting to an effective rate of 16,7% over 36 months, plus free life insurance cover. A number of banks have also tied up agreements in the cor-

# 'Workers and consumers will be hit the hardest'

By Sieg Hannig, Labour Reporter

Organised labour sees the worker as being the ultimate sufferer from the "unforeseeable" price spiral expected to be unleashed by the fuel price increase

"This is a major shock to commerce and industry, but particularly to the worker, who will bear the brunt of it," said Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa.

"It is certain to be reflected in wage demands because the price of every consumer article will be affected."

He expressed regret that "this serious imposition doesn't mean a thing to the thousands of businessmen and executives who pass on price increases and drive gas-guzzling luxury cars provided free of charge."

Mr Wessel Bornman, secretary of the Confederation of Labour, said it was a much harder blow than had been expected.

"We thought there might be a chance of narrowing the four-year-old gap between the cost of living and real wages. But this will make it more difficult to achieve that goal," he said.

## ARTISANS

Mr Ben Nicholson, secretary of the Confederation of Metal and Building Unions, said artisans would be particularly hard hit because of the lack of public transport to the industrial areas.

"It will have a tremendous effect on the pay negotiations which lie ahead."

Mr Nicholson was concerned that the potential slowdown in the economy and the possible reduction in exports resulting from the increase would aggravate unemployment.

"This could have a worse effect on South Africa than any strategic considerations concerning oil," he warned.

Consumer organisations have reacted with concern and dismay to the increase in the price of petroleum products.

The director of the Consumer Council, Mr Johann Verheem, said: "It is obvious that the consumer is going to have to bear the brunt of this, because past experience has proved that cost increases of this

on to the end user.

## FARMERS

The production costs of South African farmers will increase by at least R120-million a year as a result of the fuel price increase, the deputy director of the South African Agricultural Union, Mr Piet Swart, said today.

Mr Swart said South African farmers spent R200-million on fuel last year and that the latest fuel price increase, the second this year, would increase production costs by at least 50 to 60 percent.

Mr Jack van Wyk, president of the Afrikaanse Handelsinstituut expressed regret that the economy should be hit by further fuel levies and the need to put another R3 276-million into Sasol 2.

But this was unavoidable and South Africans should be grateful for the mitigating factors provided by its high reliance on domestic coal and by its gold production.

Mr Hennie Kleynhans of the Automobile Association said in Johannesburg last night that the increase "comes as a shock by which the other fuel-saving measures pale into insignificance."

De Hennie Reynders, executive director of the Federated Chamber of Industries said that "Sasol is not only for motorists, and we should all bear the cost equally."

"The Government made a good move in spreading the cost over the whole economy."



**STAATSKOERANT**  
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA  
**GOVERNMENT GAZETTE**

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REGULATION GAZETTE No. 2749

*Registered at the Post Office as a Newspaper*

Vol. 164]

PRETORIA, 23 FEBRUARIE  
23 FEBRUARY 1979

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[No. 6314

**DEPARTEMENT VAN HANDEL EN  
VERBRUIKERSAKE**

**GOEWERMENSKENNISGEWINGS**

No. R. 328 23 Februarie 1979

**WET OP PRYSBEHEER, 1964**

**MAKSIMUM PRYSE VAN KOELDRANK IN  
TERUGSTUURBARE HOUERS**

Ek, Elias George de Beer, Prys-kontroleur, bepaal hierby ingevolge artikels 4 en 5 van die Wet op Prys-beheer, 1964 (Wet 25 van 1964), soos volg

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, beteken—

“koeldrank” enige vloeistof wat bedoel is vir verkoop as drank vir menslike gebruik sonder verdunning en ook—

- (a) enige vrugte- en groentedrank;
- (b) sodawater of Indiese of kinientonikum water, natuurlike fonteinwater en enige versoete kunsmatig gekarboneerde water, hetsy gegeur of ongegeur;
- (c) gemmerbier en enige kruie of botaniese drank, maar nie—
  - (i) water (behalwe soos voormeld);
  - (ii) vrugtesap, versoet of onversoet, hetsy gekonsentreer of bevore of nie, wat ingevolge die Bemarkingswet, 1968 (Wet 59 van 1968), beheer word;
  - (iii) melk of enige melkpreparaat;
  - (iv) tee, koffie, kakao of sjokolade of enige prepraat daarvan;
  - (v) enige eierprodukt;
  - (vi) enige graanprodukt, uitgesonderd—

(aa) gegeurde gortwater en vloeibare produkte wat by die bereiding van gortwater gebruik word; en

**DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS**

**GOVERNMENT NOTICES**

No. R. 328 23 February 1979

**PRICE CONTROL ACT, 1964**

**MAXIMUM PRICES OF SOFT DRINKS IN  
RETURNABLE CONTAINERS**

I, Elias George de Beer, Price Controller, do hereby in terms of sections 4 and 5 of the Price Control Act, 1964 (Act 25 of 1964), prescribe as follows:

1. In this notice, unless the context otherwise indicates—

“soft drink” means any liquid intended for sale as a drink for human consumption, and includes—

- (a) any fruit or vegetable drink;
- (b) soda water, Indian or quinine tonic water, natural spring water and any sweetened artificially carbonated water, whether flavoured or unflavoured;
- (c) ginger beer and any herbal or botanical beverage, but does not include—
  - (i) water (except as aforesaid);
  - (ii) fruit juice, sweetened or unsweetened, whether concentrated or frozen or not and controlled under the Marketing Act, 1968 (Act 59 of 1968),
  - (iii) milk or any preparation of milk;
  - (iv) tea, coffee, cocoa or chocolate, or any preparation thereof,
  - (v) any egg product;
  - (vi) any cereal product, except—

(aa) flavoured barley water and liquid products used in the preparation of barley water; and



(bb) graanprodukte wat alkohol bevat en wat nie sterk drank soos in subparagraaf (viii) hiervan omskryf is nie;

(vii) vleis of gisekstrakte, sop en sopmengsels;

(viii) enige drank wat onder die bepalings van die Drankwet, 1928 (Wet 30 van 1928), soos gewysig ressorteer; of

(ix) enige ander onversoete drank;

“kosprys” die kosprys bereken ooreenkomstig die bepalings van Goewermentskennisgewing R. 1532 van 2 Oktober 1964.

2. Die maksimum pryse waarteen enige vervaardiger of bottelleerder van koeldrank gereed om sonder verdunning gedrink te word, in terugstuurbare houers sodanige koeldrank aan 'n handelaar mag verkoop, is die pryse waarteen hy sodanige koeldrank gedurende Januarie 1979 verkoop het

3. Behoudens die bepalings van regulasie 2, is die maksimum pryse waarteen enigiemand koeldrank gereed om sonder verdunning gedrink te word, in terugstuurbare houers, hetsy verkoel of nie verkoel, oopgemaak of nie oopgemaak, met of sonder 'n strooitjie mag verkoop, die pryse wat berekenbaar is ooreenkomstig die bepalings van die Eerste Bylae hiervan.

4. Die maksimum deposito per bottel en per kas wat enige verkoper van 'n persoon wat koeldrank in terugstuurbare houers van hom koop, kan eis, is die bedrae wat in die Tweede Bylae hiervan aangegee word; en die bedrae aldus aangegee word deur 'n verkoper van sodanige koeldrank uitbetaal aan enigiemand wat 'n terugstuurbare leë onbeskadigde koeldrankbottel of kas van 'n merk waarin hy handel aan hom aanbied

5 Goewermentskennisgewing R. 1149 van 2 Julie 1976 word hierby herroep.

E. G. DE BEER, Pryscontroleur

#### EERSTE BYLAE

1. Kosprys tot 190c per dosyn 12c per dosyn vir elke 10c of deel van 10c van die kosprys per dosyn, plus 12c per dosyn.

2. Kosprys bo 190c per dosyn 12c per dosyn vir elke 10c of deel van 10c van die kosprys per dosyn tot 190c per dosyn, en 12c per dosyn vir elke 9c of deel van 9c van die kosprys per dosyn bo 190c per dosyn, plus 12c per dosyn

3. Die maksimum prys per eenheid is eweredig met die maksimum prys per dosyn bereken kragtens paragrawe 1 en 2 van hierdie Bylae.

#### TWEDE BYLAE

1 Per bottel met inhoud van minder as 750 ml. 7c per bottel met inhoud van 750 ml en meer 14c.

2. Per kas bevattende 24 bottels R1

Per kas bevattende 12 750-ml-bottels. R1,20.

Per kas bevattende 12 liter-bottels: R2.

(bb) cereal products containing alcohol, which are not intoxicating liquor as defined in subparagraph (vii) hereof;

(vii) meat or yeast extracts, soup or soup mixtures;

(viii) any drink falling within the provisions of the Liquor Act, 1928 (Act 30 of 1928), as amended; or

(ix) any other unsweetened drink;

“cost price” means the cost price calculated in accordance with the provisions of Government Notice R. 1532 of 2 October 1964.

2. The maximum prices at which any manufacturer or bottler of soft drinks ready for drinking without dilution, may sell such soft drinks to a dealer in returnable containers, are the prices at which he sold such soft drinks during January 1979

3. Subject to the provisions of regulation 2 the maximum prices at which any person may sell soft drinks ready for drinking without dilution, in returnable containers, whether cooled or not cooled, opened or unopened, with or without a straw, are the prices determinable in accordance with the provisions of the First Schedule hereto.

4 The maximum deposits per bottle and per case which any seller may charge a person who buys soft drinks from him in returnable containers, are the amounts specified in the Second Schedule hereto and the amounts so specified are refunded by a seller of soft drinks to any person who hand to him a returnable empty undamaged soft drinks bottle or case of a brand in which he deals.

5 Government Notice R. 1149 of 2 July 1976 is hereby withdrawn.

E G. DE BEER, Price Controller.

#### FIRST SCHEDULE

1 Cost up to 190c per dozen 12c per dozen for each 10c or part of 10c of cost per dozen, plus 12c per dozen

2 Cost in excess of 190c per dozen: 12c per dozen for each 10c or part of 10c of cost per dozen up to 190c per dozen and 12c per dozen for each 9c or part of 9c of cost per dozen in excess of 190c per dozen, plus 12c per dozen.

3 The maximum price per unit is proportionate to the maximum price per dozen as calculated in terms of paragraphs 1 and 2 of this Schedule

#### SECOND SCHEDULE

1. Per bottle with a content of less than 750 ml. 7c per bottle with a content of 750 ml and more: 14c.

2 Per case containing 24 bottles: R1.

Per case containing 12 750-ml bottles: R1,20.

Per case containing 12 litre bottles: R2.

*Opmerking.*—Die uitwerking van hierdie kennisgewing is dat die kleinhandelaars se maksimum verkooppriese van koeldrank in terugstuurbare houers soos volg bereken moet word.

*Note.*—The effect of this notice is that the retailers' maximum selling prices of soft drinks in returnable containers have to be calculated as follows.

| Kleinhandelaar se kosprys per dosyn | Kleinhandelaar se maksimum verkoopprijs |             |
|-------------------------------------|---|-------------|
|                                     | Per dosyn                               | Per eenheid |
|                                     | Sent                                    | Sent        |
| Oor 60c tot 70c. . . . .            | 96                                      | 8           |
| Oor 70c tot 80c. . . . .            | 108                                     | 9           |
| Oor 80c tot 90c. . . . .            | 120                                     | 10          |
| Oor 90c tot 100c. . . . .           | 132                                     | 11          |
| Oor 100c tot 110c. . . . .          | 144                                     | 12          |
| Oor 110c tot 120c. . . . .          | 156                                     | 13          |
| Oor 120c tot 130c. . . . .          | 168                                     | 14          |
| Oor 130c tot 140c. . . . .          | 180                                     | 15          |
| Oor 140c tot 150c. . . . .          | 192                                     | 16          |
| Oor 150c tot 160c. . . . .          | 204                                     | 17          |
| Oor 160c tot 170c. . . . .          | 216                                     | 18          |
| Oor 170c tot 180c. . . . .          | 228                                     | 19          |
| Oor 180c tot 190c. . . . .          | 240                                     | 20          |
| Oor 190c tot 199c. . . . .          | 252                                     | 21          |
| Oor 199c tot 208c. . . . .          | 264                                     | 22          |
| Oor 208c tot 217c. . . . .          | 276                                     | 23          |
| Oor 217c tot 226c. . . . .          | 288                                     | 24          |
| Oor 226c tot 235c. . . . .          | 300                                     | 25          |
| Oor 235c tot 244c. . . . .          | 312                                     | 26          |
| Oor 244c tot 253c. . . . .          | 324                                     | 27          |
| Oor 253c tot 262c. . . . .          | 336                                     | 28          |
| Oor 262c tot 271c. . . . .          | 348                                     | 29          |
| Oor 271c tot 280c. . . . .          | 360                                     | 30          |
| Oor 280c tot 289c. . . . .          | 372                                     | 31          |
| Oor 289c tot 298c. . . . .          | 384                                     | 32          |
| Oor 298c tot 307c. . . . .          | 396                                     | 33          |
| Oor 307c tot 316c. . . . .          | 408                                     | 34          |
| Oor 316c tot 325c. . . . .          | 420                                     | 35          |
| Oor 325c tot 334c. . . . .          | 432                                     | 36          |
| Oor 334c tot 343c. . . . .          | 444                                     | 37          |
| Oor 343c tot 352c. . . . .          | 456                                     | 38          |
| Oor 352c tot 361c. . . . .          | 468                                     | 39          |
| Oor 361c tot 370c. . . . .          | 480                                     | 40          |
| Oor 370c tot 379c. . . . .          | 492                                     | 41          |
| Oor 379c tot 388c. . . . .          | 504                                     | 42          |
| Oor 388c tot 397c. . . . .          | 516                                     | 43          |
| Oor 397c tot 406c. . . . .          | 528                                     | 44          |
| Oor 406c tot 415c. . . . .          | 540                                     | 45          |
| Oor 415c tot 424c. . . . .          | 552                                     | 46          |
| Oor 424c tot 433c. . . . .          | 564                                     | 47          |
| Oor 433c tot 442c. . . . .          | 576                                     | 48          |
| Oor 442c tot 451c. . . . .          | 588                                     | 49          |
| Oor 451c tot 460c. . . . .          | 600                                     | 50          |
| Oor 460c tot 469c. . . . .          | 612                                     | 51          |
| Oor 469c tot 478c. . . . .          | 624                                     | 52          |
| Oor 478c tot 487c. . . . .          | 636                                     | 53          |
| Oor 487c tot 496c. . . . .          | 648                                     | 54          |
| Oor 496c tot 505c. . . . .          | 660                                     | 55          |
| Oor 505c tot 514c. . . . .          | 672                                     | 56          |
| Oor 514c tot 523c. . . . .          | 684                                     | 57          |
| Oor 523c tot 532c. . . . .          | 696                                     | 58          |
| Oor 532c tot 541c. . . . .          | 708                                     | 59          |
| Oor 541c tot 550c. . . . .          | 720                                     | 60          |
| Oor 550c tot 559c. . . . .          | 732                                     | 61          |
| Oor 559c tot 568c. . . . .          | 744                                     | 62          |
| Oor 568c tot 577c. . . . .          | 756                                     | 63          |
| Oor 577c tot 586c. . . . .          | 768                                     | 64          |
| Oor 586c tot 595c. . . . .          | 780                                     | 65          |
| Oor 595c tot 604c. . . . .          | 792                                     | 66          |
| Oor 604c tot 613c. . . . .          | 804                                     | 67          |
| Oor 613c tot 622c. . . . .          | 816                                     | 68          |
| Oor 622c tot 631c. . . . .          | 828                                     | 69          |
| Oor 631c tot 640c. . . . .          | 840                                     | 70          |
| Oor 640c tot 649c. . . . .          | 852                                     | 71          |
| Oor 649c tot 658c. . . . .          | 864                                     | 72          |
| Oor 658c tot 667c. . . . .          | 876                                     | 73          |
| Oor 667c tot 676c. . . . .          | 888                                     | 74          |
| Oor 676c tot 685c. . . . .          | 900                                     | 75          |
| Oor 685c tot 694c. . . . .          | 912                                     | 76          |
| Oor 694c tot 703c. . . . .          | 924                                     | 77          |
| Oor 703c tot 712c. . . . .          | 936                                     | 78          |
| Oor 712c tot 721c. . . . .          | 948                                     | 79          |
| Oor 721c tot 730c. . . . .          | 960                                     | 80          |
| Oor 730c tot 739c. . . . .          | 972                                     | 81          |
| Oor 739c tot 748c. . . . .          | 984                                     | 82          |
| Oor 748c tot 757c. . . . .          | 996                                     | 83          |
| Oor 757c tot 766c. . . . .          | 1 008                                   | 84          |

| Retailer's cost per dozen  | Retailer's maximum selling price |          |
|----------------------------|----------------------------------|----------|
|                            | Per dozen                        | Per unit |
|                            | Cents                            | Cents    |
| More than 60c tot 70c      | 96                               | 8        |
| More than 70c tot 80c..    | 108                              | 9        |
| More than 80c tot 90c      | 120                              | 10       |
| More than 90c tot 100c     | 132                              | 11       |
| More than 100c tot 110c    | 144                              | 12       |
| More than 110c tot 120c.   | 156                              | 13       |
| More than 120c tot 130c    | 168                              | 14       |
| More than 130c tot 140c    | 180                              | 15       |
| More than 140c tot 150c. . | 192                              | 16       |
| More than 150c tot 160c. . | 204                              | 17       |
| More than 160c tot 170c    | 216                              | 18       |
| More than 170c tot 180c    | 228                              | 19       |
| More than 180c tot 190c    | 240                              | 20       |
| More than 190c tot 199c .  | 252                              | 21       |
| More than 199c tot 208c    | 264                              | 22       |
| More than 208c tot 217c .  | 276                              | 23       |
| More than 217c tot 226c    | 288                              | 24       |
| More than 226c tot 235c.   | 300                              | 25       |
| More than 235c tot 244c .  | 312                              | 26       |
| More than 244c tot 253c .  | 324                              | 27       |
| More than 253c tot 262c    | 336                              | 28       |
| More than 262c tot 271c    | 348                              | 29       |
| More than 271c tot 280c    | 360                              | 30       |
| More than 280c tot 289c    | 372                              | 31       |
| More than 289c tot 298c.   | 384                              | 32       |
| More than 298c tot 307c    | 396                              | 33       |
| More than 307c tot 316c    | 408                              | 34       |
| More than 316c tot 325c    | 420                              | 35       |
| More than 325c tot 334c    | 432                              | 36       |
| More than 334c tot 343c    | 444                              | 37       |
| More than 343c tot 352c.   | 456                              | 38       |
| More than 352c tot 361c    | 468                              | 39       |
| More than 361c tot 370c    | 480                              | 40       |
| More than 370c tot 379c .  | 492                              | 41       |
| More than 379c tot 388c    | 504                              | 42       |
| More than 388c tot 397c    | 516                              | 43       |
| More than 397c tot 406c    | 528                              | 44       |
| More than 406c tot 415c    | 540                              | 45       |
| More than 415c tot 424c    | 552                              | 46       |
| More than 424c tot 433c    | 564                              | 47       |
| More than 433c tot 442c. . | 576                              | 48       |
| More than 442c tot 451c .  | 588                              | 49       |
| More than 451c tot 460c    | 600                              | 50       |
| More than 460c tot 469c    | 612                              | 51       |
| More than 469c tot 478c..  | 624                              | 52       |
| More than 478c tot 487c    | 636                              | 53       |
| More than 487c tot 496c.   | 648                              | 54       |
| More than 496c tot 505c.   | 660                              | 55       |
| More than 505c tot 514c..  | 672                              | 56       |
| More than 514c tot 523c .  | 684                              | 57       |
| More than 523c tot 532c .  | 696                              | 58       |
| More than 532c tot 541c..  | 708                              | 59       |
| More than 541c tot 550c    | 720                              | 60       |
| More than 550c tot 559c    | 732                              | 61       |
| More than 559c tot 568c .  | 744                              | 62       |
| More than 568c tot 577c    | 756                              | 63       |
| More than 577c tot 586c.   | 768                              | 64       |
| More than 586c tot 595c    | 780                              | 65       |
| More than 595c tot 604c    | 792                              | 66       |
| More than 604c tot 613c    | 804                              | 67       |
| More than 613c tot 622c    | 816                              | 68       |
| More than 622c tot 631c .  | 828                              | 69       |
| More than 631c tot 640c..  | 840                              | 70       |
| More than 640c tot 649c    | 852                              | 71       |
| More than 649c tot 658c .  | 864                              | 72       |
| More than 658c tot 667c    | 876                              | 73       |
| More than 667c tot 676c .  | 888                              | 74       |
| More than 676c tot 685c.   | 900                              | 75       |
| More than 685c tot 694c.   | 912                              | 76       |
| More than 694c tot 703c .  | 924                              | 77       |
| More than 703c tot 712c    | 936                              | 78       |
| More than 712c tot 721c    | 948                              | 79       |
| More than 721c tot 730c.   | 960                              | 80       |
| More than 730c tot 739c .  | 972                              | 81       |
| More than 739c tot 748c .  | 984                              | 82       |
| More than 748c tot 757c..  | 996                              | 83       |
| More than 757c tot 766c..  | 1 008                            | 84       |

No. R. 329

23 Februarie 1979

## WET OP PRYSBEHEER, 1964

## MAKSIMUM PRYSE VAN KOELDRANK EN VRUGTESAP IN NIE-TERUGSTUURBARE HOUERS

Ek, Elias George de Beer, Pryskeur, bepaal hierby ingevolge artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), soos volg:

1. In hierdie kennisgewing tensy uit die samehang anders blyk, beteken—

“koeldrank” enige vloeistof wat bedoel is vir verkoop as drank vir menslike gebruik sonder verdunning en ook—

(a) enige vrugte- of groentedrank;

(b) sodawater of Indiese of kinientonikum water, natuurlike fonteinwater en enige versoete kunsmatig gekarboneerde water, hetsy gegeur of ongegeur;

(c) gemmerbier en enige kruie of botaniese drank, maar nie—

(i) water (behalwe soos voormeld);

(ii) vrugtesap, versoet of onversoet, hetsy gekonsentreer of bevrore of nie, wat ingevolge die Bemarkingswet, 1968 (Wet 59 van 1968), beheer word;

(iii) melk of enige melkpreparaat;

(iv) tee, koffie, kakao of sjokolade of enige preparaat daarvan;

(v) enige eierprodukt;

(vi) enige graanprodukt, uitgesonderd—

(aa) gegeurde gortwater en vloerbare produkte wat by die bereiding van gortwater gebruik word; en

(bb) graanprodukte wat alkohol bevat en wat nie sterk drank soos in subparagraaf (viii) hiervan omskryf is nie;

(vii) vleis of gisekstrakte, sop en sopmengsels;

(viii) enige drank wat onder die bepalings van die Drankwet, 1928 (Wet 30 van 1928), soos gewysig ressorteer; of

(ix) enige ander onversoete drank;

“kosprys” die kosprys bereken ooreenkomstig die bepalings van Goewermentskennisgewing R. 1532 van 2 Oktober 1964.

2. Die maksimum pryse waarteen enige vervaardiger of bottelleerder van koeldrank of vervaardiger, bottelleerder of hersamesteller van vrugtesap, koeldrank of vrugtesap gereed om sonder verdunning gedrink te word, sodanige koeldrank of vrugtesap in nie-terugstuurbare houers aan 'n handelaar mag verkoop, is die pryse waarteen hy sodanige koeldrank of vrugtesap gedurende Januarie 1979 verkoop het.

3. Behoudens die bepalings van regulasie 2, is die maksimum pryse waarteen enigiemand koeldrank of vrugtesap gereed om sonder verdunning gedrink te word, in nie-terugstuurbare houers, hetsy verkoel of nie verkoel, oopgemaak of nie oopgemaak, met of sonder 'n strooitjie mag verkoop, die pryse wat berekenbaar is ooreenkomstig die bepalings van die Eerste Bylae hiervan.

4. Die volgende Goewermentskennisgewings word hierby herroep:

No. R. 1149 van 2 Julie 1976

No. R. 1123 van 1 Julie 1977.

E. G. DE BEER, Pryskeur.

No. R. 329

23 February 1979

## PRICE CONTROL ACT, 1964

## MAXIMUM PRICES OF SOFT DRINKS AND FRUIT JUICES IN NON-RETURNABLE CONTAINERS

I, Elias George de Beer, Price Controller, do hereby in terms of section 4 of the Price Control Act, 1964 (Act 25 of 1964), prescribe as follows:

1. In this notice, unless the context otherwise indicates—

“soft drink” means any liquid intended for sale as a drink for human consumption, and includes—

(a) any fruit or vegetable drink;

(b) soda water, Indian or quinine tonic water, natural spring water and any sweetened artificially carbonated water, whether flavoured or unflavoured;

(c) ginger beer and any herbal or botanical beverage, but does not include—

(i) water (except as aforesaid);

(ii) fruit juice, sweetened or unsweetened, whether concentrated or frozen or not and controlled under the Marketing Act, 1968 (Act 59 of 1968);

(iii) milk or any preparation of milk;

(iv) tea, coffee, cocoa or chocolate, or any preparation thereof;

(v) any egg product;

(vi) any cereal product, except—

(aa) flavoured barley water and liquid products used in the preparation of barley water; and

(bb) cereal products containing alcohol, which are not intoxicating liquor as defined in subparagraph (viii) hereof;

(vii) meat or yeast extracts, soup or soup mixtures;

(viii) any drink falling within the provisions of the Liquor Act, 1928 (Act 30 of 1928), as amended; or

(ix) any other unsweetened drink;

“cost price” means the cost price calculated in accordance with the provisions of Government Notice R 1532 of 2 October 1964.

2. The maximum price, at which any manufacturer, or bottler of soft drinks or manufacturer, bottler or reconstituter of fruit juices, soft drinks or fruit juices ready for drinking without dilution, may sell such soft drinks or fruit juices to a dealer in non-returnable containers, are the prices at which he sold such soft drinks or fruit juices during January 1979.

3. Subject to the provisions of regulation 2 the maximum prices at which any person may sell soft drinks or fruit juices ready for drinking without dilution, in non-returnable containers, whether cooled or not cooled, opened or unopened, with or without a straw, are the prices determinable in accordance with the provisions of the First Schedule hereto.

4. The following Government Notices, are hereby withdrawn:

No. R. 1149 of 2 July 1976.

No. R. 1123 of 1 July 1977.

E. G. DE BEER, Price Controller.

**EERSTE BYLAE**

Twaalf sent per dosyn vir elke 10c of deel van 10c van die kosprys per dosyn, plus 12c per dosyn; en die maksimum prys per eenheid is eweredig met die maksimum prys per dosyn.

*Opmerking.*—Die uitwerking van hierdie kennisgewing is dat die kleinhandelaars se maksimum verkooppriese van koeldranke en vrugtesappe in nie-terugstuurbare houers soos volg bereken moet word

| Kleinhandelaar se kosprys per dosyn | Kleinhandelaar se maksimum verkooppriese |             |
|-------------------------------------|--|-------------|
|                                     | Per dosyn                                | Per eenheid |
|                                     | Sent                                     | Sent        |
| Oor 60c tot 70c..                   | 96                                       | 8           |
| Oor 70c tot 80c...                  | 108                                      | 9           |
| Oor 80c tot 90c..                   | 120                                      | 10          |
| Oor 90c tot 100c..                  | 132                                      | 11          |
| Oor 100c tot 110c..                 | 144                                      | 12          |
| Oor 110c tot 120c...                | 156                                      | 13          |
| Oor 120c tot 130c..                 | 168                                      | 14          |
| Oor 130c tot 140c..                 | 180                                      | 15          |
| Oor 140c tot 150c...                | 192                                      | 16          |
| Oor 150c tot 160c..                 | 204                                      | 17          |
| Oor 160c tot 170c...                | 216                                      | 18          |
| Oor 170c tot 180c...                | 228                                      | 19          |
| Oor 180c tot 190c..                 | 240                                      | 20          |
| Oor 190c tot 200c..                 | 252                                      | 21          |
| Oor 200c tot 210c..                 | 264                                      | 22          |
| Oor 210c tot 220c..                 | 276                                      | 23          |
| Oor 220c tot 230c...                | 288                                      | 24          |
| Oor 230c tot 240c..                 | 300                                      | 25          |
| Oor 240c tot 250c...                | 312                                      | 26          |
| Oor 250c tot 260c..                 | 324                                      | 27          |
| Oor 260c tot 270c..                 | 336                                      | 28          |
| Oor 270c tot 280c..                 | 348                                      | 29          |
| Oor 280c tot 290c..                 | 360                                      | 30          |
| Oor 290c tot 300c..                 | 372                                      | 31          |
| Oor 300c tot 310c..                 | 384                                      | 32          |
| Oor 310c tot 320c..                 | 396                                      | 33          |
| Oor 320c tot 330c..                 | 408                                      | 34          |
| Oor 330c tot 340c..                 | 420                                      | 35          |
| Oor 340c tot 350c..                 | 432                                      | 36          |
| Oor 350c tot 360c..                 | 444                                      | 37          |
| Oor 360c tot 370c..                 | 456                                      | 38          |
| Oor 370c tot 380c..                 | 468                                      | 39          |
| Oor 380c tot 390c..                 | 480                                      | 40          |
| Oor 390c tot 400c..                 | 492                                      | 41          |
| Oor 400c tot 410c...                | 504                                      | 42          |
| Oor 410c tot 420c..                 | 516                                      | 43          |
| Oor 420c tot 430c..                 | 528                                      | 44          |
| Oor 430c tot 440c..                 | 540                                      | 45          |
| Oor 440c tot 450c..                 | 552                                      | 46          |
| Oor 450c tot 460c..                 | 564                                      | 47          |
| Oor 460c tot 470c..                 | 576                                      | 48          |
| Oor 470c tot 480c..                 | 588                                      | 49          |
| Oor 480c tot 490c..                 | 600                                      | 50          |
| Oor 490c tot 500c...                | 612                                      | 51          |
| Oor 500c tot 510c..                 | 624                                      | 52          |
| Oor 510c tot 520c..                 | 636                                      | 53          |
| Oor 520c tot 530c...                | 648                                      | 54          |
| Oor 530c tot 540c...                | 660                                      | 55          |
| Oor 540c tot 550c..                 | 672                                      | 56          |
| Oor 550c tot 560c..                 | 684                                      | 57          |
| Oor 560c tot 570c..                 | 696                                      | 58          |
| Oor 570c tot 580c..                 | 708                                      | 59          |
| Oor 580c tot 590c..                 | 720                                      | 60          |
| Oor 590c tot 600c..                 | 732                                      | 61          |
| Oor 600c tot 610c..                 | 744                                      | 62          |
| Oor 610c tot 620c..                 | 756                                      | 63          |
| Oor 620c tot 630c..                 | 768                                      | 64          |
| Oor 630c tot 640c..                 | 780                                      | 65          |
| Oor 640c tot 650c..                 | 792                                      | 66          |
| Oor 650c tot 660c..                 | 804                                      | 67          |
| Oor 660c tot 670c..                 | 816                                      | 68          |
| Oor 670c tot 680c..                 | 828                                      | 69          |
| Oor 680c tot 690c...                | 840                                      | 70          |
| Oor 690c tot 700c...                | 852                                      | 71          |
| Oor 700c tot 710c..                 | 864                                      | 72          |
| Oor 710c tot 720c..                 | 876                                      | 73          |
| Oor 720c tot 730c..                 | 888                                      | 74          |
| Oor 730c tot 740c..                 | 900                                      | 75          |

**FIRST SCHEDULE**

Twelve cents per dozen for each 10c or part of 10c of cost per dozen, plus 12c per dozen; and the maximum price per unit is proportionate to the maximum price per dozen.

*Note.*—The effect of this notice is that retailers' maximum selling prices of soft drinks and fruit juices in non-returnable containers have to be calculated as follows:

| Retailer's cost per dozen | Retailer's maximum selling price |          |
|---------------------------|----------------------------------|----------|
|                           | Per dozen                        | Per unit |
|                           | Cents                            | Cents    |
| More than 60c to 70c....  | 96                               | 8        |
| More than 70c to 80c..    | 108                              | 9        |
| More than 80c to 90c...   | 120                              | 10       |
| More than 90c to 100c..   | 132                              | 11       |
| More than 100c to 110c..  | 144                              | 12       |
| More than 110c to 120c..  | 156                              | 13       |
| More than 120c to 130c... | 168                              | 14       |
| More than 130c to 140c..  | 180                              | 15       |
| More than 140c to 150c..  | 192                              | 16       |
| More than 150c to 160c... | 204                              | 17       |
| More than 160c to 170c... | 216                              | 18       |
| More than 170c to 180c..  | 228                              | 19       |
| More than 180c to 190c... | 240                              | 20       |
| More than 190c to 200c..  | 252                              | 21       |
| More than 200c to 210c..  | 264                              | 22       |
| More than 210c to 220c... | 276                              | 23       |
| More than 220c to 230c..  | 288                              | 24       |
| More than 230c to 240c... | 300                              | 25       |
| More than 240c to 250c... | 312                              | 26       |
| More than 250c to 260c... | 324                              | 27       |
| More than 260c to 270c..  | 336                              | 28       |
| More than 270c to 280c..  | 348                              | 29       |
| More than 280c to 290c..  | 360                              | 30       |
| More than 290c to 300c... | 372                              | 31       |
| More than 300c to 310c..  | 384                              | 32       |
| More than 310c to 320c..  | 396                              | 33       |
| More than 320c to 330c... | 408                              | 34       |
| More than 330c to 340c... | 420                              | 35       |
| More than 340c to 350c..  | 432                              | 36       |
| More than 350c to 360c..  | 444                              | 37       |
| More than 360c to 370c..  | 456                              | 38       |
| More than 370c to 380c..  | 468                              | 39       |
| More than 380c to 390c..  | 480                              | 40       |
| More than 390c to 400c..  | 492                              | 41       |
| More than 400c to 410c... | 504                              | 42       |
| More than 410c to 420c..  | 516                              | 43       |
| More than 420c to 430c..  | 528                              | 44       |
| More than 430c to 440c..  | 540                              | 45       |
| More than 440c to 450c... | 552                              | 46       |
| More than 450c to 460c..  | 564                              | 47       |
| More than 460c to 470c..  | 576                              | 48       |
| More than 470c to 480c..  | 588                              | 49       |
| More than 480c to 490c... | 600                              | 50       |
| More than 490c to 500c... | 612                              | 51       |
| More than 500c to 510c... | 624                              | 52       |
| More than 510c to 520c..  | 636                              | 53       |
| More than 520c to 530c..  | 648                              | 54       |
| More than 530c to 540c... | 660                              | 55       |
| More than 540c to 550c..  | 672                              | 56       |
| More than 550c to 560c..  | 684                              | 57       |
| More than 560c to 570c... | 696                              | 58       |
| More than 570c to 580c... | 708                              | 59       |
| More than 580c to 590c... | 720                              | 60       |
| More than 590c to 600c..  | 732                              | 61       |
| More than 600c to 610c..  | 744                              | 62       |
| More than 610c to 620c..  | 756                              | 63       |
| More than 620c to 630c..  | 768                              | 64       |
| More than 630c to 640c..  | 780                              | 65       |
| More than 640c to 650c..  | 792                              | 66       |
| More than 650c to 660c... | 804                              | 67       |
| More than 660c to 670c... | 816                              | 68       |
| More than 670c to 680c..  | 828                              | 69       |
| More than 680c to 690c... | 840                              | 70       |
| More than 690c to 700c..  | 852                              | 71       |
| More than 700c to 710c... | 864                              | 72       |
| More than 710c to 720c..  | 876                              | 73       |
| More than 720c to 730c... | 888                              | 74       |
| More than 730c to 740c..  | 900                              | 75       |

| Kleinhandelaar se kosprys per dosyn | Kleinhandelaar se maksimum verkoopprijs |             | Retailer's cost per dozen         | Retailer's maximum selling price |          |
|-------------------------------------|---|-------------|-----------------------------------|----------------------------------|----------|
|                                     | Per dosyn                               | Per eenheid |                                   | Per dozen                        | Per unit |
| Oor 740c tot 750c. . . . .          | Sent 912                                | Sent 76     | More than 740c to 750c . . . . .  | Cents 912                        | Cents 76 |
| Oor 750c tot 760c. . . . .          | 924                                     | 77          | More than 750c to 760c . . . . .  | 924                              | 77       |
| Oor 760c tot 770c . . . . .         | 936                                     | 78          | More than 760c to 770c. . . . .   | 936                              | 78       |
| Oor 770c tot 780c. . . . .          | 948                                     | 79          | More than 770c to 780c . . . . .  | 948                              | 79       |
| Oor 780c tot 790c... . . . .        | 960                                     | 80          | More than 780c to 790c... . . . . | 960                              | 80       |

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Die memoirs is individuele verhandelings, gewoonlik ekologies van aard, maar soms handel dit oor taksonomiese of ekonomiese-plantkundige onderwerpe. Nege-en-dertig nommers is reeds gepubliseer waarvan sommige uit druk is.

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The memoirs are individual treatises usually of an ecological nature, but sometimes taxonomic or concerned with economic botany. Thirty-nine numbers have been published, some of which are out of print.

Obtainable from the Director, Division of Agricultural Information, Private Bag X144, Pretoria.

Sales tax must accompany inland orders.

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# Tough year for the consumer is 'inevitable'

Star 1/3/79

246

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A tough year for the consumer is what Mrs Joy Hurwitz, president of the Housewives' League, forecasts after her meeting with the Minister of Agriculture, Mr Hendrik Schoeman, yesterday

And as she spoke it was announced in Port Elizabeth that a world-wide jump in the price of hides, meant that South Africans would be paying R5 and more extra for a pair of leather shoes.

Mrs Hurwitz said some small farmers were not getting their prices for meat "If they don't, they won't breed cattle," she said.

"We have been investigating the grey area which is the auctioneering and distribution of meat as we feel there is something radically wrong," Mrs Hurwitz continued

She also said the quota system was a problem because it gave leeway for manipulation of supply. "We are going to watch very carefully, in our meat surveys, to see if this has an effect on the meat price."

She said the Minister agreed to hold a further meeting with the Meat Board, wholesalers, retail butchers and the Housewives' League. The League hoped they would be able to bring the price of meat down.

The wheat price would not increase until the end of October, Mrs Hurwitz said. The League had asked the minister not to decrease the subsidy in order to keep the bread price down.

However, she predicted an increase in the price of maize. This would affect the price of agricultural products and was inevitable.

Confirming the increase in shoe prices, a spokesman for the Port Elizabeth-based South African Tanners' Association said today that soaring feedstuff costs had sent beef prices escalating everywhere, especially in the United States, which was the world's biggest exporter of hides.

Because of consumer resistance to the high beef prices, farmers were cutting back on their herds

being marketed.

"It is not anticipated that killings will return to normal much before another 4 years," he added.

South African hides were also in strong demand by foreign tanners, thus pushing up the price on the home market



# Boycotts call <sup>246</sup> by wives S.M.A. 4/3/79

Own Correspondent

DURBAN — The Housewives' League is so concerned by the rocketing cost of food that it is considering backing boycotts as a means of hitting back at unwarranted price increases.

The national vice-president and Durban chairman, Mrs Margaret Cooke, told the league's annual meeting today that while it did not approve of boycotts, it was becoming increasingly obvious that only drastic measures, however unpalatable, would have any impact on the present price structuring system, "with its inherent inflationary trend."

"It has already become apparent that in the forthcoming year the economy of this country will face greater rigours and pitfalls than any hitherto experienced."

Argus 28/3/77

246

# Demand for half loaf only 4 pc, say bakers

THE demand for the small version of the standard loaf of bread — known as the 'half loaf' — is only four percent of the entire bread production, members of the Master Bakers' Association have told the Housewives' League of South Africa.

The association stopped bakeries making half loaves last month, saying that they were uneconomical as they had to be baked by hand. Full-sized loaves are made by machine.

This move was met by an outcry from pensioners and small families, who need only a small amount of bread.

Representatives of the association gave reasons for their decision at a recent meeting organised by the Cape Town branch of the Housewives' League of South Africa.

The demand for the half loaf is not more than four percent of the entire bread production, and it costs the same to bake a half loaf as to bake a full loaf, they said.

The big bakeries are fully mechanised, and the same amount of diesel fuel is required for both types of loaves, so it would not be practical to adjust existing machines.

It would be too expensive to install extra machinery, said the association.

But there is nothing stopping retailers providing a service to the public by cutting and wrapping the bread themselves, said the Housewives' League.

A spokesman for the Department of Commerce said last month that this was legal as long as under-sized half loaves were not sold.

### KEEPING

The league gave the following hints for those forced to keep large loaves without refrigeration:

- They should never be wrapped while still warm;
  - They should not be kept in an airtight plastic bag or container, but in a ventilated paper bag, or wooden or tin breadbin;
  - If the bread becomes mouldy it should be removed and the container washed out thoroughly before fresh bread is placed in it.
- It was pointed out that bread freezes very well and has a longer life when kept in the refrigerator.

NOTICE 284 OF 1979

245

## DEPARTMENT OF INDUSTRIES

INQUIRY INTO MONOPOLISTIC CONDITIONS  
IN THE SUPPLY AND DISTRIBUTION OF  
ALCOHOLIC BEVERAGES

The Minister of Economic Affairs has, under the provisions of section 3 (1) (a) of the Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955), directed the Board of Trade and Industries to investigate and report on monopolistic conditions in the supply and distribution of alcoholic beverages in the Republic of South Africa.

The Board hereby makes known for general information that it is about to undertake an investigation into monopolistic conditions in the supply and distribution of alcoholic beverages in the Republic of South Africa.

Interested parties are invited to submit representations in this regard to the Board of Trade and Industries, Private Bag X342, Pretoria, 0001, within a period of eight (8) weeks of the date of publication of this notice (BTI Ref T6/2/4)

(20 April 1979)

KENNISGEWING 284 VAN 1979

## DEPARTEMENT VAN NYWERHEIDSWESE

ONDERSOEK NA MONOPOLISTIESE  
TOESTANDE BY DIE VERSKAFFING EN  
DISTRIBUSIE VAN ALKOHOLIESE DRANK

Die Minister van Ekonomiese Sake het kragtens die bepaling van artikel 3 (1) (a) van die Wet op Regulering van Monopolistiese Toestande, 1955 (Wet 24 van 1955) die Raad van Handel en Nywerheid opgedra om ondersoek in te stel na en verslag te doen oor die verskaffing en distribusie van alkoholiese drank in die Republiek van Suid-Afrika.

Die Raad maak hierby vir algemene inligting bekend dat hy ondersoek gaan instel na die moontlike bestaan van monopolistiese toestande by die verskaffing en distribusie van alkoholiese drank in die Republiek van Suid-Afrika.

Belanghebbendes word versoek om binne 'n tydperk van agt (8) weke na die datum van publikasie van hierdie kennisgewing vertoe in hierdie verband te doen tot die Raad van Handel en Nywerheid, Private Bag X342, Pretoria, 0001, (RHN-verw T6/2/4)

(20 April 1979)

DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS

No. R. 1055

(245)

18 May 1979

PRICE CONTROL

MAXIMUM PRICES OF YELLOW MARGARINE

I, Elias George de Beer, Price Controller, do hereby prescribe in terms of section 4 of the Price Control Act, 1964 (Act 25 of 1964), with effect from date of publication hereof, as follows

1 When yellow margarine is contained in a plastic tub, or any tub of any other material, the maximum price at which any manufacturer may sell such yellow margarine to any dealer shall be R19,66 per 12,50 kg

2. The maximum price at which any manufacturer may sell yellow margarine in any container other than that referred to in regulation 1, to any dealer shall be R17,58 per 12,50 kg

3. The maximum price at which any dealer may sell the yellow margarine referred to in regulation 1, shall be 42,5c per 250 g

4 The maximum price at which any dealer may sell yellow margarine in any container other than that referred to in regulation 1, shall be 38,5c per 250 g

5 In this notice "yellow margarine" shall mean yellow margarine as defined by section 1 of the Dairy Industry Act, 1961 (Act 30 of 1961)

6. This notice applies in the Republic of South Africa with the exception of the Port and Settlement of Walvis Bay

7 Government Notice R 1198 of 2 June 1978 is hereby withdrawn.

E G DE BEER, Price Controller

666449

DEPARTEMENT VAN HANDEL EN  
VERBRUIKERSAKE

No. R. 1055

18 Mei 1979

PRYSBEHEER

MAKSIMUM PRYSE VAN GEEL MARGARIEN

Ek, Elias George de Beer, Pryscontroleur, bepaal hierby, ingevolge artikel 4 van die Wet op Prysbeheer 1964 (Wet 25 van 1964), met ingang van die datum van publikasie hiervan, soos volg

1 Wanneer geel margarien in 'n bakkie van plastiek of 'n bakkie van 'n ander materiaal, verpak is, is die maksimum prys waarteen 'n vervaardiger sodanige geel margarien aan 'n handelaar mag verkoop R19,66 per 12,50 kg.

2 Die maksimum prys waarteen 'n vervaardiger geel margarien in 'n ander houer as dié in regulasie 1 bedoel aan 'n handelaar mag verkoop, is R17,58 per 12,50 kg

3 Die maksimum prys waarteen 'n handelaar dié geel margarien in regulasie 1 bedoel, mag verkoop, is 42,5c per 250 g

4 Die maksimum prys waarteen 'n handelaar geel margarien in 'n ander houer as dié in regulasie 1 bedoel mag verkoop, is 38,5c per 250 g

5 In hierdie kennisgewing het "geel margarien" dié betekenis soos in artikel 1 van die Wet op die Suiwel nywerheid, 1961 (Wet 30 van 1961), omskryf.

6. Hierdie kennisgewing is in die Republiek van Suid-Afrika, met uitsondering van die hawe en neder setting Walvisbaai, van toepassing.

7 Goewermentskennisgewing R. 1198 van 2 Junie 1978, word hierby ingetrek

E G DE BEER, Pryscontroleur.

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# Productivity is key to growth, says Heunis

THERE was no doubt the rate of productivity growth in South Africa was insufficient to ensure rapid economic growth, the Minister of Economic Affairs, Mr Chris Heunis, said last night.

He said growth was one of the main requirements for an economy to overcome its problems.

"Growth creates jobs, and growth can tie down inflation to reasonable levels. And the prime source of growth is productivity.

"The real income of people, the standard of living of people and the rate at which new job opportunities increase, is largely determined by the rate of productivity growth.

"Standard of living is measured by the quantity of goods and services consumed per head of the population and in the long run we cannot consume more per person than what we produce per person. The standard of living of all South Africans is eventually only determined by our level of productivity.

"There is no doubt that the rate of productivity growth in South Africa is insufficient to

ensure rapid economic growth. In the past our economy quite rightly grew as a result of adding more production resources to it, that is more labour, more capital, more raw materials and more energy.

"Our efficient use of resources, the second source of economic growth, played second fiddle.

"The time has come in the history of the South African economic development where we cannot grow on the basis of adding more production resources. We simply do not have enough labour, particularly skilled labour, or capital or energy to add to our economic stream to ensure sufficient growth for our increasing population.

"And all our raw materials with which we are so richly endowed cannot be used unless we have the other primary inputs.

"We must conclude that since we cannot obtain economic growth by adding more resources, our only way out to get higher economic growth is to utilise these resources better, that is by improving productivity." Mr Heunis said.

He said it had been proved

by leaders in the field of productivity in the country that it was not the Government, the quality of labour, or the level of technology that caused low productivity.

"The main blame of low productivity must be laid at the door of management attitude.

"It has been said by other people (not me) that some firms in South Africa make profits, survive and even grow in spite of the quality of management and not as a result of it. The productivity advisory council concurs in many respects with this view," Mr Heunis said.

He stressed the need for training of staff. The training and development of the human potential from the top management level to the lowest worker had received detailed attention in the successful enterprises which had entered for the award.

He drew attention to the possibilities of the development of human potential by both the Wiehahn and Riekert reports. He said he hoped entrepreneurs would grasp the opportunities open to them in this respect. - Sapa

Star 2/6/79

# Consumers miss out on Budget concessions



246

Fair Deal Investigation by Sally de Vasconcellos

The five percent reduction in surcharge on imported goods has not been passed on to the consumer, because according to one spokesman, the "decrease would hardly be noticeable."

In his Budget speech this year Senator Horwood said the reduction should be passed on to the consumer "at the earliest possible opportunity."

In his Budget speech this year, Senator Horwood said the reduction should be passed on to the consumer "at the earliest possible opportunity"

It is nearly two months since the Budget and price drops have been noted at only one of five stores.

The Houswives' League has reacted angrily, with national secretary Mrs Toni Frere saying "It's all very well for Senator Horwood to say shops must reduce prices but no one sees that they do. The consumer seldom benefits"

## SURVEY

Fair Deal surveyed 30 products subject to import or surcharge reductions at five Johannesburg stores.

Prices were noted on March 29, the day after the Budget, on April 25, and again on June 1. There was little change.

Only four of these prices have come down in two months. One of them has come down again in a month, and one price increased in a month.

The reductions were found at Pick 'n Pay, Bedford Centre. The biggest reduction was 25 percent on a 500 g tin of Lyles syrup, which had come down by four percent in our previous survey. On a 106 g tin of Boe Norwegian sardines, there was a reduction of 7.5 percent.

## INCREASES

In the survey last month it was noted that

there was a 3 percent reduction on a 200g tin of Carnation light meat tuna. This month the product could not be found on their shelves

At Checkers Multimarket, Eastgate, there were no price reductions in either their grocery or hardware sections, but there were two increases

A 500 ml bottle of Dufrais wine vinegar had increased from R1,14 to R1,39 and, in the hardware section, a carpenter's combination square had increased from R3,99 to R4,29 (Both prices include general sales tax)

At OK Bazaars, Eastgate, there have been two increases in the past month. A 435 g tin of Shining Year natural snails from China cost R2,25 — it now costs R2,35. In the hardware section an Estwing Rockford hatchet, which cost R13,95, now costs R13,99

## EXCHANGE

Store spokesmen do not think there will be price reductions

Mr Harold Greenstein, national merchandise manager for Checkers said prices of imported goods went up with each new shipment and the rate of exchange had "moved against us."

However, when Fair Deal spoke to their managing director, Mr David Magid, last month he said all their existing stock would be marked down

When Fair Deal spoke to Mr Ralph Horwitz, general manager of O K Bazaars last month, he said decreases were unlikely for another month. There are still no decreases.

# Housewives League's boycott call

RDM 6/6/74 (246)

## Staff Reporter

A BOYCOTT of fresh milk, cheese and butter has been called for by the Housewives League of South Africa

The public is requested to support this boycott by cutting out, or cutting down on, their purchases of dairy products from Thursday, June 7, up to Thursday, June 14

This step has been brought about by the increased dairy prices. The boycott will be the only way consumers will be able to express their anger and frustration at the massive increases in dairy product prices.

Although milk is vital for young children, the lack of these products in a diet for a week will not affect an adult,

says the League. The price increases will force the consumer into a position of not being able to afford the basic valuable protein foods.

In the long run, the price increases will not benefit the dairy industry or the consumer, as this will lead to surpluses of butter and cheese.

The increases in dairy products are mainly the result

of the 21.5% increase in the price of maize, against which the League protested at the time as being excessive.

Although the League does not usually approve of boycotts, it feels this action is the only way to voice its disapproval, and bring home to the authorities that the consumer can no longer continue to absorb unlimited price increases.

1. John Dickerson (S.A.B. and A.F.R.O.X.) says that it is important during the selection stage not to have fixed appointments for the African as he "does not place the same value on time-keeping as does his White counterpart". Also he claims that most Africans don't have access to clocks or wristwatches, and in addition their transport system is inefficient. The best solution is to have a more informal approach and if possible "ask the applicants to come in at any time on a specified day, to be interviewed". Another problem that Dickerson deals with is that of interviewing techniques - "The problem of getting the interviewee to talk freely and honestly about himself".

This stems from the dependent role that Africans have traditionally filled in South Africa. It can be achieved only through a structured, well-controlled interview, with the interviewer showing a great deal of empathy, understanding and goodwill towards the interviewee.

[PEOPLE & PROFITS, January 1974]

2. Ben Mokoatle :

"Traditional black society lives communally, and this must not be confused with communistically. Individuality was their characteristic - some owned a hundred cattle, others fifty... others none - all according to the amount of effort they put into raising their cattle, working their fields, and accumulating wealth. A man with status had quite a large village, perhaps several wives and several huts. Others had perhaps one or two huts. etc. If this was not capitalism, then I do not know what capitalism is, i.e. the ability or freedom to acquire material in accordance with the input you make into <sup>the environment.</sup> Taking that as a basis, any system that denies that freedom to acquire material wealth based on ability will, in fact, be resisted".

[PEOPLE & PROFITS, July 1977]

3. /...

CONSUMER MAIL 246

# Apathetic housewives are losing the battle

SOUTH African housewives are losing the war against inflation because, unlike their American counterparts, they tend to be apathetic in the face of soaring prices and unable to influence a hard-hearted, undemocratic government

This view was shared yesterday by Mrs Joyce Hurwitz, president of the South African Housewives' League, and Mr Roger Hickey, American consumer campaigner and director of Consumers Opposed to Inflation in the Necessities (COIN), which is a coalition of 68 national and local organisations, including the Ralph Nader group, the powerful AFL-CIO labour body and many consumer and environmental groups

Mr Hickey, speaking from Washington, said his organisation urged housewives to form themselves politically against inflation to take direct action to control basic necessities and to reform each sector of the economy so that they could enjoy price stability in the long term

He said it was apparent that, in South Africa, lobbying for controls was ineffective, and American housewives, confronted with such an undemocratic system, would be trying forms of civil disobedience and even direct uprising to make their point

There was a strong feeling in America that citizens had to assert their ideas into the government process and, in instances in history where this had been impossible or illegal, Americans had tended to take direct action

"We think that we're on the verge of a citizen movement that will be as large as the anti-war movement, because many feel that the official government position and dominant conservatism are bankrupt and constitute lies.

"Americans realise that they've been lied to and if the inflation rate continues to grow, there's going to be a lot of political protest. Luckily we do think that political action can work"

Mr Hickey said there were many current examples of grass-roots action by housewives who were, at this very moment, picketing supermarkets and petrol stations, and lending wide support to boycotts of essential consumer products

"I sympathise with the South African housewife who appears to be in a much more difficult position," Mr Hickey said

He said he was not trying to judge South African society, but it appeared protest and action, even by housewives, was frowned on by the government and people had genuine worries about being arrested for even carrying placards

Last night, Mrs Hurwitz said from Johannesburg that she and her league had always considered the conference table a better forum for keeping inflation in check than boycott and protest

"But the South African housewife is getting angry, specifically with the Government, official consumer bodies which are government-affiliated, and the numerous control boards which present a stone wall to any serious attempt at keeping down inflation

"We have a legitimate gripe with the Government and specific Ministers who are more concerned with the producer than the consumer — who, after all, has to eat to stay alive"

Mrs Hurwitz said activism by housewives was actually only possible where publicity had aroused their consciences

"But we are not allowed time on TV.

"Obviously we're considered far too controversial, even though we represent the consumer," she said

The South African housewife was incredibly apathetic and would have to realise that, in future, more positive action would be called for in the fight against inflation

"But how do you activate a woman who is impregnated with the real fear of being arrested just because she shows her dissatisfaction with the price increase in a vital consumer product?"

"We are near the point of desperation," she said

Mr Hickey said that inflation would continue to be rampant until democracy had been extended to the economy.

"It's the next step in the democratic revolution.

"If people — consumers — can't exercise the basic rights of democracy, they must find it hard to enjoy any economic security," he said.

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

No. R. 1331

22 June 1979

MAXIMUM PRICES OF MILK—AMENDMENT

I, Elias George de Beer, Price Controller, acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964), do hereby amend Government Notice R 1027 (Government Gazette 4715) of 23 May 1975, as amended, as follows:

1 The following part is hereby substituted for Part D of the Schedule

"PART D—WALVIS BAY

Table with 3 columns: Description, Pasteurised milk, Unpasteurised milk. Rows 1-8 detailing milk prices for various packaging and sales conditions.

2 This notice shall come into operation on date of publication hereof

E. G. DE BEER, Price Controller

DEPARTEMENT VAN HANDEL EN VERDRUIKERSAKE

No. R 1331

22 Junie 1979

MAKSIMUM PRYSE VAN MELK.—WYSIGING

Ek, Elias George de Beer, Pryscontroleur, handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), wysig hierby Goewermentskennisgewing R. 1027 (Staatskoerant 4715) van 23 Mei 1975, soos gewysig, soos volg:

1 Deel D van die Bylae word hierby deur die volgende deel vervang:

"DEEL D—WALVISBAAI

Table with 3 columns: Description, Gepasteuriseerde melk, Ongepasteuriseerde melk. Rows 1-8 detailing milk prices for various packaging and sales conditions.

2 Hierdie kennisgewing tree in werking op datum van publikasie hiervan

E. G DE BEER, Pryscontroleur

246 26/6/79 JAT

# Buyers warned of legal exploitation

Last year was the "Year of the Consumer." It has come and gone and South Africa is worse off than ever, says consumer ombudsman Mr Eugene Roelofse

Mr Roelofse told the National Council of Women at their second meeting for working women yesterday that he supported free enterprise, but there were loopholes in the country's legal system which left the way open to exploitation

These leave businessmen free to

- Charge blacks more than whites for the same goods

- Sell old stocks at new prices

- Issue meaningless guarantees

- Sell electrical appliances to unsophisticated blacks who have no electricity.

- Harass debtors in ways which would not be permitted overseas

- Use oppressive contracts against unsuspecting and gullible householders

- Take people's money, go into liquidation and then start another business as if nothing had happened

- Manufacture electric irons and toasters which do not conform to recognised safety specifications.

Mr Roelofse said that the majority of people who sold goods were white and the majority of the buyers were black — the black consumer was therefore hardest hit.

"Irregularities in trading can therefore easily trigger reactions far beyond what consumer disgruntlement in a white versus white consumer environment would accomplish," he said.



REPUBLIC OF SOUTH AFRICA  
**GOVERNMENT GAZETTE**  
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Vol. 168]

PRETORIA, 29 JUNE 1979  
 JUNIE

245    No. 6552

**GOVERNMENT NOTICE**

**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

No R 1426    29 June 1979

**PRICE CONTROL**

**MAXIMUM PRICES OF CERTAIN STEEL PRODUCTS**

By virtue of the powers conferred on me under section 4 of the Price Control Act, 1964 (Act 25 of 1964), I, Elias George de Beer, Price Controller, do hereby amend, with effect from date of publication hereof, Government Notice R 1208 of 20 June 1975 by the substitution of the Schedule thereto by the following Schedule

**SCHEDULE**

| Column 1<br>Category of steel product                              | Column 2<br>Manufacturer's maximum selling price per 1 000 kg f.o.r. factory* |
|--|---|
| 1. Sections.   | R   |
| (a) Angles and T-bars 152,4 united mm and under.                   | 270,25  |
| (b) Channels and angles over 152,4 united mm                       | 270,25  |
| (c) I-Section (Taper Flange)                                       | 275,75  |
| (d) Universal beams, universal columns and bearing piles           | 273,25  |
| 2 Reinforcing bars (including coiled rounds)                       | 270,25  |
| 3 Black bars (excluding reinforcing bars)                          |   |
| (a) Rounds, 6 mm to under 45 mm diameter (including coiled rounds) | 270,25  |
| (b) Rounds, 45 mm diameter and over                                | 297,75  |
| (c) Squares with side up to and including 50 mm                    | 270,25  |
| (d) Squares with side over 50 mm up to and including 75 mm         | 270,25  |
| (e) Squares with side over 75 mm                                   | 270,25  |
| (f) Flats, 20 mm to 50 mm wide                                     | 281,75  |
| (g) Flats, over 50 mm wide   | 281,75  |
| (h) Flat bars  | 281,75  |
| (i) Wire rod   | 313,75  |

**GOEWERMENSKENNISGEWING**

**DEPARTEMENT VAN HANDEL EN VERBRUIKERSAKE**

No R 1426    29 Junie 1979

**PRYSBEHEER**

**MAKSIMUM PRYSE VAN SEKERE STAALPRODUKTE**

Kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), wysig ek, Elias George de Beer, Pryscontroleur, hierby, met ingang vanaf datum van publikasie hiervan, Goewermenskennisgewing R 1208 van 20 Junie 1975 deur die Bylae daarvan deur die volgende Bylae te vervang

**BYLAE**

| Kolom 1<br>Kategorie staalprodukt   | Kolom 2<br>Fabrikant se maksimum verkoopprijs per 1 000 kg v.o.s. fabriek* |
|---|--|
| 1. Profiele:  | R  |
| (a) Hoekprofiele en T-stawe 152,4 saamgestelde mm en minder.                                | 270,25   |
| (b) U-profiel en hoekprofiel van meer as 152,4 saamgestelde mm.                             | 270,25   |
| (c) I-profiel (Tapsflens)   | 275,75   |
| (d) Universeelbalke, universeelkolomme en draheipale.                                       | 273,25   |
| 2 Wapeningstawe (insluitende gehaspelde rondstaal)  | 270,25   |
| 3 Swartstawe (uitgesonderd wapeningstawe)   |  |
| (a) Rondstaal, 6 mm tot minder as 45 mm in deursnee (insluitende gehaspelde ronde profiele) | 270,25   |
| (b) Rondstaal, 45 mm deursnee en meer   | 297,75   |
| (c) Vierkantprofiele met syvlak tot en met 50 mm  | 270,25   |
| (d) Vierkantprofiele met syvlak meer as 50 mm tot en met 75 mm                              | 270,25   |
| (e) Vierkantprofiele met syvlak meer as 75 mm   | 270,25   |
| (f) Platprofiele, 20 mm tot 50 mm wyd   | 281,75   |
| (g) Platprofiele, meer as 50 mm wyd   | 281,75   |
| (h) Platstawe   | 281,75   |
| (i) Walsdraad   | 313,75   |

| Column 1<br>Category of steel product  | Column 2<br>Manufacturer's maximum selling price per 1 000 kg f.o.r. factory* | Kolom 1<br>Kategorie staalprodukt   | Kolom 2<br>Fabrikant se maksimum verkoopprijs per 1 000 kg v o s fabriek* |
|--|---|---|---|
| 4 Rails, 10 kg per m and over  | R 296,75  | 4 Spoorstawe, 10 kg per m en meer   | R 296,75  |
| 5 Plates, 4,5 mm and over  | 303,25  | 5 Grofplaat, 4,5 mm en meer   | 303,25  |
| 6 Hot rolled sheets (coils, cut lengths and slit strip in coils)   | 292,75  | 6 Warmgewalste fynplaat (rolle, gesnyde lengtes en smalband in rolle)                                   | 292,75  |
| 7 Cold rolled sheets (coils, cut lengths and slit strip in coils)..  | 348,25  | 7 Koudegewalste fynplaat (rolle, gesnyde lengtes en smalband in rolle)..                                | 348,25  |
| 8 Galvanised sheets (coils, cut lengths and slit strip in coils)   | 404,75  | 8 Versinkte fynplaat (rolle, gesnyde lengtes en smalband in rolle)                                      | 404,75  |
| 9. (a) Galvanised profile sheets (prime material)  | 420,25  | 9. (a) Versinkte profielfynplaat (primamateriaal)   | 420,25  |
| (b) Galvanised profile sheets (second grade material marked by means of indentation on the side every 1 to 1,5 m). | 338,75  | (b) Versinkte profielfynplaat (tweedegraadse materiaal, gemerk met 'n keep op die sy, elke 1 tot 1,5 m) | 338,75  |

**\*Notes—**

1 The f o r factory prices will only apply to despatches within/to the PWV area, consisting of the Magisterial Districts of Alberton, Benoni, Boksburg, Brakpan, Delmas, Germiston, Johannesburg, Kempton Park, Krugersdorp, Nigel, Pretoria, Randfontein, Roodepoort, Springs, Vanderbijlpark, Vereeniging, Westonaria and Wonderboom.

2 For determination of the maximum delivered prices at any point outside the PWV area the calculated railage from Germiston to the point of delivery, escalated by 2,5 per cent in respect of settlement discount, may be added to the f.o.r. factory prices as shown in column 2

3. F o r factory applies to factories as mentioned in paragraph 8 (iv)

Government Notice R 1878 of 15 September 1978 is hereby withdrawn.

E G DE BEER, Price Controller.

**\*Notas—**

1. Die v.o.s-fabrieksprijspryse geld slegs ten opsigte van versendings binne/na die PWV-gebied, bestaande uit die landdrostdistrikte van Alberton, Benoni, Boksburg, Brakpan, Delmas, Germiston, Johannesburg, Kempton Park, Krugersdorp, Nigel, Pretoria, Randfontein, Roodepoort, Springs, Vanderbijlpark, Vereeniging, Westonaria en Wonderboom

2. Vir bepaling van die maksimum gelewerde pryse by enige punt buite die PWV-gebied sal die berekende spoorvrag vanaf Germiston na die afleweringpunte, verhoog met 2,5 persent ten opsigte van vereffeningsdiskonto, by die v.o.s-fabrieksprijspryse soos aangetoon in kolom 2, getel mag word

3 V.o.s-fabriek het betrekking op fabriek soos vermeld in paragraaf 8 (iv)

Goewermentskennisgewing R 1878 van 15 September 1978 word hierby ingetrek

E G DE BEER, Pryscontroleur

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**INHOUD**

| No.   | Bladsy No. | Staatskoerant No. |
|---|------------|-------------------|
| Handel en Verbruikersake, Departement van Goewermentskennisgewing |            |                   |
| R 1426 Wet op Prysbeheer (25/1964) Staalprodukte.                 | 1          | 6552              |



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Vol. 169]

PRETORIA, 6 JULIE 1979  
JULY

245  
No. 6564

**GOEWERMENTSKENNISGEWING**

**DEPARTEMENT VAN HANDEL EN  
VERBRUIKERSAKE**

No. R. 1509

6 Julie 1979

**PRYSBEHEER**

**MAKSIMUM PRYSE VAN GEBRANDE  
KLEIBAKSTENE**

Ek, Elias George de Beer, Pryscontroleur, bepaal hierby, ingevolge artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), met ingang van 6 Julie 1979, soos volg:

1. Wanneer enige soort gebrande kleibaksteen wat in kolom 1 van die Bylae hiervan aangegee word, binne die gebied vervaardig word wat in kolom 4 van die genoemde Bylae aangegee word, is die maksimum prys waarteen sodanige bakstene in die betrokke gebied deur enigiemand aan iemand anders verkoop mag word—

(a) die prys wat in kolom 2 van genoemde Bylae aangegee word wanneer sodanige bakstene per spoor versend word of wanneer lewering van sodanige stene deur of ten behoeve van die koper by die fabriek geneem word; of

(b) die prys wat in kolom 3 van genoemde Bylae aangegee word wanneer sodanige bakstene deur of ten behoeve van die verkoper per pad afgelewer word by enige terrein wat binne die gebied wat in kolom 4 van genoemde Bylae aangegee word, geleë is en deur of ten behoeve van die koper vasgestel is: Met dien verstande dat 'n addisionele bedrag van R6 per 1 000 pleisterstene of skoonvlakbakstene by die prys wat in kolom 3 van genoemde Bylae aangegee word, getel mag word indien sodanige bakstene, nadat die koper en verkoper daartoe ooreengekom het, per hand op die terrein van aflewering afgelaai en gepak word.

12499—A

**GOVERNMENT NOTICE**

**DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS**

No. R. 1509

6 July 1979

**PRICE CONTROL**

**MAXIMUM PRICES OF BURNT CLAY  
BRICKS**

I, Elias George de Beer, Price Controller, do hereby prescribe in terms of section 4 of the Price Control Act, 1964 (Act 25 of 1964), with effect from 6 July 1979, as follows:

1. When any type of burnt clay brick specified in column 1 of the Schedule hereto is manufactured within the area specified in column 4 of the said Schedule the maximum price at which such bricks may be sold in the area concerned by any person to any other person shall be—

(a) the price specified in column 2 of the said Schedule when such bricks are dispatched by rail or delivery of such bricks is taken at the factory by or on behalf of the purchaser; or

(b) the price specified in column 3 of the said Schedule when such bricks are delivered by road by or on behalf of the seller to any site situated within the area specified in column 4 of the said Schedule and nominated by or on behalf of the purchaser. Provided that an additional amount of R6 per 1 000 stock bricks or fair face bricks may be added to the price specified in column 3 of the said Schedule, if such bricks are unloaded and packed by hand on the site of delivery, after the buyer and the seller have agreed thereto.

6564—1

2. Vir die toepassing van hierdie kennisgewing, tensy die samehang anders aandui, beteken—

(a) "pleisterstene" gewone, pleister- of agterwerkstene wat normaalweg as sodanig in die boubedryf beskryf en gebruik word;

(b) "skoonvlakbakstene" uitgesoekte pleisterstene met een gladde kant en wat ongepleister en sonder beraping in mure gebruik kan word maar sluit nie spesiale bakstene in wat vervaardig word om aan die vereistes van enige bepaalde koper te voldoen nie;

(c) "sierstene" bakstene wat op so 'n wyse vervaardig is om 'n definitiewe gladde of 'n rowwe voorkant of tekstuur te hê en wat sonder beraping en ongepleister in enige muur gebruik kan word maar sluit nie spesiale bakstene in wat vervaardig word om aan die vereistes van enige bepaalde koper te voldoen nie.

3. Die bepalinge van Goewermentskennisgewing R. 3935 van 12 Desember 1969 in verband met die maksimum pryse van gebrande kleibakstene is nie van toepassing op gebrande kleibakstene waarvan die maksimum pryse ingevolge hiervan vasgestel word nie.

4. Goewermentskennisgewing R. 180 van 2 Februarie 1979 word hierby ingetrek.

E. G. DE BEER, Pryscontroleur.

2. For the purposes of this notice unless the context otherwise requires—

(a) "stock bricks" mean common, plaster or backing bricks usually described and used as such in the building trade;

(b) "fair face bricks" means selected stock bricks which have one side smooth and which can be used in walls unplastered and unrendered, but shall not include special bricks which are manufactured to conform to the requirements of any specific purchaser;

(c) "face bricks" means bricks which have been so manufactured as to have a definite smooth or rough face or texture and which can be used unrendered and unplastered in any wall, but shall not include special bricks which are manufactured to conform to the requirements of any specific purchaser.

3. The provisions of Government Notice R. 3935 of 12 December 1969 pertaining to the maximum prices of burnt clay bricks shall not apply in respect of burnt clay bricks the maximum price of which are fixed in terms hereof.

4 Government Notice R. 180 of 2 February 1979 is hereby withdrawn.

E. G. DE BEER, Price Controller.

BYLAE

| Kolom 1  | Kolom 2        | Kolom 3        | Kolom 4  |
|--|----------------|----------------|--|
| Soort gebrande kleibakstene  | Prys per 1 000 | Prys per 1 000 | Gebied   |
|  | R              | R              | 'n Gebied bestaande uit die landdrosdistrikte Pretoria, Brits, Krugersdorp, Randfontein, Randburg, Roodepoort, Johannesburg, Westonaria, Vanderbijlpark, Vereeniging, Sasolburg, Heidelberg, Alberton, Boksburg, Brakpan, Nigel, Springs, Germiston, Benoni, Delmas, Kempton Park, Bronkhorstspuit, Witbank en Cullinan. |
| Pleisterstene ..   | 37,90          | 50,50          |  |
| Schoonvlakbakstene   | 43,65          | 56,25          |  |
| Sierstene  |                |                |  |
| Spesiale kleure 1  |                |                |  |
| Spesiale teksture 2  | 98,90          | 119,60         |  |
| Ander teksture 3   | 92,15          | 112,85         |  |
| Ander kleure:  |                |                |  |
| Spesiale teksture....  | 92,15          | 112,85         |  |
| Ander teksture .....   | 85,40          | 106,10         |  |
| Doelgemaakte sierstene:  |                |                |  |
| Rotswand, Enkel Rondeneus, Dubbel Rondeneus, Ping en Vensterbakstene | 107,15         | 127,85         |  |
| Ekonomiese sierstene.  |                |                |  |
| Bestrykte. ....  | 76,15          | 96,85          |  |
| Terracotta. ....   | 70,65          | 91,35          |  |
| Utiliteitsstene:   |                |                |  |
| Uitgesoekte  | 70,65          | 91,35          |  |
| Onuitgesoekte . . . . .  | 59,15          | 79,85          |  |
| Spesiale produkte:   |                |                |  |
| Drumpelstene...  | 141,90         | 162,60         |  |
| Lugstene   | 330,90         | 351,60         |  |
| Longars  | 129,90         | 150,60         |  |
| Plavei- en vloerstene:   |                |                |  |
| 45 mm solied ....  | 72,40          | 93,10          |  |
| 51 mm solied   | 84,65          | 105,35         |  |
| 73 mm solied   | 96,90          | 117,60         |  |

1. Spesiale kleure is blou, pruim, ystervlek, gevlekte hout mengsel en sjokolade

2. Spesiale teksture is glad, travertyn, suede, korinties en stippel

3. Ander teksture is rustiek, eikebas, dennebas en lepeldruk

Nota.—Pryse nie hierin genoteer nie is onderworpe aan onderhandelinge met vervaardiger.

## SCHEDULE

| Column 1                              | Column 2        | Column 3        | Column 4  |
|---------------------------------------|-----------------|-----------------|---|
| Type of burnt clay brick              | Price per 1 000 | Price per 1 000 | Area  |
| Stock bricks . . . .                  | R 37,90         | R 50,50         | An area comprising the Magisterial Districts of Pretoria, Brits, Krugersdorp, Randburg, Randfontein, Roodepoort, Johannesburg, Westonaria, Vanderbijlpark, Vereeniging, Sasolburg, Heidelberg, Alberton, Boksburg, Brakpan, Nigel, Springs, Germiston, Benoni, Delmas, Kempton Park, Bronkhorstspuit, Witbank and Cullinan. |
| Fair face bricks                      | 43,65           | 56,25           |   |
| Face bricks:                          |                 |                 |   |
| Special colours 1                     |                 |                 |   |
| Special textures 2                    | 98,90           | 119,60          |   |
| Other textures 3                      | 92,15           | 112,85          |   |
| Other colours.                        |                 |                 |   |
| Special textures ..                   | 92,15           | 112,85          |   |
| Other textures.                       | 85,40           | 106,10          |   |
| Purpose made face bricks              |                 |                 |   |
| Rockface, SBN, DBN, Plinths and Sills | 107,15          | 127,85          |   |
| Economic face bricks                  |                 |                 |   |
| Coated . . . .                        | 76,15           | 96,85           |   |
| Terracotta face bricks...             | 70,65           | 91,35           |   |
| Utility bricks:                       |                 |                 |   |
| Selected .. . . .                     | 70,65           | 91,35           |   |
| Unselected...                         | 59,15           | 79,85           |   |
| Special products:                     |                 |                 |   |
| Step bricks . . . .                   | 141,90          | 162,60          |   |
| Air bricks. . . . .                   | 330,90          | 351,60          |   |
| Longars. . . . .                      | 129,90          | 150,60          |   |
| Pavers and floor bricks.              |                 |                 |   |
| 45 mm solid . . . . .                 | 72,40           | 93,10           |   |
| 51 mm solid . . . . .                 | 84,65           | 105,35          |   |
| 73 mm solid . . . . .                 | 96,90           | 117,60          |   |

1. Special colours are blue, plum, ironspot, brindle, forest blend and chocolate

2. Special textures are smooth, travertine, sandface, corinthian and stipple

3. Other textures are rustic, oakbark, pinebark and spooncut

Note —Prices not listed herein are subject to negotiation with the manufacturers

## DIE BLOMPLANTE VAN AFRIKA

Hierdie publikasie word uitgegee as 'n geïllustreerde reeks, baie na die aard van Curtis se "Botanical Magazine" Die doel van die werk is om die skoonheid en variasie van vorm van die flora van Afrika aan die leser bekend te stel, om belangstelling in die studie en kweek van die inheemse plante op te wek, en om plantkunde in die algemeen te bevorder

Die meeste van die illustrasies word deur kunstenaars van die Navorsingsinstituut vir Plantkunde gemaak, dog die redakteur verwelkom geskikte bydraes van 'n wetenskaplike en kunststandaard afkomstig van verwante inrigtings

Onder huidige omstandighede word twee dele van die werk gelyktydig gepubliseer, maar met onreëlmatige tussenpose, elke deel bevat tien kleurplate Intekengeld bedra R5 per deel (buitelands R5,25 per deel). Vier dele per band Vanaf band 27 is die prys per band in linne gebind R30, in moroccoleer gebind R35 (Buitelands, linne gebind R31, moroccoleer R36)

Verkrygbaar van die Direkteur, Afdeling Landbouinligting, Privaatsak X144, Pretoria

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## THE FLOWERING PLANTS OF AFRICA

This publication is issued as an illustrated serial, much on the same lines as Curtis's Botanical Magazine, and for imitating which no apology need be tendered

The desire and object of the promoters of the publication will be achieved if it stimulates further interest in the study and cultivation of our indigenous plants

The illustrations are prepared mainly by the artists at the Botanical Research Institute, but the Editor welcomes contributions of suitable artistic and scientific merit from kindred institutions.

Each part contains 10 plates and costs R5 per part (other countries R5,25 per part) Two, three or four parts may be published annually, depending on the availability of illustrations A volume consists of four parts From Volume 27, the price per volume is. Cloth binding, R30, morocco binding, R35 (other countries, cloth binding R31, morocco binding R36).

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## INHOUD

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DEPARTEMENT VAN HANDELS EN  
VERBRUIKERSAFK

No R 1551

13 Julie 1979

WET OP PRYSBEHEER, 1964

MAKSIMUM PRYSE VAN KOELDRANK IN  
TERUGSTUURBARE BOTTLES

Ek, Fhas George de Beer, Prys-kontroleur wysig hier-  
by ingevolge artikels 4 en 5 van die Wet op Prysbeheer,  
1964 (Wet 25 van 1964), Goewernementslennisering  
R 328 van 23 Februarie 1979 deur die Tweede Bylae  
daarvan deur die volgende te vervang

TWEEFDE BYLAF

- 1 (a) Per bottel met inhoud van minder as 750 ml  
10c
- (b) Per bottel met inhoud van 750 ml en meer 20c
- 2 (a) Per halwe diepte kas R1,50
- (b) Per vol diepte kas R3

E. G DE BEER, Prys-kontroleur.

DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS

245

No R 1551

13 July 1979

PRICE CONTROL ACT 1964

MAXIMUM PRICES OF SOFT DRINKS IN  
RETURNABLE BOTTLES

I, Fhas George de Beer, Price Controller do hereby  
in terms of sections 4 and 5 of the Price Control Act  
1964 (Act 25 of 1964) amend Government Notice  
R 328 of 23 February 1979 by substituting the follow-  
ing for the Second Schedule thereof

"SECOND SCHEDULE"

- 1 (a) Per bottle with a content of less than 750 ml  
10c
- (b) Per bottle with a content of 750 ml and more  
20c
- 2 (a) Per half depth case R1,50
- (b) Per full depth case R3"

E. G DE BEER, Price Controller

666577

KENNISGEWING 555 VAN 1979  
DEPARTMENT VAN NYWERHEIDSWESE  
ONDERSOEK NA MONOPOLISTIESE TOE-  
STANDE IN DIE PLUIMVEEBEDRYF

Die Minister van Nywerheidswese en van Handel en Verbruikersake het kragtens die bepaling van artikel 3 (1) (a) van die Wet op Reëling van Monopolistiese Toestande, 1955 (Wet 24 van 1955), die Raad van Handel en Nywerheid opdrag gegee om ondersoek in te stel na en verslag te doen oor die pluimveebedryf, met inbegrip van die verskaffing van pluimveevoer aan die bedryf en die bemerking van die bedryf se produkte

245  
NOTICE 555 OF 1979  
DEPARTMENT OF INDUSTRIES  
INQUIRY INTO MONOPOLISTIC CONDITIO  
IN THE POULTRY INDUSTRY

The Minister of Industries and of Commerce Consumer Affairs has, under the provisions of 3 (1) (a) of the Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955), directed the Registrar of Trade and Industries to investigate and report on the poultry industry, including the supply of poultry to the industry and the marketing of the industry's products

666595 20/7/79

Nkope has occasional fluting and bevelling of the eastern stream, but as this feature is not as pronounced as in the western stream and it would seem that Nkope probably has a linear continuum with Urewe as the latest group. The linear continuum is derived from pottery analysis which is related through a common ancestor (Silver Leaves) carried out over both possible reconstructions.

Phillipson (1975, 1977) has suggested a linear continuum with Urewe as the latest group. The linear continuum is derived from pottery analysis which is related through a common ancestor (Silver Leaves) carried out over both possible reconstructions.

Simulation 1. Urewe → Lelesu  
Simulation 2. Kwale → Silver Leaves

#### RESULTS

Simulation 1. The discontinuous spread expansion than the wave of advance model per year were generated by the wave were an order of magnitude lower than model (Table 2). The rate of spread spread model was similar to the rate (Table 3). Different input populations the wave of advance model (Table 4) expansion rates for the discontinuous in the rates of spread within a culture resulted from high populations inputs. Only a relatively small area was colonized the time taken to reach the critical produced fast rates of expansion.

Simulation 2. The rates of advance for the same as in simulation 1. This wave expansion rates derived from the discontinuous differences were found in the overall Kwale to Silver Leaves expansion being Urewe to Silver Leaves (Table 2).

frequency of inter-settlement contact would have increased and with it the probability of friction would have grown. The level of stress would have increased until fission occurred when groups would have moved away, settled and formed the nuclei of new cultures. Each of these nuclei could have acted in turn as a centre for fission and further expansion.

In this model, as was the case for the continuous spread model, carrying capacity has been defined as psychological tolerance and the problem of limiting resources remains.

A flow diagram and computer simulation of the discontinuous spread model were prepared (Fig. 3; Appendix 1).

#### DATA

Quantitative data. The rates of population growth used in the simulations were two, three and a half, and four per cent per annum. The values were similar to those quoted by Birdsell (1957) for human groups colonising un-inhabited areas. Four values for carrying capacity were used: one, five, ten and fifteen people per square kilometer. A value of five people per square kilometer has been used as the carrying capacity for simulations on subsistence agriculturalists (Ammerman and Cavalli-Sforza, 1973). The values coincide with low population known from African ethnography (Tew, 1950), but the possibility remains that the ethnographic values are too high since they may have increased as a result of European medical attention.

Both models were simulated with three different, arbitrarily chosen, input populations: 100, 500, and 1000 people. In the simulations space was conceptualised as a series of concentric circles. The perimeter of each circle was set at 10 km away from the previous circle.

Cultural data. The bevelled/fluted complex corresponds, at least in broad outline, to the eastern stream (Phillipson, 1977). However, there are a number of problems associated with the eastern stream. Nkope has been included in the eastern stream and has been used as a link between Early Iron Age cultures in eastern and southern Africa. Huffman (1978) has shown that some of the cultures included in the eastern stream, notably the Transvaal group, do not have a high relationship to either the Nkope-Gokomere axis or to Silver Leaves material and should be excluded from the eastern stream. Similarly,

Mortality rates greater than 5/1 000 appear in italics in Table I. For all of these major causes of mortality, the Asian and 'coloured' mortality rates exceed those of the whites.

However, in this context, what requires emphasis is that by using the major disease classification a certain amount of detail is lost. For example, despite the fact that the overall rates for diseases of the circulatory system are comparable for whites, Asians and 'coloureds', within this broad category the mortality rates for specific diseases vary markedly. Table II provides the proportional contribution of the major circulatory diseases for the whites, Asians, 'coloureds' and 'whites'.

### BUY SA CAMPAIGN

#### A new look

246  
pm 10/8/77

The Consumer Council's Buy South African campaign which nearly died recently at the age of three, is being resuscitated. With more funds available, the Council thinks the renewed effort has a better chance of getting off the ground than the last.

According to Chris du Plessis, who was appointed executive secretary of the Buy South African campaign in February last year, the committee plans to spend R150 000 in the year to March 1980 compared with R100 000 in 1978. Next year's budget will be much bigger, including advertising on TV and in newspapers. Du Plessis will not disclose the amount since it has not yet been approved by the Department of Industries, which is providing the funds for the campaign.

As part of the new drive, the committee has adopted a new emblem. Consol Glass is already displaying the emblem on a range of toughened tumblers. The new logo has been registered as a trade mark, putting a stop to the possibility of displaying it on imported goods, as happened occasionally with the previous import replacement emblem.

So far the campaign has been directed at producers only. Du Plessis argues there is no use asking consumers to buy SA goods before the emblem appears to identify them. Manufacturers' response has been good - since the unveiling of the new logo five weeks ago there have been more than one hundred applications to use it from among others, GEC Equipment, Consol Glass, Dowson & Dobson and the Frame Group.

Consol's marketing manager, Rod Fehrsen describes the campaign as "clean and neat". It complements the firm's drive to replace imports of toughened glassware. Dowson & Dobson's PRO, Ivan Phillips says "the campaign can only do good for our product and SA".

Towards the end of next month the committee will start wooing consumers by advertising in retail outlets for a month. According to Du Plessis, "we want to convey the message that buying SA is an assurance against unemployment".

If the drive is successful, Du Plessis reckons SA could save as much as R1 000m a year in foreign exchange. It will not be easy since the Buy SA committee will have to break down a tendency among many buyers, particularly those in the industry, to stick with traditional overseas suppliers.

Within the category of Infectious Diseases are the most interesting since an interesting young and circulatory with a high incidence is the relatively particularly in the n of the proportion of the urban areas. mediate between s, on the other. l. Table I

However, what is of interest is the ratios of the expectations of life for the three communities. At birth, the white:Asian:'coloured' ratios are 1:0,91:0,76 for males and 1:0,88:0,77 for females; at the age of 45 these are 1:0,91:0,86 for males and 1:0,79:0,85 for females.

The 'coloureds' are less disadvantaged at e45 as compared to e0 for both males and females, a difference which is largely attributable to the high infant mortality rate in this community. It is also noteworthy that Asian females have the worst expectation of life at age 45 of the three communities, which is in marked distinction from both males and females at e0 and males at e45. The fact that for the 65+ age group, Asian women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig. 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig. 5. The whites show a typical 'developed' country spectrum of mortality with Infectious and Parasitic Diseases being of minor importance (2,0%) and Neoplasms (15,6%) and Diseases of the Circulatory system (50,5%) being of major importance. For urban Africans and 'coloureds', Infectious and Parasitic Diseases make an important contribution to the overall mortality (19,5% and 23,5% respectively), with diseases of the respiratory system and certain causes of perinatal mortality also being of importance.

Specific mortality rates for defined age groups by sex, in the white, Asian and 'coloured' communities. If the mortality rates (Table I) are compared with the proportional mortalities for the seventeen major disease categories (Fig. 5), it will be noted that despite the relatively minor proportional contribution made by circulatory diseases in the 'coloured' community, the actual rates for these diseases are higher than those of the whites. The reason for this apparent inconsistency is that the mortality rates for Infectious and Parasitic Diseases are so high that they effectively swamp the proportional mortality of the Circulatory Diseases in the 'coloured' community. In the white community, the mortality rates for most causes of death are so low, the importance of the Circulatory diseases become disproportionately exaggerated.

# A sad miller's tale is told about maize

THE present battle in the egg industry over prices and controls, spotlights undermining defects endemic in the fabric of South Africa's agricultural system — and beyond to central controls of industry.

The ramifications of a partly centrally controlled economy — principally in the agricultural sector — prompt a wide range of charges, including:

- For consumers (particularly the poor), food prices spiralling faster than inflation as a whole.
- For taxpayers, the burden of agricultural product subsidies
- For vested industrial interests, the abuse of protectionism and monopolistic tendencies
- The creation of shortages and surpluses with exporting at losses to prop up domestic prices.
- Practices such as raising prices on falling demand which defy the market mechanism
- Inefficient farming encouraged by Government meddling.

The success of the central purpose of most controls — to stabilise strategic industries and their markets — can be partly judged from the proliferation of inquiries referred to the Board of Trade and Industries (BOT) and other investigative commissions.

Two current investigations by the BOT into monopolistic conditions in the fertiliser and poultry industries could be considered an example of how the failure of controls in one industry ultimately feeds instability in another

Standing in the middle of these two industries is maize — probably the single most important agricultural product in the country

Its price has a direct impact on the price of the staple food of the majority of the population

Over the past 10 years, 52% of domestic consumption has been in the form of food

Maize is also a prime ingredient in animal feeds, accounting for 45% of domestic consumption over the past 10 years. It directly affects the price of especially eggs and chicken as well as meat and dairy products.

In the past five years its price has doubled. And maize farmers claim they are still being underpaid

A study last year showed maize farmers got 35% of the consumer price against 63% for dairy farmers and 50% in the case of meat production.

Whereas the farmers' price is controlled, the millers' is not.

The maize producer price has been set this year at R100/t — up a staggering 25% on last year — and it has been estimated (there are no official national statistics) that this works up to R236/t at retail

It is perhaps significant that the BOT poultry in-

# Egg on face of farming policies

By DONALD ANDREW

quiry includes possible monopolistic conditions in the supply of poultry feeds

Three milling companies, all big egg producers as well, are set to dominate the feed market by a substantial percentage

Depending on the maize component percentage, maize price rises are similarly reflected in the price hikes of animal feeds

In egg production an average 70% of cost is on feed. Of this, 68% goes on maize

But as the egg price, for example, goes up with maize, so maize farming is greatly affected by other price controlled commodities

Roughly 70% of maize production costs arise from mechanisation and fertiliser

This 70% is made up by 40% directly controlled inputs (30% fertiliser and 10% fuel) and 30% machinery, including vehicles such as tractors, which is highly sensitive to the controlled steel price

On fuel price controls suffice it to quote one calculation which puts agricultural diesel prices at 145% up on the beginning of last year.

The link between fertiliser and maize price rises is perhaps more revealing. Over the past five-year period, maize has followed fertiliser in both roughly doubling in price

Though there is a maximum price only on fertiliser, competition has been reduced by rationalisation, leaving the market to very few big manufacturers.

The farmer hardly knows price cutting on fertiliser, yet the industry is protected with bans on imports.

While the fertiliser industry may need import protection in order to firmly establish self-sufficiency in this material "strategic" to food production, it has been referred to the BOT twice since 1975

The first inquiry reported in 1977 on a market sharing agreement between manufacturers and restrictions on competition and entry into the industry

In the BOT's opinion, fertiliser manufacturers had created monopolistic conditions in the industry and it was again directed to investigate whether this suspected monopoly was against the public interest.

Obviously there is no easy solution to the dilemma of the desirability for strategic self-sufficiency on one hand and, on the other, the multitude of adverse (self-defeating?) side effects spawned by it

That the fortuitous success of Sasol has been crowned by involving private capital may point to the general direction out of the double bind.

Perhaps the place in agriculture to continue the Prime Minister's policy of handing the economy back to private enterprise is where the market mechanism, and free competition, have as good a chance of creating stability of supply and fairness as have the plethora of dubious controls

nde Wêreldkongres van Sosiologie, Uppsala, Swede Verhandelings voorgeselê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosiologiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

A. Mobiliteit... n Onderzoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem n Aantal tydelike navorsings-

# Shock as price index goes wild

21/8/79

246

Mercury Correspondent

PRETORIA — The consumer price index rose by a staggering 3,6 percent in July — one of the biggest leaps on record — under the impact of the huge fuel price increase in June.

## Threat of soaring medical fees

Mercury Correspondent

JOHANNESBURG — Medical costs in South Africa could escalate if the South African Medical and Dental Council allows an increase in tariffs at a meeting next week.

A special tariff committee will present recommendations to the council at a meeting in Johannesburg on Monday and reliable sources say there is every likelihood that tariffs for doctors contracted in the Medical Schemes Act will increase

Yesterday a spokesman from the Medical Association said: "Presumably the tariffs will increase as they have been static for five

years." He said if there was a substantial increase it could result in a massive comeback of doctors who had contracted out

A spokesman for the Medical and Dental Council last night refused to comment on the possibility of an increase

South Africans are still recovering from the 80 percent increase in dispensing fees for pharmacists

And leading economists forecast that unless drastic steps were taken to contain price increases the inflation rate could reach 17 percent by the year's end

They emphasised the July index reflected only the initial impact of the fuel price hike. The secondary impact could be just as serious

The shock feature of the latest index, they said, was that the 2,8 percent added to the index when the general sales tax was imposed in June last year had fallen away, and was no longer part of the index's calculation

For the 13 months to the end of July the inflation rate was 12,8 percent which, because of the falling away of the GST influence, was lower than the 13,5 percent for the 12 months to the end of June

### Index rose

During July the index for the lower income group rose by 2,9 percent, for the middle income group by 3,6 percent and for the higher income group by 3,8 percent

The food-only index also shot up in July by 2,8 percent giving a total for the 12 months of 15,1 percent

The senior economist of the Economic Research Bureau at the University of Stellenbosch, Mr F W Killian, warned that the fuel price hike ripples would continue to exert a big influence on prices for the rest of the year.

He emphasised the danger of an escalation in the index's rate of in-

There were other increases in the pipeline, too, which had not fully worked their way through to the consumer, including maize, coal and power-rises

### Not surprising

It would not be surprising, if no action were taken, if the inflation rate exceeded 15 percent by the end of December, he added.

The chief economist of Barclays Bank, Dr. Johan Cloete, said it had been forecast in some quarters that when the GST influence on the index fell away that the inflation level would drop to below 11 percent

The 3,6 percent rise in July and the 12,9 percent for the 12 months had, therefore, come as a shock. There would be a secondary impact from the fuel price rise, and the inflation rate at the end of the year would now exceed 15 percent

KENNISGEWING 698 VAN 1978

DEPARTEMENT VAN NYWERHEIDSWESE

ONDERSOEK NA MOONTLIKE MONOPOLISTIESE TOESTANDE BY DIF VERSKAFING EN DISTRIBUSIE VAN SANITÊRE WARE EN HARDEWARE AAN DIE BOUBEDRYF

Hierby word bekendgemaak dat die Minister van Ekonomiese Sake kragtens die bepalinge van artikel 3 (1) (a) van die Wet op Reëling van Monopolistiese Toestande, 1955 (Wet 24 van 1955), die Raad van Handel en Nywerheid opdrag gegee het om ondersoek in te stel na en verslag te doen oor die verskaffing en distribusie van sanitêre ware en hardeware aan die boubedryf in die Republiek van Suid-Afrika.

Die Raad maak hierby vir algemene inligting bekend dat hy ondersoek gaan instel na die moontlike bestaan van monopolistiese toestande by die verskaffing en distribusie van sanitêre ware en hardeware aan die boubedryf in die Republiek van Suid-Afrika.

Die reëling tussen die Raad van Handel en Nywerheid en die Federation of South African Sanitaryware and Hardware Merchants' Associations, kragtens artikel 3 (3) van die Wet op Reëling van Monopolistiese Toestande, 1955 (Wet 24 van 1955) en bekendgemaak in Goewermentskennisgewing R 763, gepubliseer in die *Staatskoerant* van 29 September 1961, sal in die tussentyd van krag bly.

Belanghebbendes word versoek om binne 'n tydperk van agt (8) weke na datum van publikasie van hierdie kennisgewing vertoe in hierdie verband tot die Raad van Handel en Nywerheid, Privaatsak X342, Pretoria, 0001, te rig (RHN-verw. T6/2/15.)

(25 Augustus 1978)

25/8/78 NOTICE 698 OF 1978 (245)  
DEPARTMENT OF INDUSTRIES

INQUIRY INTO POSSIBLE MONOPOLISTIC CONDITIONS IN THE SUPPLY AND DISTRIBUTION OF SANITARYWARE AND HARDWARE TO THE BUILDING INDUSTRY

It is hereby notified that the Minister of Economic Affairs has, under the provisions of section 3 (1) (a) of the Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955), directed the Board of Trade and Industries to investigate and report on the supply and distribution of sanitaryware and hardware to the building industry in the Republic of South Africa.

The Board hereby makes known for general information that it proposes to undertake an investigation into the possible existence of monopolistic conditions in the supply and distribution of sanitaryware and hardware to the building industry in the Republic of South Africa.

The arrangement between the Board of Trade and Industries and the Federation of South African Sanitaryware and Hardware Merchants' Associations, in terms of section 3 (3) of the Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955), and published under Government Notice R 763 in the *Gazette* of 29 September 1961, will remain in force in the interim.

Interested parties are invited to make representations in this regard to the Board of Trade and Industries, Private Bag X342, Pretoria, 0001, within a period of eight (8) weeks of the date of publication of this notice. (BTI Ref. T6/2/15.)

(25 August 1978)

HONEY CAKE

Jan

- 1 cup flour
- 4 t baking powder
- 2 T butter
- 1 egg
- 1/2 cup sugar
- 1/4 t salt
- 1/2 cup milk
- 3 T honey
- 1 1/2 T butter

246 pm 7/21/79

**HIRE PURCHASE**  
**Miss a month**

Judging by the remarkable growth in consumer hire purchase business, not many individuals need much persuading when it comes to borrowing money. Nonetheless, banks involved in this market seem to be falling over themselves in the race to attract new customers.

Latest gimmick is Stannic's new 'Miss-

Financial Mail September 7 1979

- 4 t baking powder
- 1/2 T flour
- 1/4 grated lemon (skin & lemon)

Beat yolks with sugar until creamy, then add nuts, flour, baking powder and lemon. Fold in stiffly-beaten egg-whites. Bake at 350°F for 1/2 hour. Serve with whipped cream.

1 2 tablespoons  
add to milk and  
bake in  
approximately 20

and pour  
with whipped  
Margaret

if it is too thick. Chill in a large bowl. Before serving pour on sour cream and sprinkle with chopped chives.

BEAN SOUP (Serves 8)

Cat

- 1 pkt sugar beans
- 1 slice beef shin or soupmeat
- 1 Kessler rib or bacon bones

"a-month" scheme Essentially, this enables the bank's clients to stipulate, at the time the hp contract is written, exactly which month's instalment they wish to "miss" during each 12-month cycle. Missing, in this context, simply means that a client can anticipate when his/her cash flow is likely to be most heavily strained, that particular month's instalment is then spread out over the duration of the contract.

In practice, this merely means the customer will have to foot a precisely proportionately higher hp bill for 11 months of each year.

Following its 0,5% reduction last week in the rate on home improvements lending, now 13,5%, Stannic says it is to chop 0,5% (flat) off hp rates on new business for all Standard Bank clients. If they haven't already cut their rates, the bank's competitors are likely to follow suit within the next week or so. After all, in the long run lower rates are more important than missing months.

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heat and soak  
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ire tender. Cool.  
ée remaining  
ut a few reserved  
inkle with Worcester  
h with cream and

PRESERVED BRINJALS

Sue J

- brinjals
- white vinegar
- olive oil
- garlic
- fresh marjoram

Peel brinjals and cut into Julienne strips. Put into enamelled pot and cover with white vinegar and bring to the boil. Cook for as short a time as

ONDERSOEK NA MOONTLIKE MONOPOLISTIESE TOESTANDE BY DIE VERKOOP VAN PETROLEUMPRODUKTE AAN LEDE VAN SAMBA (KOOPERATIEF) BEPERK IN BLOEMFONTEIN

Hierby word bekendgemaak dat die Minister van Ekonomiese Sake kragtens die bepalinge van artikel 3 (1) (a) van die Wet op Reeling van Monopolistiese Toestande 1955 (Wet 24 van 1955) die Raad van Handel en Nywerheid opdrag gegee het om ondersoek in te stel na en verslag te doen oor die reelings en voorwaardes waarvolgens petroleumprodukte aan lede van SAMBA (Kooperatief) Beperk deur verspreidingspunte in Bloemfontein verkoop word.

G 6148  
8/9/78

INQUIRY INTO POSSIBLE MONOPOLISTIC CONDITIONS IN THE SALE OF PETROLEUM PRODUCTS TO MEMBERS OF SAMBA (CO-OPERATIVE) LIMITED IN BLOEMFONTEIN

It is hereby notified that the Minister of Economic Affairs has under the provisions of section 3 (1) (a) of the Regulation of Monopolistic Conditions Act, 1955 (Act 24 of 1955) directed the Board of Trade and Industries to investigate and report on the arrangements for the sale of petroleum products and the conditions of such sale to members of SAMBA (Co-operative) Limited by distribution points in Bloemfontein.

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ere is a danger that these elements in the res-

Die Raad maak hierby vir algemene inligting bekend dat hy ondersoek gaan instel na die moontlike bestaan van monopolistiese toestande wat betref die reelings en voorwaardes waarvolgens petroleumprodukte aan lede van SAMBA (Kooperatief) Beperk deur verspreidingspunte in Bloemfontein verkoop word.

Belanghebbendes word versoek om binne 'n tydperk van drie (3) weke na die datum van publikasie van hierdie kennisgewing vertoe in hierdie verband te stig tot die Raad van Handel en Nywerheid, Privaatsak X342, Pretoria, 0001 (RHN-verw T6/2/5)

(8 September 1978)

The Board hereby makes known for general information that it is about to undertake an investigation into the possible existence of monopolistic conditions in the arrangements and conditions of sale of petroleum products to members of SAMBA (Co-operative) Limited by distribution points in Bloemfontein.

Interested parties are invited to make representations in this regard to the Board of Trade and Industries, Private Bag X342, Pretoria, 0001, within a period of three (3) weeks of the date of publication of this notice (BTI Ref T6/2/5)

(8 September 1978)

9.

The reason N.M. gives is that they were not paying her enough. This is obviously true, they paid R14 a month whereas it would have cost at least R30. They say, however, that had she asked for more, they would have paid and she admits that she never did ask for more.

The timing of the July 1977 break seems significant in relation to the fact that production was increasing at that time and yet the marketing contract at the hospital was static at 12 gallons. In early 1977, N.M. mentioned that it was difficult to fill the quota. Later in the year, however, she mentioned that since they had started to feed their cows turnips from their fodder plot, the milk supply had increased substantially. I have estimated that in summer the amount produced by the three people whose milk is now transported by N.M. is just more than 12 and a half gallons a day which fits the quota well. All the milk produced by the other members would be in excess of the quota. (Note that three members 12 gallons a day whereas the other eight or so who normally contributed on produced 7 gallons altogether).

Milk production drops in winter. For the people who have the better cows and/or a larger number, it drops by about half. For people with one or two cows, it may stop altogether or provide only enough for home consumption. Thus, all of the eight peoples' combined milk production would only have added 14 gallons in winter.

It seems that in the summer of '76/'77, the dairy members built up their production to 12 gallons and then beyond it, but in the winter it dropped and there is no way that people with so few and such poor cows as the majority of dairy members will be able to substantially increase their winter production.

From N.M.'s point of view, the very small benefit the co-op members provide towards reaching the quota in winter was cancelled out by the problems of selling the extra milk in summer. (At the moment, a friend of N.M.'s, also a director of the Umhlaba Trading Company, makes up the quota in winter).

Before the co-operative was established, no individual was producing enough to secure a stable market. It seems that the co-operative has been used to N.M. in slowly building up production so that first a village market could be established, then a town market and now a definite marketing contract.



the cost of raising the necessary funds has to be taken into account. The funds themselves are already justified by comparison with the alternative methods of provision, but there are additional costs involved in raising them: interest on loans, or administrative and incentive costs of raising taxation. These are normally insignificant for any given project, but may affect the overall amounts available for the health budget.

Where the methods of providing a given service use the same kinds of resources in different proportions, the decision-making can be simplified by means of Linear Programming, though health service choices cannot usually be presented in the simplified way required by this method.

## 2. CHOICE OF PROGRAMMES

So far, we have discussed methods of choosing means to obtain a given objective. But what tools are available to aid the choice of objectives themselves? Can anything be said on the question of the priority to be given to particular diseases or age groups, whether to allocate more to child welfare clinics or care of the aged?

Overall criteria are needed, and they have to be expressed in such a way that they can guide these detailed questions. Essentially, the problem is not only to relate resources used to objectives achieved, but to relate the various objectives to each other.

There are various means of doing this; but all of them require that expenditure be accounted for by the ends it is expected to achieve.

### 2.1 Programme Budgeting

Programme budgeting, also known as budgeting by objectives, involves the presentation of expenditure data according to the objectives to which it is directed. Thus, projects to combat TB would be grouped together, geriatric problems, sanitation programmes, etc.

This is necessary:

- (a) to know the cost of pursuing each objective;
- (b) to group together activities with the same objectives which can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount of money when spent on different objectives, so that choices can be formulated in terms of the alternatives we might afford - so many geriatric day care centres, so many child welfare clinics, etc.

Financial statistics are not traditionally arranged on this basis but in categories such as 'salaries', 'transport', 'medicines', etc. A separation, e.g. between expenditure on different disease groups or age groups cannot be made.

The grouping of expenditure programmes is an art-mist in the U.K. Department

"Programme structure by the decisions to tribute... One might a matter of political priorities - one would reside in different the alcoholics; but how particular objective against behavioural be compared to be with a tion ties up with a that of cost-benefit and cost-effect to the main stream of neoclassical w to make a distinction between the ch basket of outputs and the choice of which each output is to be produced. sense, a question of tastes, values a question of techniques".

He adds:

"In practice, it is not an easy matter distinction between technical matter utilities in the health services. question whether to treat schizoph community is a technical one. Wh whatever are the society's require group? But community care origin good thing in itself. The practi the medical and economic arguments politicians and administrators equi but the economist's concern is to

Programme budgeting, then, entails the ing out from the multiplicity of decis the basis of administrative or economic, criteria, and those in which the role of

# Don't be fooled by bread subsidy, warns league

By VITA PALESTRANT  
Consumer Mail

THE Housewives' League has warned consumers not to be misled by the temporary bread subsidy as the wheat price increase is likely to push up other prices soon.

The league said yesterday that the subsidy was only a "palliative" to soften up consumers for further price increases.

In a telegram to the Minister of Agriculture, Mr Hendrik Schoeman, the league slammed last week's wheat price increase of 36%.

Describing it as "unrealistic, ill-timed, ill-advised and unjustified", the league called on the Minister to suspend the increase.

Mrs Yvonne Forshaw, the league's vice-president, said yesterday

"Wheat is used in many products that consumers use as 'bulk filler'. As a result it is going to affect the poor who depend heavily on meat substitutes."

The attack coincides with a call by the Trade Union Council of South Africa (Tuca) for the Government to either abolish GST on basic foods or introduce

more effective subsidisation. Tuca warned that spiralling food prices would lead to unrest and also called on the Government for an investigation into agricultural marketing boards.

Meanwhile, the Housewives' League is planning an urgent meeting to voice its concern at the wheat price increase. It hopes to rally together leaders from trade unions, commerce, industry and mining.

246 RDM  
13/9/79

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# Housewives bus demand to be met

By GEORGE MAYEKISO

THE Vereeniging branch of the Housewives League has made representations to the Vaal Transport Corporation about domestic workers' bus fares and schedules.

The league's delegation claimed that most of the domestic employees work on a weekly basis from Monday to Friday and use weekly tickets between Sharpeville and Three Rivers but there is only one bus in the afternoons at 3.30 pm.

They said that the weekly ticket holders who knock off after 3.30 pm are forced to pay an extra 14 cents on their return journey home because they have to change buses at the Vereeniging station to get a bus to Sharpeville.

The delegation therefore asked transport manager Mr O Oden of the Vaal Transport Corporation to introduce a 5.30 pm bus between Three Rivers and Sharpeville.

A straight route between these two places is 26c and weekly ticket holders pay R2. Because there is no late afternoon bus many are forced to pay 70c more a week in addition to the R2.

Mr Oden said that the housewives are wrong in saying that there is only one bus in the afternoon. There are others but not at 5.30 pm.

# Suspicion over egg price cut by Nepco

245

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STAR

25/9/79

The National Egg Producers' Co-operative has reduced Transvaal egg prices by 2c a dozen and Cape prices by 8c a dozen — and supermarket and consumer spokesmen fear the move is an attempt to force independent producers out of business.

But Nepco, which dominates the egg industry in South Africa, denies this

"Nepco wants nobody out of business, provided all sections of the industry are prepared to share



responsibility for the present surplus," Mr Johan Kets, general manager of Nepco, said today.

Supermarket executives told The Star that Nepco reduced Transvaal prices of large eggs by 2c a dozen and extra large by 3c a dozen on September 17. They said they had been told that the reduction, which is a discount offer, would last to September 29.

Mr Mike Hawkins, head of the Consumer Council's public relations department, described the latest development as "devious and suspicious."

He said that on September 18, Nepco announced a 5c a dozen reduction in the price, despite having repeatedly claimed that producers were already losing 6,5c on every dozen eggs they produced

"When we questioned its motives, pointing out that the majority of independent egg producers would be forced out of production, Nepco claimed to have been misquoted by the media and said that prices would be cut only in the Western Cape," Mr Hawkins said.

He said Nepco's chairman had warned in June that hundreds of egg producers faced bankruptcy

and "if he wasn't trying to mislead the public, this latest move can only be seen as an effort to give independent producers a forceful push on their way to liquidation."

Mr Kets told The Star last week that Nepco was reducing the prices — in the Western Cape only — by 5c a dozen. He said the surplus situation was particularly serious there. Nepco had also lost some of its market share in the area and was trying to recover it

HIRE PURCHASE

Final 1/17  
216

## Nedkredit takes off

The Nedbank group has finally launched its own fully-fledged hire purchase facility. To be known as Nedkredit, the new service will be administered by Nedfin and will be marketed through all Nedbank and Nedfin branches.

Nedkredit will concentrate on traditional consumer hp goods, including cars, caravans, boats and motorcycles. A bank spokesman confirms that home improvements lending will not be financed by the new hp arm, but will probably be included under the Nedbank credit card expected later this year.

Nedfin claims its Nedkredit service is unique in that it will rely extensively on the "phone-in concept". But, judging by its advertisements — "You can buy a car for four cents" — prospective clients might be forgiven for thinking the minimum 20% deposit on hp car deals has suddenly been scrapped. Or that Nedbank has gone bananas. The 4c obviously refers to the cost of a phone call.

According to Nedbank insiders, the group is less concerned with making inroads into a seemingly endless queue of hp borrowers than with employing the new service as part of its overall marketing

1031

strategy to keep existing clients happy. As one banker confides: "With the gap between disposable income and the cost of living widening all the time, the crunch must come. We don't want to be caught up in this."

Underlining its cautious approach, Nedfin says it is to offer clients a specially written booklet. The title: "Your guide to hire purchase."

245 STAR 27/9/79

# Govt probes 'egg monopoly'

**Fair Deal Staff**  
The Government is investigating a possible monopoly in the poultry industry as consumer bodies accuse the major egg producers of trying to force small producers out of business.

Mr Mike Hawkins of the Consumer Council has

claimed that South Africa's three big milling companies held two confidential meetings to find ways of "stabilising" the egg trade, five months before they initiated Nepco.

Mr Hawkins said today he understood two alternative strategies were dis-

cussed at these meetings. They were

- Starting a price war.
- Using systems of production control to achieve their aims — either by starting a loose marketing arrangement or by forming a body and inviting independent producers to join it.

# Clashes at the big 'Mail' egg summit

BY VITA PALESTRANT  
Consumer Mail

AT AN "egg summit" called by the Rand Daily Mail yesterday, it was alleged the three big milling companies held two confidential meetings to find ways of "stabilising" the egg trade five months before they initiated Nepco.

The allegation was made by Mr Mike Hawkins, of the SA Co-ordinating Consumer Council, during a face-to-face meeting of the warring factions in the Great Egg War called by Consumer Mail, the Rand Daily Mail's consumer service.

Present at the "summit" were Mr J Kets, general manager of the National Egg producers Co-operative (Nepco), Mr Collin Jacobson, secretary of the South African Independent Egg Producers (SAIEP), Mr Mike Hawkins of the Consumer Council and Mrs Joy

Hurwitz president of the Housewives' League.

The meeting was held at Nepco's offices. Nepco had attempted to call off the meeting only hours before it was due to begin. The meeting went ahead attended by Mr Kets, who was most cooperative. After the meeting, Mr E Carlsen, chairman of Nepco, telephoned Mr Kets and ordered him to refrain from speaking to the press. Mr Carlsen also asked Consumer Mail not to publish details of the meeting.

Mr Hawkins told the meeting he had information that the confidential meetings — which took place in the first quarter of last year — were arranged to work out strategies to find ways of stabilising the egg trade. He said those who met were the chief executives of the milling companies. He did not name them.

Three alternative strategies were allegedly discussed

- to start a price war — this alternative was dropped as it was considered to be too expensive, costing up to R27-million. It would also offer free entry into the market place and offer no protection from competition
- for the three parties concerned to start a loose cartel
- for them to form a formal cartel and invite independents to join them

The meeting took place approximately five months before the giant milling companies initiated Nepco and stood as guarantors for the co-op. But a milling company representative late yesterday described Mr Hawkins' allegations as "codswallop", saying that the three companies were far too competitive to form such a conspiracy. He refused to be quoted.

Mr Kets said yesterday that when Nepco had been initiated, it had hoped "90% to 100% of all egg producers would join the co-op". Asked to explain Nepco's present price war Mr Kets denied that Nepco's intention was to bring the independents to their knees so that Nepco could get a greater slice of the egg market.

He agreed Nepco that was delivering about 90% of the Egg Board surpluses.

*[Faint, mostly illegible text and markings at the bottom of the page, including what appears to be a list of names and possibly a signature block.]*

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PAST

14/12/1979

might be doing the wrong thing

We also have a Trade Practices Committee — Heaven alone knows what they keep themselves busy with

Both these organisations not only fail to protect the consumer adequately but cost astronomical sums of the taxpayers money

There is a curious concept in official minds viz — if you spend a lot of money on consumer protection then you are protecting the consumer. The same bright spark's thought that if you spend a lot of money on state propaganda then you will have effective propaganda

The Consumer Council, the Trade Practices Committee and the defunct Department of Information stand as colossal monuments to prove the contrary

The spending of taxpayers' money however lavishly and whether the Minister of Finance checks the bills before he authorises them or not does not by itself produce results — other than good copy for Sunday papers

Before you can effectively spend money to protect the consumer there are a few basic steps the authorities need to take

- 1) Acceptance that there are consumers,
- 2) To show or at least pretend to show that they are sympathetic to the plight of those who must feed and clothe their families on money that is worth less and less every month,
- 3) To get rid of civil servants, particularly those senior civil servants who drift from tea-time to tea-time, from pay increase to pay increase and from

sweep under the carpet is that free enterprise while a good enough concept — urgently needs to be cleaned up

That there is disgraceful, shameful, and repugnant exploitation under the guise of free enterprise is indisputable. Yet the Prime Minister was and still is mum. The fact that the exploitation of the poor is prejudicial to the security of South Africa presumably also leaves the present Minister of Police "cold"

The fact that crooked HP deals on furniture and second hand cars is building up a solid legacy of hatred against free enterprise itself is so plain that it loudly shouts at us from the silent smouldering eyes in Soweto, Atteridgeville, Langa and so many other places

I believe that the prime concern of the Prime Minister should not be the creation of a constellation of States but how to get rid of the present constellation of crooks

If what some of our businessmen understand by the term "Free Enterprise", goes on unchecked we may as well be frank and change the country's name to "Rip-off Republic" and have as our flag the time-honoured skull-and-crossbones

For the Prime Minister to include such people in his open invitation to businessmen to get stuck in, sounds almost as if the Government wants to throw the poor and the unsophisticated to the wolves

The overtures to black traders to come in on the act sounds ominous — as if they are saying — "Come in, there's plenty of loot for all of us"

# SIORPING AROUND AROUND PAGING

## 'THE GOVERNMENT IS NOT THERE TO

"ONE of the seemingly innocuous delusions we all appear to suffer from is the idea that a government (whatever government it might be) is put into power for the specific purpose of protecting the defenceless.

And so we turn a blind eye to things that happen under our very noses in the fond belief that if there are wrongs there somewhere within the structure of government a channel exists that will put things right with dedication and enthusiasm.

People who think along such lines are totally unrealistic. The hard fact is that governments all over the world govern by re-action. Most State measures taken for the benefit of a sec-

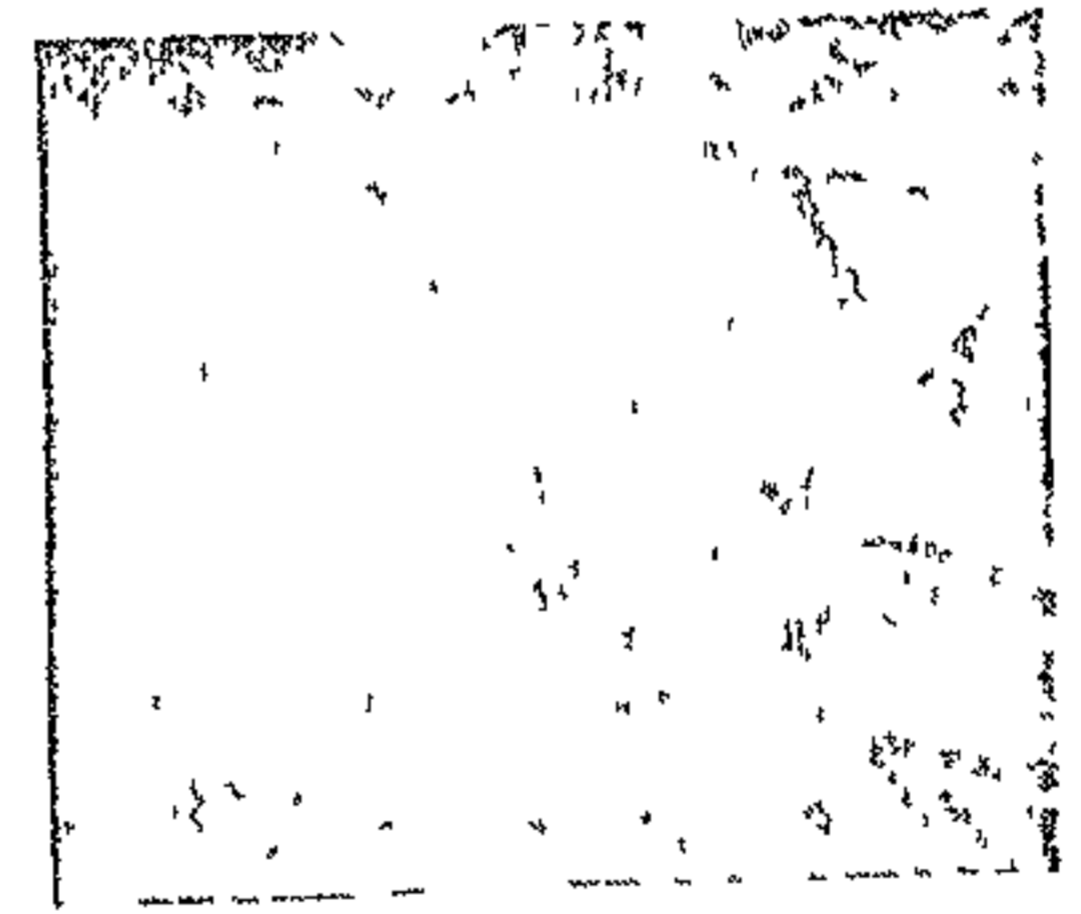
outcry, to embarrassment and to good old fashioned public rows. Commerce has long been aware of this and have over decades concentrated in building up political clout.

Chambers of Commerce for the interests of "die Ergele" and Sakekamers for "die Afrikaners" have organised and mobilised. They represent an immense power base which the Government cannot possibly ignore, neither can consumers.

Furthermore governments are formed by politicians and it is not surprising that political predictions of politicians are carried forward in political predictions of cabinet ministers.

Finally, I wish to assure those who think that civil servants are there to energetically protect the consumer, that the country has modern fa-

Mr Eugene Redise, (left), ambassador for the South African Council of Churches, delivered a paper on "Consumer and the Government in South Africa" at a workshop organised in conjunction with the Consumers Award for Consumer Journalism at the Carlton Hotel recently.



of such mental disorders notably at Stellenbosch and Volkenberg!

Civil servants are in fact primarily in government service to obtain and maintain safe careers. For the foreseeable future serving the needs of commerce will be the safe thing to do.

What I am saying is that the consumer of South Africa — especially the black consumer — is right on his own.

to the conclusion that the Government's attitude towards the consumer to be an explicable item.

The crushing burden borne by the country's white pensioners and the majority of black people, one would think would arouse the authorities into setting some sort of action scheme off the ground. But, as the Chief Minister of the Ciskei, Chief Lennox Seke, so bluntly pointed out "Dealing with the South African Government is like lifting a dead elephant". Dealing with the civil servants is of course worse.

The consumer in this country has been robbed off with all sorts of excuses. We do of course still appear to have a Consumer Council. At least that was the position when last I checked so I am speaking under correction.

When I had them under closer observation it seemed to remind me of a kindly hippo walking on stiletto shoes — ever

social party to create a party, instead of getting stuck into the fight against corruption and the abuses that are turning South Africa into a cracker barrel.

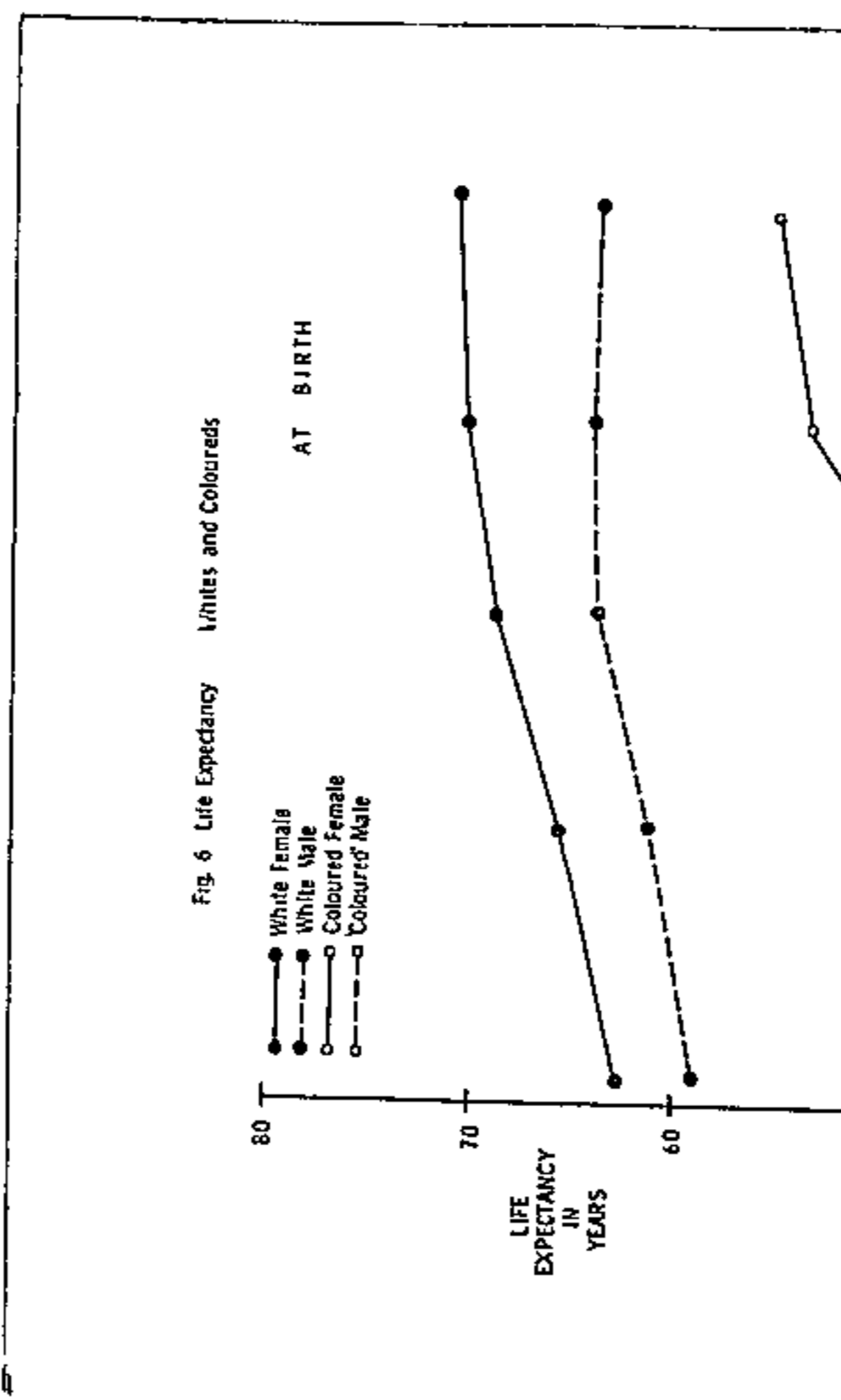
- 4) To turn the Council into a tough no-nonsense unit,
- 5) To restructure the Grand Squad,
- 6) To build the morale of consumers.

The recent cosy get-together of the PPR Minister and his business associates in a private club. One got the impression that the concept of an enterprise was the highest truth and most noble deeds of the day, the Ciskei and I think combined.

The idea seemed to be that all the money was to be done in free enterprise and all would well with the score. It was a relief to see the relations and the fact of South Africa. What rubbish!

There are reports of interference as have known it traditionally are primarily responsible for the economic situation. What we need is what the Prime Minister was ever so careful





of mortality data is of particular importance of certain predominantly infectious (attributed collection of hospital inpatient statistical accounts purposes), no morbidity data is at national level.<sup>14</sup> The limitations of ready been mentioned. However, once these when it is appreciated that mortality data the overall health-disease profile for any of routinely collected statistics of the population provides important indices for surveillance and evaluation of the health

charges, and may occasionally be as high as 25%

On balance, an additional hp concession may not be out of place, small as it is, and the MIF stands a reasonable chance of winning this round, too. But the banks are obviously right to be concerned for their security, especially as the earlier minimum deposit cut might appear to be the thin end of the wedge.

A further proposal by the MIF, that private individuals should be allowed to

**HIRE PURCHASE**  
**Longer repayments?**

246  
From 5/10/74

Proposals by the Motor Industries' Federation to extend the hire purchase repayment period on motor cars are causing some concern in the banking sector. The MIF wants the period lengthened from 36 months to 42 months.

This follows its successful lobbying seven months ago to have the minimum deposit on hp deals reduced to 20%, to help the industry over a difficult sales period.

Stannic MD Ken Gager, in his capacity as vice-president of the Association of General Banks and Finance Houses, this week held discussions on the matter with Price Controller Dougie de Beer, which, he reports were "fruitful".

According to Gager, the banks are not objecting in principle to a longer repayment and support "sound moves" to bring relief to the hard-pressed motor industry. But, adds Gager, these moves must benefit the consumer without harming the interests of the finance industry.

Essentially, bankers fear that this extension will amount to an erosion of their security.

At this deposit level, banks claim, they have little or no direct financial interest in a vehicle after taking dealers' profit margins into account. Bankers are worried that if the repayment period is extended, total finance charges would become unduly high and that the value of the car in relation to the amount still outstanding in payments would be substantially reduced.

To extend credit for 42 months "could be just too risky," they say. And banks claim it is likely they will be forced into a sharper evaluation of applicants' credit-worthiness. However, banks are not forced to extend credit for the maximum period, just as they can demand more than the minimum 20% deposit on a car. However, the market is, at present, particularly competitive.

The increased risk that banks will experience if the payback period is lengthened could also lead to a reduction in the "kickbacks" dealers receive from banks. These commissions currently run at around 17.5% to 20% of total finance

lease motor vehicles, regardless of whether they are able to claim tax relief on rental payments, is also being strongly opposed by the Association.

The banks however see the risk involved in private car leasing as unduly high. No deposit would be required and the bank would hold no equity in the asset being leased.

The FM learns that Controller De Beer does not himself favour any change in existing leasing practice.

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(246) *fm 12/10/79*

**Bad experiences**

Hire purchase lending by banks has shot up by over 40% during the past 12 months. But some hp banks also report a steady climb in bad debts.

Santambank's Roeland Perold, for instance, confirms that his bank's losses on hp lending have increased over the past few months. He estimates that bad debts on Santambank's R100m hp book could rise this year from R1m to R1,25m. Since the nation's hp account runs at almost R2 billion a year, total bad debts could jump by as much as R10m during 1979.

There are two reasons for the sudden upturn in bad debts, reckons Perold. Firstly, consumers' cash resources have been hard hit by the series of petrol price hikes. Secondly, in the rush for new business as car sales took off earlier in the year, the lower cost of money led banks to take on more risky paper.

The lower prices which banks have been receiving for repossessed cars (following the market's shift to smaller vehicles) has prevented banks from recouping large chunks of their losses on bad debts, Perold adds. Consequently, the normal 1% to 2% of turnover that banks make as a provision for bad debts has had to be increased by between 0,25% and 0,5%.

Stannic MD Ken Gager thinks 2% provision for bad debts is "too high," but admits that his losses have risen over the past 18 months. "Salaries and wages of the white population, which make up the bulk of the market, have just not kept up with inflation," he reckons.

Nedfin's Ron Rundle adds that consumer creditworthiness is always difficult to assess, and in times of excess liquidity this problem is accentuated. "The hp banks will have to watch their standards carefully over the next couple of months," he concludes.

Wesbank's Chris Ball, on the other hand, reckons there has been "no worsening" in the bad debts position and the

Si...  
butter until melted. Beat egg and add to milk and  
butter. Mix with dry ingredients and bake in  
battered fairly deep pie dish approximately 20

instance of arrear payments has, in fact, diminished. This, he asserts, is because "our acceptance standards have remained constant over the past 12 months."

One of Ball's banking rivals, however, reckons that, with Wesbank writing in excess of R25m in new hp business every month, "the chickens should already be coming home to roost."

Ball adds that he is not worried by the extended repayment period on motor car hp agreements (see *FM* last week). Ball argues that since the limits laid down are only maximum limits, and as banks are able to vet their lendings, he supports the Motor Industries' Federation in this regard. "We are quite capable of coping with a 42-month repayment period," he avers, "and it will boost both the motor industry and the finance houses. All we need to do is watch our acceptance standards."

Rundle, who is president of the Association of General Banks and Finance Houses, this week reiterated the Association's stance, confirming to the *FM* that he is opposed to longer repayments.

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if it is too thick. Chill in a large bowl. Before serving pour on sour cream and sprinkle with chopped chives.

BEAN SOUP (Serves 8)

Cat

- 1 pkt sugar beans
- 1 slice beef shin or soupmeat
- 1 Kassler rib or bacon bones
- handful soup celery chopped
- 2 bay leaves
- 1 onion studded with 8 cloves
- 2 carrots

pped  
per  
to taste

over with water, bring to boil. nutes. Remove from heat and soak. Bring to boil again, add rest of. Simmer till beans are tender. Cool. and 1 cup beans. Purée remaining per. Heat slowly. Put a few reserved serving bowl. Sprinkle with Worcester with soup. Garnish with cream and n or croûtons.

Financial Mail October 12 1979

NJALS

Sue J

garlic  
fresh marjoram

Peel brinjals and cut into Julienne strips. Put into enamelled pot and cover with white vinegar and bring to the boil. Cook for as short a time as

TRADING F.M 19/10/79  
Pricing probe 245

The Board of Trade is to undertake a broad investigation into "the practice known as price discrimination"

The FM understands Industries Minister Schalk van der Merwe issued a directive to be published in this week's Government Gazette ordering the probe. Seemingly the directive will be much wider than a mere investigation into the practice as it affects food manufacturers. The "general directive" will include all commodities — for example, clothing, textiles, footwear and domestic electrical appliances.

The directive comes as a result of the long feud between certain manufacturers and giant retail chains like Pick 'n Pay, OK Bazaars, Checkers and Dions who are accused of "squeezing manufacturers white" to obtain extra kickbacks said to amount to an annual R35m over and above normal discounts on bulk orders. The alleged abuse of the chains' monopsonistic powers sent aggrieved retail suppliers scuttling to the former Economics Minister Chris Heunis demanding a probe into what they termed unfair, discriminatory trade practices.

Apparently "unfair practices" or abuses are not manifested only in discount prices but also in deliveries and extended credit. Small manufacturers and small retailers are bitter and feel that because they have less clout they are more vulnerable.

The Grocery Manufacturers Association (GMA) representing more than 90% of manufacturers of branded products sold in grocery stores tells the FM the attempt earlier this year to structure a voluntary code on fair and open trading with the retail giants failed completely. "We wanted a code on non-discriminatory trading and trading in the open, in the sense that the market should be aware of the basis of all deals struck between buyer and seller — surely a fundamental requirement for the effective operation of the free market."

GMA director Lawrence McCrystal says "major retailers flatly refused to meet us even half way. We had to revert to the government and admit failure and as a result the government has decided to proceed with the investigation. Our stand is we are opposed to unfair bargaining which demands special terms by major buyers unrelated to the economies attached to the particular order. We're supported by the smaller retailer and most distributors."

Predictably the large chains are outraged by the proposed investigation. Says Pick n Pay chief Raymond Ackerman "The whole thing is overblown by suppliers big and strong enough to fight for themselves. We tried to resolve our differences with members of the GMA without a government enquiry. We're all

busy and an enquiry is the biggest waste of executive time. What some of these manufacturers have is a vested interest to make higher profits at the expense of the customer. It's our avowed duty to fight for the lowest prices. There are no abuses but we are tough negotiators. The Monopolies Act is there to prevent major abuses. In a free enterprise society it is surely my right in the old marketplace to haggle when it comes to buying and selling for the best prices. Anyone can see our books — the discounts are passed on to the consumer.

Ackerman claims that inflation, running somewhere between 10% and 15%, "would have been 50% more than that if supermarkets didn't keep prices down."

Checkers executive chairman Bob Harvey concurs. "We believe in free enterprise, negotiating the best possible price and passing on the benefits to the consumer. We believe restrictive legislation in trade only benefits the incompetent and inefficient."

**BUSINESS**

14/11/79

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# A look at consumer role of urban blacks

JOHANNESBURG — Industrialist Dr Anton Rupert opened "The New Consumer" seminar here yesterday, a seminar which examines the consumer role of the urban black along with whites, Coloureds and Asians for the first time.

The New Consumer concept involves more than eight-million whites, Coloureds, Asians and urban black consumers — half South Africa's population — who account for between 55 per cent and 95 per cent of the country's consumption patterns. The rural black represents the other half of the marketing mix.

It is the first time the urban black has been separated from the rural black and been incorporated in a group with white, Coloured and Asian consumers.

The concept, described as a "genuine breakthrough in marketing thinking in South Africa", also calls for a reassessment of traditional marketing segmentation policies which, until recently, had been based mainly on race and socio-economic status which put all blacks in a single group on their own.

Mr David Glauser, research manager of South African Associated Newspapers (SAAN), who are sponsoring the seminar, said. "We've been very interested in the emergence of the urban black consumer and how different he is from his rural counterpart."

Referring to recent studies conducted by SAAN which found urban blacks were closer to

whites than rural blacks in their consumption trends, Mr Glauser said "It was senseless to segment the market by looking at the various black groups separately since urban blacks have a lot in common with whites, including similar consumption patterns and media usage

"The segmentation of the market should be revamped and consist of two groups rural blacks who account for 49 per cent of the population and the other half of the population — the new prime consumer group made up of whites, Coloureds, Asians and urban blacks," he said.

The concept of "The New Consumer" evolved in the mid-1970s when the old parameters of South Africa's consumer market — the whites, Coloureds and Asians, or WCA group — were found to be inadequate

A small group of corporate marketers defied conventional wisdom by asserting that urban blacks represented potentially the fastest-growing consumer sector in the country and should be added to the WCA group to make WCA-based studies more accurate.

The concept received grudging acceptance in marketing circles at first, but as black spending power grew in the last three years and more and more companies realised the magnitude of the pent-up demand behind it, the idea of "The New Consumer" gained self-sustaining respectability.

The evolution to independent status in

marketing discipline of the concept of "The New Consumer" is likely to revolutionise the advertisement targeting of South Africa's newspapers and magazines.

Recognition by advertisers that the urban black consumer market can no longer be regarded in isolation from the established WCA group in national marketing also appears to number the days of "black" editions of newspapers.

"The New Consumer" explodes the myth that newspapers with a high proportion of black readers fail to reach an influential and wealthy market. Independent surveys show conclusively that there is a greater similarity in the use of disposable income between urban blacks and urban whites than between rural whites and urban whites.

The surveys, co-ordinated by All Media Products Survey (AMPS), Market Research Africa (MRA) and the South African Advertising Research Foundation (SAARF) indicate that racial distinction introduces a serious distortion into marketing and advertising.

The surveys find that the consumption profiles of nearly all the retail brands included in test samples showed strong multi-ethnic demand patterns.

The difference of "The New Consumer" approach is that it concentrates on the commercial exploitation of the similarities between South Africa's consumers, and not on the differences between them — DDC.

# Leasing, HP heads for staggers zoom

Ron Rundle ... faster growing area

**THE value of leasing and hire-purchase transactions are in the region of R3-billion and banking leaders expect a 20% increase in the next 12 months. This means that this time next year the industry will be worth a staggering R3.6-billion.**

If lease applications are anything to go by, and there are those who believe they are, the business community is at last rearing itself up for future plant expansion. According to all of the biggest leasing operations the

number of applications for industrial leases has soared since about September.

Most leasing men point out that they have not as yet experienced any significant increase in the actual number of deals concluded over the last few months, but they all confirm that their desks are overflowing with pending applications.

One big bank points out that although the number of firm inquiries from a sample region grew from 19 in March 1979 to 30 in September 1979, the rand value involved remained unchanged.

This kind of increase in the number of applications was evident in all regions but they

report the total rand value of applications for all regions has increased by R2-million.

Another bank quantified its increase in the stream of applications as 50% since September.

This trend change means that the private sector is at last showing faith in the future and anticipating the expected summer-led recovery.

It also means that they have reached, or shortly expect to reach, full plant capacity. Stannic's assistant general manager, Ron Wynter, says: "Because leasing and suspenseive sale financing have become sophisticated and cost-efficient financial tools, they

## BY PENELOPE MORGAN

have become strong market forces and as such have a vital contribution to make in the economic development of the country."

According to the latest Standard Bank Review, the fixed investment cycle has moved into a slow upturn.

At this point in the cycle it is likely that the spare capacity will be taken up in the first half of 1980.

As a result the demand for capital equipment is likely to grow and leasing, together with

suspensive sale financing, will play a significant role.

In spite of the deep recession of the last few years the leasing market has expanded enormously — by about 24% for 1978 and the same for 1979, if annualised. This is no mean feat in view of a 4.7% slide in fixed investment for 1978 and for the first six months of 1979 a drop of 7.1% over the same period last year.

The leasing banks are having it both ways at the moment — they are picking up the huge increase in the hire-purchase business an indication of growth in demand of consumer durables as well as increased leasing business. Demand for

industrial leasing can be seen as a function of demand for hire-purchase from the man in the street.

In other words once consumers start using hire-purchase to finance their purchases, demand for manufactured goods increases, which takes up manufacturing capacity.

As a result, manufacturers apply for leasing finance to expand their plant capacity to meet the increased demand from the consumer.

The current spurt of applications has come from all sectors of the economy including the agricultural sector.

Because the mines themselves have better allowances than the banks they do not approach banks for leasing deals. The mines may write off 100% of capital expenditure in the first year while banks because of restrictions on mining equipment leasing may write off only normal wear and tear.

Ron Rundle, president of the General Banks Association comments: "The reported increase in applications only emphasises further that leasing and hire-purchase is the fastest growing area of banking activities — outstripping all other types of bank advances."

RICES - Consumer Protection

Bodie's

29 Jan. 1980 — 25 October 1981

economic status than the average, and that where the difference was marked it could affect their work; that care groups had been successfully educated, and that those families which had had contact with care group members had better knowledge of the causes of disease and how to prevent it than those who had had no contact. The workers are now ready to take on more health tasks.

Another group of lay workers has been developed in Rhodesia to deal with a particular problem -- described by Sapire (\*61). Until recently, motivational work for family planning had been done by educators trained by the Family Planning Association. However, it was found that motivators who talked of methods and were unable to provide a service were not fulfilling an urgent need in the rural areas and they often lost credibility because of this. Thus educator/distributors were taught to recognise the contra-indications to oral contraceptives and signs for referral to a doctor or nurse and allowed to provide them. However, 73% of acceptors were on *Depo Provera* (a three-monthly contraceptive injection). So ED's are now trained to provide this. Sapire notes that this step meets community preference in regard to the method of contraception, but 'it is important to have a reliable back-up service to support them at clinics within a reasonable distance'.

The effectiveness of distribution within the community is shown in that whereas clinic-oriented sources show continuation on oral contraceptives to be between 14 and 33% after a year, Brazil where contraceptives were distributed in the community, their continuation rate was 83% for pill patients'.

## Call for subsidy on basic foods

Pretoria Bureau

THE SA Consumer Council yesterday appealed urgently to the Government to introduce selective basic food subsidies, particularly for maize and wheat products, as a temporary measure.

The appeal, made in a statement in Pretoria by the council's director, Mr Johan Verheem, follows similar pleas for cheaper basic foods from the SA Confederation of Labour, the Trade Union Council of South Africa, and the Progressive Federal Party's financial spokesman, Mr Harry Schwarz MP.

Mr Verheem said the council did not normally advocate food subsidies and was in principle opposed to this type of interference in the economy. However, it believed the current situation of South African consumers and the food price increases they were likely to face this year warranted exceptional action.

"The price of food increased by almost 15% during 1979 and there is every indication that it could rise by even more this year. The average consumer simply cannot afford to meet any further price increases and will basically have to eat less if they do occur.

"Malnutrition and hunger is something that cannot be tolerated in a country, poised as South Africa is, on the verge of an economic boom.

"We now have the funds and the means to alleviate this problem and my council is approaching the authorities to take this urgent action."

Mr Verheem said it was also accepted that the extensive subsidisation of maize meal could necessitate price control at retail level. He added that this was something that might well be justified even if subsidies were not re-introduced.

"The retail price of maize meal varies considerably and often those who can least afford it end up paying the most for it," he said.

Supervision is done by the local MCH clinic nurse and at visits of the Public Health nurse. The RHV's work 5 half days a week and are paid a monthly salary of E20,00 by the government.

The first group of 41 RHV's have been in the field for two years, and the results of preliminary evaluation show that attendance at clinics and utilisation of antenatal and child welfare services has more than doubled and the number of immunisations has also risen.

Dick (\*62) describes another training programme for training primary health workers, *abavukeli*, at Nongoma hospital in KwaZulu. These women are chosen at community meetings and are also trained at clinics, one session a week, by a public health nurse and a social worker with the help of a doctor. A similar range of tasks is envisaged: health education, data collection, supervision of chronic disease treatment, contact tracing, surveillance of at risk groups, first aid, community organisation and motivation, and liaison with health services. When fully trained, it is hoped that the workers will be paid by a flat rate levy of 20c a month on all community members. Dick proposes that the success of the scheme should be judged according to the impact on health status, for which baseline data is already being collected.

Van Wyk (\*13) describes a rather different scheme in an urban setting, whose main aim is to provide liaison between health services and the community. St John's Ambulance and Dr van Wyk at the Dr Abdurman Day Hospital in the Cape have been training 'Auxiliary Information Disseminators and Educators' (AIDES). They are volunteers, 5 who had been working with BABS, a community social improvement team, and 5 from volunteers working at

ld visit homes, note any health topics and on ssful, it is hoped that kers in Soweto 'to e and collect various age in Chapter 6, are:

packages. Both approaches do, however, appear likely to yield high returns, particularly when related to attempts to reduce overall poverty levels. The planning of health care is an integral part of such policies and benefits will

# 'Permits reduce cattle slaughter'

WINDHOEK — The managers of two meat processing companies gave evidence yesterday before the Van Zyl Commission of Inquiry into alleged irregularities and malpractices in the South West African meat industry

The manager of Karoo Lewende Hawe, Mr Petrus Vermaak, told the commission a quota system introduced in the territory in August 1977 had greatly reduced the number of cattle slaughtered by each firm

### FOOTNOTES

1. I would comments

2. The cond majority rule basis is to be socially optimal are:

- (a) That everyone who is affected by the decision is given the opportunity to express his opinion in some manner.
- (b) That the effort required to express such an opinion is the same for everyone or alternatively that any additional effort required is adequately compensated.
- (c) That the method used to gauge the opinions is capable of discriminating adequately between individuals, in terms of the strengths of their opinions, i.e. one must be able to distinguish between those people who, although they actually register a favourable vote, in fact, are almost indifferent as to the ultimate outcome of the decision and those who vote in favour, but who feel very strongly about the decision.

3. K.J. Arrow, Social Choice and Individual Behaviour. Cowles, Research Monograph No. 12, 1966.

4. Alan J. Sorkin, Health Economics in Developing Countries, Lexington Books, Mass., 1976.

5. Bruce L. Johnston, 'Food, Health and Population in Development Journal of Economic Literature, Vol. XV, No. 3, September, 1977

6. Sorkin, op cit.

7. James E. Meade, 'Mauritius: A case study in Malthusian Economics'

10. Kenneth J. Arrow, 'Uncertainty and the Welfare Economics of Medical Care', American Economic Review, Vol. 53, 1963, pp. 941-973.

11. How do you obtain a price for uncertainty?

### Staff Reporter

THE Housewives' League has called on the Minister of Agriculture, Mr Hendrik Schoeman, to appoint an independent and public investigation in the South African meat industry

In Bloemfontein yesterday a draft resolution asking Mr Schoeman to appoint a commission of inquiry into the Meat Board was voted down at the congress of the Meat Commission Organisation of the Free State Agricultural Union

The Housewives' League made its call in a letter sent to Mr Schoeman last month. Copies were sent to the Prime Minister, Mr P W Botha, and the National Marketing Council

It said "We would like to request formally a public investigation by an independent body into the marketing of meat in South Africa. Our reasons for asking this are as follows

• The meat marketing system at present operating in the

meat controlled areas is capable of manipulation, for example the Dutch auction system, and also the system of agency licences being held by wholesalers • The ability of the Meat Board to predict the rise or fall of prices and the percentages thereof (outside any increase in the Floor Price)

• The strange phenomenon of the excessive increases in meat prices over the Christmas period

"In addition to the above we have the distressing court appearances of people connected with the meat trade and a senior Meat Board official. You will recall that we were given assurances at our recent meeting with you and Dr Jan Lombard in Pretoria that there was no question of there being any malpractices in the Meat Board

"We would like to express our disquiet at Dr Lombard's statement, as reported in the Press and the Farmer's Weekly

of November 7, 1979, implying that anyone who calls for a judicial inquiry into the meat industry could be accused of libel

"We have received numerous enquiries from the public on the state of affairs in the meat industry (it is the main talking point of everyone one meets) and naturally we still continue to receive comments from farmers and butchers

"It is clear that there is general dissatisfaction and uneasiness, particularly since the disclosures made at the South West African meat inquiry, and it is most important that there should be a public inquiry into all aspects of the controlled marketing of meat in South Africa"

A spokesman for the Minister of Agriculture said Mr Schoeman would reply to the letter

A spokesman for the Prime Minister's office said Mr Botha would reply in a letter

# Call for open probe into meat industry

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20. If this is not achieved, then one has a classic example of the workings of the theory of second best.

21. James A. Buchanan, 'An Economic Theory of Clubs', Economica, Vol. 32 February, 1965, pp. 1-14, and Martin McGuire, 'Group Segregation and Optimal Jurisdictions', Journal of Political Economy, Vol. 82, No. 1, January/February, 1974, pp. 112-131.

Before this there had been no restrictions.

Mr Vermaak cited as an example that Karoo Lewende Hawe had slaughtered 5 247 head of cattle in July 1977 while in August the company had only been allowed to slaughter 2 418 head

He said in some cases companies were approached by the SWA Meat Board to try to meet another company's shortfall

The group manager of another local meat processing company Mr Johannes Steynberg, said his company, Damara Meat Packers, tried to match South African beef prices

Damara Meat Packers accepted carcasses from all breeders — irrespective of the grade of the carcasses he said

It often occurred, however, that more carcasses of a particular grade were required, Mr Steynberg said

"We nevertheless try to satisfy everyone as much as possible"

His company only slaughtered cattle when it knew there was a market for beef

Carcasses were rarely sold on an ad hoc basis, he added

Most of this afternoon's evidence was heard in camera, provided for in the regulations governing the commission

Yesterday's proceedings mainly concerned statistics pertaining to the permit system in the territory and the amount of cattle exported and slaughtered annually



4/2/50  
**Housewives call  
for meat inquiry**

EAST LONDON — The Housewives League has formally requested an independent investigation into the marketing of meat in South Africa

In a letter to the Minister of Agriculture, the league said they felt the present system was open to manipulation and an inquiry was necessary to clear the air of all speculation

They were also dis

satisfied with the Meat Board's ability to "predict price increases", and the "strange phenomenon of the excessive increases in meat prices over the Christmas period"

Although the league has previously been assured there were no malpractices in the meat industry they say they have received numerous complaints from the public which need investigating  
—DDR

# Bill to allow buyers a 'rethink'

HOUSE OF ASSEMBLY -

Major amendments to the laws governing hire-purchase agreements received support in principle from opposition parties yesterday

In one of the most far-reaching amendments to existing laws governing hire-purchase agreements, the Minister of Commerce and Consumer Affairs, Dr S W van der Merwe, proposed amendments including one which will protect buyers against high-pressure salesmen.

This clause will allow buyers a five-day "cooling off" period after signing hire-purchase agreements. If a buyer has second thoughts he may return the goods bought and cancel the agreement.

The Credit Agreements Bill, read for the second time last night, will also confer wide-ranging power over credit agreements on the Minister of Commerce and Consumer Affairs.

The PFP, the NRP and the SAP indicated their support for the bill, although the PFP and NRP noted that they would introduce amendments to sec-

tions of the bill

In terms of the new bill, the Hire-purchase Act of 1942 will be repealed and replaced with widely altered credit-agreement legislation. One of the most significant changes will allow buyers five days, after signing credit agreements, to rethink the wisdom of their purchase. If they have signed credit agreements after being subjected to high-pressure sales methods, they have five days in which to inform their creditor of their intention to break from the agreement and return the goods.

This clause came under fire from the PFP. Its newest

member, Mr John Malcomess, said this could present problems to sellers, like motor dealers, in certain cases. Car dealers would have great difficulty in approving this step when cars they had sold had been used by buyers for up to five days.

Mr Malcomess said the PFP would support the bill in principle but would propose certain amendments during the committee stage. One clause which would receive attention effectively limited sellers to entering credit agreements with residents of the Republic.

"It will exclude people living in the independent states,

which include Transkei, Bophuthatswana and Venda, from buying on credit in the Republic and create great difficulties for dealers in border towns," he said.

Mr Theo Aronson (SAP Walmer) called for Dr Van der Merwe to consider reducing the deposit on hire-purchase agreements on cars to 10 percent and extending repayment periods to 60 months to place cars within the reach of more buyers.

He said this would stimulate the industry and lead to increased production, which would in turn create the possibility of opening a massive export industry.

CT 22/4/80

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# Consumers are spoilt says agriculture chief

CAPE TOWN — White South Africans had little cause to complain and have been spoilt as far as food prices were concerned

This was the response yesterday of Mr Chris Cilliers, director of the South African Agricultural Union, to attempts by the South African Consumer Council to interview the Prime Minister, Mr P W Botha, in connection with escalating prices of consumer goods

Mr Botha refused the interview and told the council to address themselves to the Cabinet Ministers concerned

In an interview yesterday Mr Cilliers said he was unhappy the council had singled out food prices, thereby placing blame for the high cost of living on farmers, whose real nett

income had decreased by 36 per cent

He said a scientific study by the Union Bank of Switzerland had shown that in only seven cities of the world was a comparable grocery basket cheaper than in Johannesburg

The same survey demonstrated that in only 18 cities — and they were in the highly industrialised regions of North America and Europe — did people in comparable professions work shorter hours than in Johannesburg to earn the money to buy similar "grocery baskets."

South Africans should therefore not complain about food prices but rather about wage structures

Mr Cilliers said "The agricultural union agrees with the Consumer Coun-

cil that inflation is an evil which should be seriously combated, but we object to the council's singling out of food prices and the producers, the farmers, for causing the high cost of living"

Farmers, whose real nett income had decreased over the past five years, were worse victims of inflation than ordinary wage earners, whose income had decreased by 6 per cent over the same period

Sight had been lost of the fact that consumer prices were inflated by manufacturers and "middle men" Meanwhile farmers' "input" expenditure on producing food, on for instance fuel and fertilisers, had risen far more rapidly than the price they could obtain for their products in the market place

"We are prepared to place (before the government) a detailed memorandum to show how spoilt South Africa's population is as regards food prices," Mr Cilliers said — DDC

(2) Intervention in foreign currency markets should be completely ended. We see no point in fighting basic trends in exchange rates that are ultimately determined by expectations, generated by divergent trends in inflation between Germany and its trading partners. Such policies are bound to be self-defeating. Temporary fluctuations of exchange rates reverse themselves after a short time; they need no official attention at all. Exchange rate interventions are likely to increase — rather than decrease — the extent and the duration of temporary exchange rate fluctuations, by opening up additional, less risky opportunities for speculation. Finally, it is necessary to point out to the German unions that wage policies aiming at leveling wages and at medium-run job and income guarantees, though they will benefit some, actually make it more difficult for the vast majority of less qualified people to reenter the active labor force.

Econ 20

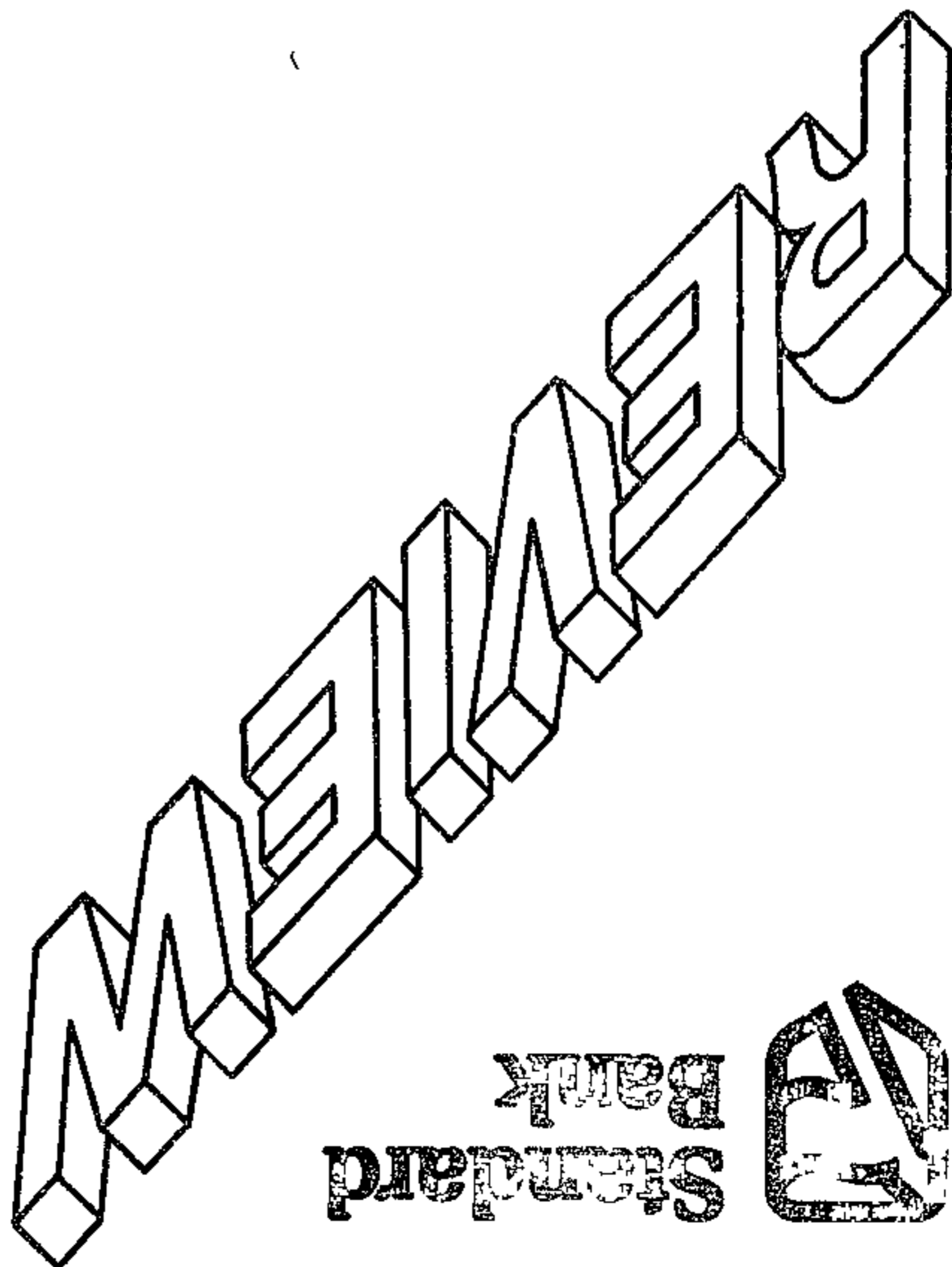
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Plastics recovery on the way  
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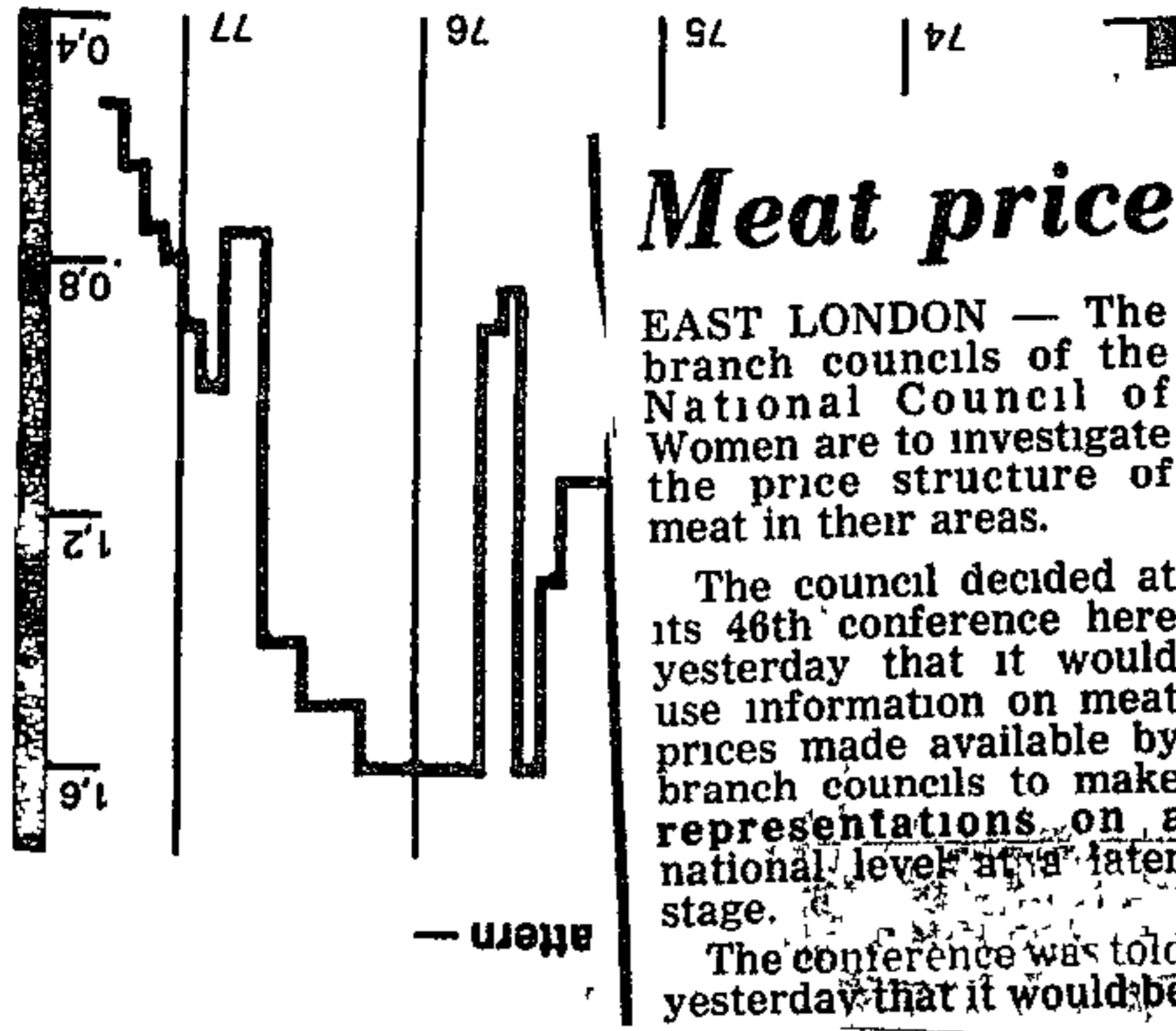
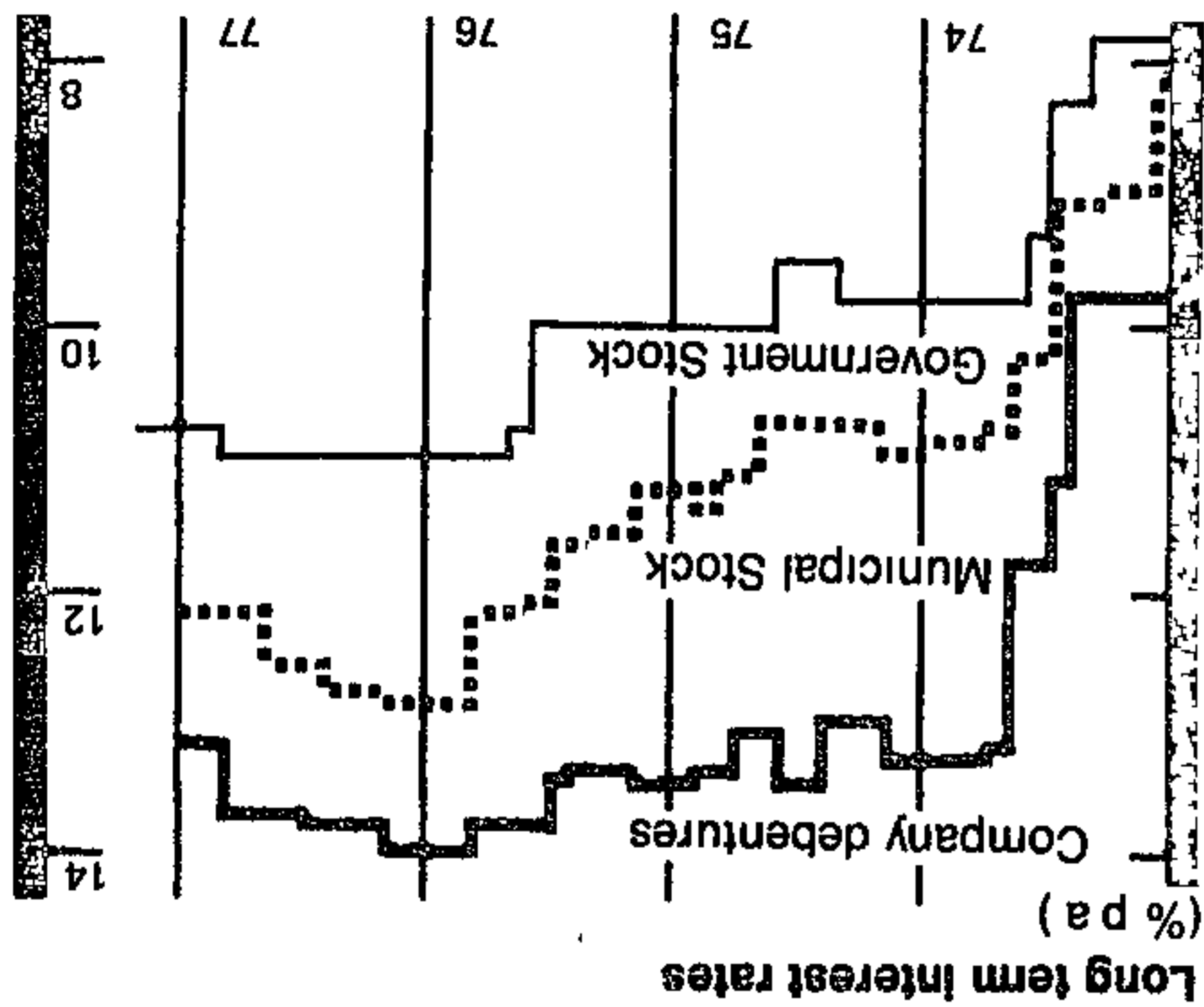
QUARTER BUSINESS



Standard Bank

### Long-term interest rates to decline?

Over the past 16 months conditions in the capital market have eased, reflecting a build-up of liquidity which typically precedes an economic recovery. In both the money and capital markets this has resulted in generally lower interest rates. The pattern rate on Escom long-term stock, for example, has shed 1.3 per cent since January last year. Despite the persistent decline in medium- and long-term interest rates throughout 1977 and the first few months of this year, their current levels remain considerably higher than they were even at the peak of the previous business cycle. (See graph.) Until now the decline in interest rates has been achieved by a shrinkage of the yield gaps between various classes of securities, while the yield on long-term government stock declined only marginally and the rate on short-term government stock was retained at 8.75 per cent. With a number of these differentials now smaller than traditionally the question arises whether further scope exists for the pattern of capital market interest rates to continue their declining trend. At this stage it will be difficult for private sector and semi-gilt yields to decline further without the Treasury adjusting the government stock rate downward. A further long-term interest rate is demand-supply factors, but to reinforce a shift to a more Last year the difficulties increased substantially the demand and public corporations on money markets. Not only have requirements escalated, but it has lengthened further public corporations such as compared with actual medium-term in 1976, the corresponding borrowing estimates of



### Meat price probe

EAST LONDON — The branch councils of the National Council of Women are to investigate the price structure of meat in their areas.

The council decided at its 46th conference here yesterday that it would use information on meat prices made available by branch councils to make representations on a national level at a later stage.

The conference was told yesterday that it would be

interesting to have facts on what happened between the producer and the consumer regarding meat prices

The council also agreed to investigate the possibilities of establishing small cottage industries by utilising waste from factories — DDR

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# CONSUMER POST

## Council seeks talks on hikes

AP +  
2/1/80

THE South Africa Co-ordinating Consumer Council has sent a telegram to the Prime Minister, Mr P W Botha calling for an urgent interview with him on grievances of consumers.

The main issue is the recent spate of consumer price increases.

The council took his decision after it was announced in Parliament that the price of maize and other basic commodities have risen.

The council chairman, Prof Leon Weyers, pointed out at a meeting held at their Pretoria offices recently, that the main purpose of the recent Budget was to stimulate economic growth by cutting more

money in the consumers' pockets

He said that future growth was dependent on increased consumer spending in real terms. Although signs of real growth have already appeared, the council fears that the recent price hikes could nullify the purpose and potential of the Budget.

### SMOTHERED

"If consumers are merely going to spend more on the same quantity of products, the prospects of further real growth will be smothered. Immediate action has become essential," he warned.

Prof Weyers emphasised that the current and anticipated price increases

could also add to the country's over-liquidity problem.

If consumers continue to have the value of their money eroded, they will be obliged to save more and more and to spend less to make provision for later years. This will also have a detrimental effect on the prospects of economic growth, Prof Weyers added.

The council's chairman announced that it was decided to urgently extend the council's consumer survival campaign which is designed to guide consumers in adjusting and adapting to price increases.

The council has also produced two consumer survival kits, on saving with foodstuffs, and energy in the home. These are available at the SA Co-ordinating Consumer Council, PO Box 3800, Pretoria 0001.



Pressure cooker, with all that can go into it.

# Pressure cooking a real money saver

# SHOPPING BASKET

| PRODUCT                                     | Eloff Street<br>OK Bazars      | Mayfair<br>Checkers       | Brixton<br>Pick 'n Pay            | Mayfair<br>Spar              |
|---|--------------------------------|---------------------------|-----------------------------------|------------------------------|
| Washing Powder<br>1 kg<br>Housebrand        | Good & Clean<br>R1,05<br>R1,05 | Good & Clean<br>99c<br>—  | Good & Clean<br>R1,05<br>R1,18    | Good & Clean<br>R1,19<br>99c |
| Face Soap<br>125 g<br>Housebrand            | Palmolive<br>29c<br>24c        | Lux<br>31c<br>30c         | Palmolive<br>29c<br>25c           | Dial<br>31c<br>(125g) 23c    |
| Mielie Meal<br>2,5 kg<br>Housebrand         | Impala<br>66c<br>51c           | Induna<br>53c<br>66c      | Impala<br>69c<br>—                | Ace<br>54c<br>—              |
| Tea<br>250 g<br>Housebrand                  | Three Trees<br>89c<br>99c      | Glen Tea<br>95c<br>99c    | Glen Tea<br>89c<br>(tea bags) 99c | Three Trees<br>89c<br>78c    |
| Coffee<br>250 g<br>Housebrand               | Ricoffy<br>R1,29<br>R1,17      | Ricoffy<br>R1,29<br>—     | Ricoffy<br>R1,24<br>—             | Van D.<br>R1,29<br>99c       |
| Candles<br>(packet)<br>Housebrand           | Buffalo<br>54c<br>50c          | Prices'<br>52c<br>53c     | Buffalo<br>54c<br>—               | Lamp<br>42c<br>—             |
| White Bread<br>Brown Bread                  | 29c<br>19c                     | 29c<br>19c                | 28c<br>18c                        | 29c<br>19c                   |
| Suger<br>2,5 g<br>Housebrand                | Huletts<br>R1,01<br>R1,01      | Selati<br>R1,01<br>R1,01  | Huletts<br>R1,01<br>—             | Huletts<br>99c<br>—          |
| Margarine (Yellow)<br>500 g<br>Housebrand   | Stork<br>66c<br>—              | Rama<br>65c<br>65c        | Sunshine<br>63c<br>—              | Blossom<br>57c<br>—          |
| Jam (Apricot<br>Smooth) 450 g<br>Housebrand | All Gold<br>57c<br>45c         | Koo<br>55c<br>—           | Brink<br>49c<br>—                 | Koo<br>39c<br>—              |
| Powdered Milk<br>250 g<br>Housebrand        | Skimco<br>74c<br>67c           | Skimco<br>72<br>—         | Skimco<br>66c<br>—                | Skimco<br>69c<br>—           |
| Condensed Milk<br>397 g<br>Housebrand       | Gold Cross<br>49c<br>44c       | Nestle<br>49c<br>—        | Gold Cross<br>46c<br>—            | Gold Cross<br>47c<br>—       |
| Sunflower Oil<br>750 ml<br>Housebrand       | Epic<br>98c<br>90c             | Black Cat<br>R1,01<br>98c | Solo<br>96c<br>92c                | Excella<br>95c<br>—          |
| Beans<br>500 g<br>Housebrand                | Lion<br>51c<br>—               | —<br>—<br>—               | Lion<br>49c<br>—                  | Lion<br>49c<br>53c           |

**PRESSURE cooking** is one of the easiest and inexpensive ways to cook — saving time and money.

- All pressure cookers work the same way. In an ordinary pot when liquids boil the steam escapes but a pressure cooker seals in the steam.
- When the steam is trapped inside the pressure cooker, the temperature inside rises and the food cooks far more quickly than in a saucepan on the stove.
- Here are some other advantages of using a pressure cooker.
- You can prepare a wide variety of meat, fish, vegetables and desserts in less than half to three quarters the time it takes in a normal pot.
- Several foods can be cooked together by using the racks in the cooker so that the flavours do not mix. In fact you can cook a whole meal in one pot.
- Pressure cooking cuts down on cleaning up because you need only use one for meat, vegetable and pudding.
- This form of cooking retains the vitamins in the food because a small amount of liquid is used and this is not allowed to escape from the cooker.

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## MAIZE PRICES

fm 9/5/80

(3/1/1980) (246)

### Housewives' request

The Housewives' League of SA has charged the Maize Board and Agriculture Minister Hendrik Schoeman with ultimate responsibility for the 20% increase in maize prices. For once its criticism is telling.

The Maize Board selling price has been raised from R102, to R122 40 t, and the ripple effect through poultry, meat, egg, milk, and other prices is already being felt. Its free at elevator export tender price — the price inclusive of internal transport costs — has fallen to about R107 t at current international prices. The break-even price for export maize is about R135 t leaving a shortfall of at least R28.

This shortfall is being carried by

- A levy on the producers price,
- A R10m increase in the state subsidy to R50m
- A government guaranteed loan to the Maize Board of up to R75m, and
- An increase in the consumer price.

The League claims that South African consumers are the only ones in the world that do not benefit from surpluses, since export profits are filtered to producers, while losses are subsidised by consumer price rises.

Its other major charge is that the current R1,3m deficit on the Stabilisation Fund due to high export losses last year is evidence of mismanagement since previous export profits should have been partially channelled into the Fund to cushion producers in lean years without resorting to consumer price rises.

Agriculture Minister Hendrik Schoeman 'strongly denies' that consumer interests were neglected in the price determination.

He argues that production costs have risen faster than producer prices and 'unless reasonable compensation is made farmers will be driven out of production, and food shortages will result. Consumers as well as producers must contribute to stabilising the industry.

In response to the League's allegations, Maize Board GM Hendrik Nel maintains that SA is the only country in the world where export profits are relayed to consumers. He also asserts that the Stabilisation Fund deficit would be smaller, had it not been used to subsidise consumers for three years when export profits were large.

The League's first allegation is essentially a complaint against protectionism in the maize industry. According to Barclays' chief agricultural adviser, Robert

Brink, the extreme variability of domestic weather conditions, and high transportation costs to overseas markets make SA agriculture particularly sensitive to international price fluctuations.

Assuming a bumper crop like the current one, the free interplay of supply and demand would mean a lower consumer price, he adds. But it would also result in some farmers going out of production (SA agriculture currently achieves only a 5.9% return on capital invested). In general, concludes Brink, a degree of price or production control is necessary in agriculture throughout the world, given the variability of weather conditions.

All these arguments, whatever their individual merits, contain two implicit assumptions that SA must maintain an export capacity, however unprofitable, and that SA farmers, even the inefficient, must be protected by subsidies and price administration. The two are related — protection assists the generation of surpluses.

There do not appear to be good economic reasons for either. Relative to SA's other commodity exports, especially gold, maize is not a crucial factor in foreign exchange earnings. And it is hard to argue convincingly that food shortages are an immediate possibility in an agricultural sector in which a third of the current crop is available for export.

But from the government's point of view, there are political reasons for maintaining the support of the marginal farmer whose individual productivity levels would inevitably force him off the land under a non-subsidised system. Is this what the consumer is ultimately paying for?

12/05/80 AREMS

# MP starts

# beef

# price-rise

# scare

BEEF will be priced out of reach of most housewives if the Meat Board adopts a suggestion that the floor price should be increased by 41,5 percent, say butchers and the chairman of the Cape branch of the Housewives' League.

The suggestion was made by Mr R F van Heerden, MP for De Aar, in the agriculture debate in the House of Assembly.

Mr van Heerden said the increase was necessary as an incentive to producers because this year the demand for red meat would exceed the supply.

### LAST INCREASE

Since then rumours have been growing in the meat trade that the floor price is likely to be increased soon sending actual prices up by at least 25 percent. The last increase was in March.

Mr Mike Hawthorne, head of Blue Riband, the butchery chain for Pick 'n Pay, said prices paid by butchers when meat is auctioned at the abattoirs were well above the floor price and increased in times of shortage.

'It is absolute nonsense that anyone should suggest an increase in the floor price of the magnitude of 41,5 percent,' he said.

### 'IDIOTIC'

'The Meat Board increased the floor price in March. It now ranges from R1,19 a kg to R1,45 for the six grades of super beef.'

'Perhaps there could be another increase, but nothing like 41,5 percent, which would bring the floor price up to R1,74 a kg for super beef and would mean butchers were actually paying about R1,90.'

'It is absolutely idiotic to expect the trade or the public to pay that price.'

Mr Hawthorne said he had suggested to the general manager of the Meat Board, Mr Ian Lombard, that there should be a ceiling price as well as a floor price — to protect the housewife.

### FARMERS

In the past few weeks his firm had paid an average of 11c a kg

above the floor price for super beef. 'We have paid more, but that was the average,' he said.

'The floor price for the best super lamb is R1,24 a kg, but we have been paying an average of more than R2. So you can see the farmers are well covered.'

Mrs Peggy Borchenhagen, Cape chairman of the Housewives' League, said: 'Further big increases would put beef out of reach of most families.'

The league had been battling for changes in the system of selling meat at the abattoir by the Dutch auction method, 'which tends to push the price up.'

~~Meat~~

246

244



HIRE PURCHASE

FM 6/6/80

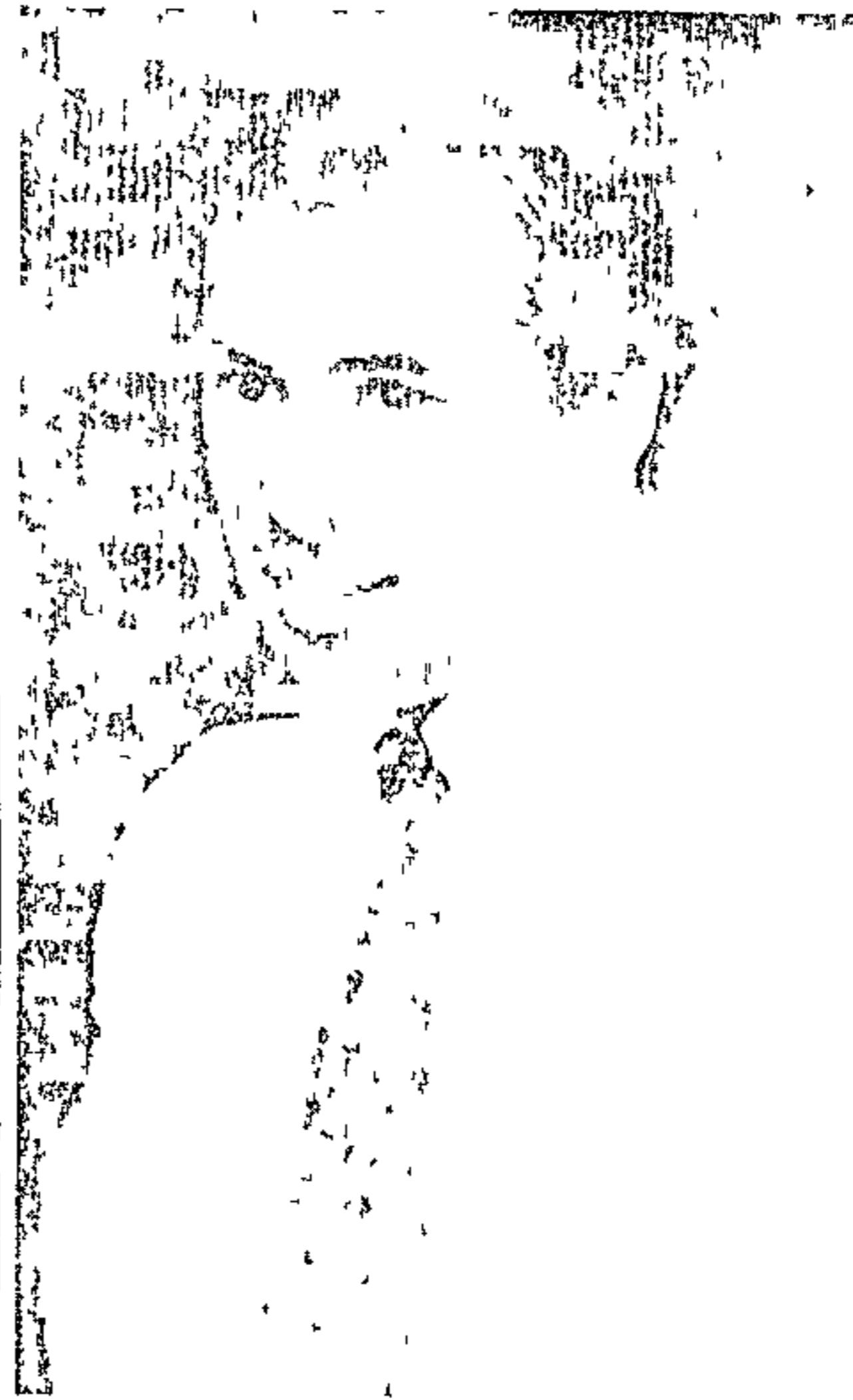
Check your rate (246)

If you are thinking of buying on hire purchase, you would be well advised to shop around for the finest borrowing rate.

With the demand for consumer credit picking up daily and, so far at least, showing no signs of abating, it may come as something of a surprise to learn that competition for business among hp banks is still as fierce as it was a few months ago when lending was a little less buoyant.

Indeed, although a large degree of uncertainty has crept into the wholesale market for capital, with long-term interest rates hardening significantly over the past couple of months, the outlook for rates at the retail end remains bullish. This is because the cost of funds to the banks themselves, whether bought in the money market or taken in as deposits, looks like remaining low for the next six months or so. As Wesbank MD Chris Ball told the Conference on Monetary Policy and Financial Markets two weeks ago: "At this particular time in history the interest turn in the finance companies is probably at something like an all-time record."

No wonder then that the hp banks remain eager to lend. And the reason why it is important for the prospective borrower to shop around among the different banks



Wesbank's Ball . protecting his farming friends

for the finest rate is because certain banks concentrate on particular sectors of the consumer market.

Competition among the banks in the instalment credit market for motor cars is particularly intense with all the major banks heavily involved in this sector. A couple of months ago, most prime clients were able to borrow on hp at an effective rate of 14%. But now if a bank quotes the same client a rate of 14% it could lose the business to one of its competitors.

Explains Ball: "It is not that banks are relentless price cutters. We're all after our share of good quality business, but at the same time we each feel we have positions and traditional clients to protect." Moreover, he warns, it is a precarious market, when motor dealers phone up the bank they want quick answers and the banks are reluctant to lose business.

Stannic Nedin and Volkas are keen competitors in the motor business, with an estimated 65% to 70% of their total hp books in this type of lending.

Generally speaking, banks are more likely to quote keener rates on productive equipment as opposed to luxury items. Wesbank, for example, has recently launched an advertising drive into the agricultural sector and has been known to quote rates of as low as 12% to 12.5% on finance for tractors and combine harvesters. Hp borrowing has picked up markedly in the agricultural sector since the law was changed to enable farmers to write off the full value of the equipment purchased in the first year.

Banks are generally less likely to quote fine rates on such luxury goods as speed-

boats, yachts and caravans. The best rates applicable for loans on such goods seem to be in the region of 14% to 15%.

Stannic MD Ken Gager claims his bank is not 'breaking its neck' over market share but is more concerned with profitability. "We're getting plenty of business in the consumer sector already and we're not shaving rates just to get into any particular sector of the market."

Gager confirms that his bank is still lending money for home improvements, including tennis courts and swimming pools, although this type of lending accounts for only a small proportion of the bank's total hp book. In terms of the Limitation and Disclosure of Finance Charges Act, banks are permitted to charge a maximum rate of 14% on this type of lending, which is still 2% to 3% more expensive than the rate from building societies.

Most banks feel they are looking at a better bad debt experience in the hp market this year compared to last year, when, as one banker admits: "We had a higher incidence of bad debts than we would have liked."

Gager points to the persistently high rate of inflation as the major factor which could send bad debts shooting up as more individuals find themselves unable to keep up their instalment payments.

Meanwhile, banking executives in this field encourage individual borrowers, particularly those in smaller towns and on the platteland, to check hp rates quoted to them by commercial branches with the nearest specialist general bank in the group.

With consumer spending expected to reach record levels during the next few months, the profit outlook for hp banks is especially bright. That is, as long as the cost of their funds doesn't suddenly start rising. As Ball pointed out at the conference, finance companies have a habit of trapping themselves in a low yield situation when interest rates turn.

# Consumer POST

## Council closure denied

Post 13/6/80 246

RUMOURS that the South African Co-ordinating Consumer Council is to be disbanded has been denied by the acting director, Mr Jan Cronje.

Mr Cronje's denial follows Press rumours that the council is about to be disbanded.

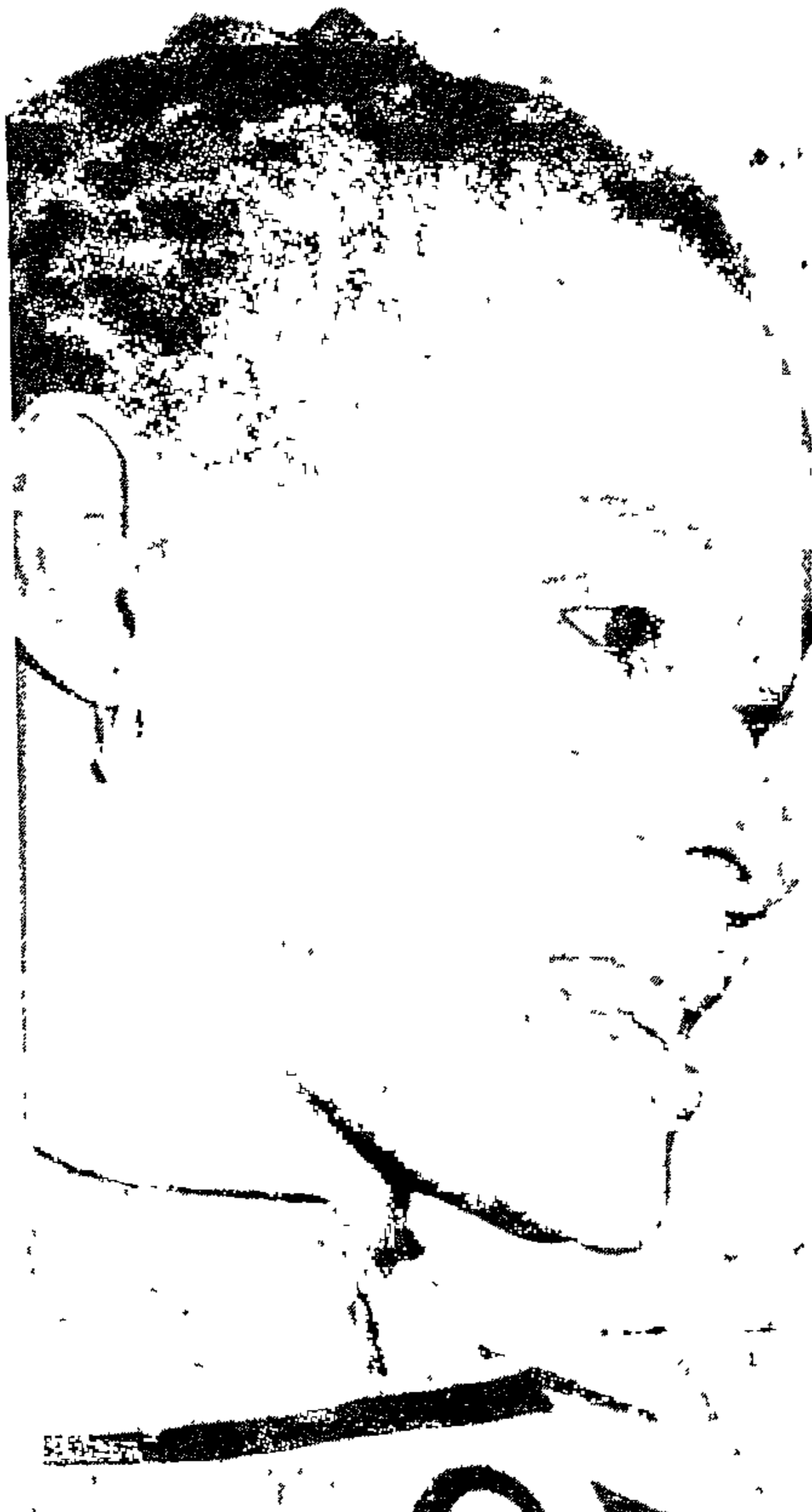
The rumours were apparently spread because of the resignation of some staff members, including the council's director, Mr Johann Verheem.

In a statement released after the council's executive committee meeting, it was disclosed that the false rumour could have emanated from the fact that there was internal reorganisation and streamlining of the administration which could have been misconstrued as the council closing down.

It was further said that the council was continuing its activities on all levels, and that internal reorganisation and streamlining of its administration had been made.

The statement also noted that the council is more and more involved in commissions investigating consumer interest — the most recent example being the announcement that the council is to serve on a commission appointed to investigate third party insurance.

"Rumours that the council is about to disband are therefore totally unfounded and could only be detrimental to the cause of the consumer," Mr Cronje said.



President of the Black Housewives League, Mrs Sally Motlana feels something must be done about prices skyrocketing.

## Housewives are angry at massive dairy hike

Post 13/6/80 244

THE recent price increases on dairy products are a direct challenge to black housewives to do something soon to prevent their children from malnutrition.

Already taking a further step on this matter, the Black Housewives' League's executive committee intends calling a meeting soon to discuss means of fighting this ever-increasing cost of basic foodstuffs.

The president of the league, Mrs Sally Motlana, told Consumer POST that they hoped to "do something" as blacks are the most hard hit by the high inflation.

"Meat is expensive and very few people can afford to have it in their daily menu. Now that the price of milk has gone up by six cents, we are going to starve," she said.

A Soweto trader, Mrs Motlana said the higher prices rise, the more their sales drop.

## Shopping Basket

| PRODUCT                               | ELOFF OK BAZAARS    | MAYFAIR CHECKERS    | BRIXTON PICK 'n PAY        | MAYFAIR SPAR             | SOWETO BLACKCHAIN  |
|---------------------------------------|---------------------|---------------------|----------------------------|--------------------------|--------------------|
| Washing Powder 1 kg Housebrand        | Punch 99c R1,17     | Bingo 89c —         | Good & Clean 99c R1,18     | Good & Clean R1,19 R1,09 | Omo R1,19 —        |
| Face Soap                             | Shield 27c          | Palmolive 29c       | Olano 25c                  | Shield 29c               | Lux 29c —          |
| Housebrand                            | 150 g 27c           | 30c                 | 150 g 25c                  | 27c                      | —                  |
| Mealie Meal 2,5 kg Housebrand         | Impala 66c 66c      | Impala 68c 66c      | Impala 69c —               | Impala 69c —             | Induna 63c —       |
| Tea 250 g Housebrand                  | Everyday 79c 89c    | Glen Tea 87c 85c    | Three Trees 87c (bags) 99c | Three Trees 99c 87c      | Three Trees 94c —  |
| Coffee 250 g Housebrand               | Van Riebeeck R1,17  | Van Riebeeck R1,19  | Ricoffy R1,29              | Van Riebeeck R1,29 R1,09 | Van Riebeeck R1,28 |
| Candles (packet) Housebrand           | Buffalo 54c 50c     | Buffalo 53c 53c     | Buffalo 49c —              | Buffalo 49c —            | Prices' 46c —      |
| White Bread                           | 29c                 | 29c                 | 28c                        | 29c                      | 29c                |
| Brown Bread                           | 19c                 | 19c                 | 18c                        | 19c                      | 19c                |
| Sugar 2,5 kg Housebrand               | Huletts R1,10 R1,10 | Huletts R1,09 R1,09 | Huletts R1,08 —            | Huletts R1,08 R1,15      | Huletts R1,14 —    |
| Margarine (Yellow) 500 g Housebrand   | Stork 71c —         | Stork 72c 69c       | Blossom 65c —              | Blossom 69c —            | Blossom 67c —      |
| Jam (Apricot smooth) 400 g Housebrand | All Gold 57c 45c    | All Gold 47c —      | Brinks 49c —               | Koo 49c 48c              | Koo 45c —          |
| Powdered Milk 250 g Housebrand        | Skimco 74c 67c      | Skimco 72c —        | Molico 75c —               | Skimco 75c 500 g R1,25   | Molico 72c —       |
| Condensed Milk 397 g Housebrand       | Nestlé 49c 44c      | Gold Cross 49c —    | Gold Cross 46c —           | Gold Cross 49c —         | Gold Cross 49c —   |
| Sunflower Oil 750 ml Housebrand       | Epic R1,12 90c      | Nola 95c 98c        | Epic R1,04 92c             | Excella 99c R1,09        | Black Cat R1,18 —  |
| Beans 500 g Housebrand                | Lion 51c —          | Buffalo 54c —       | Lion 49c —                 | Lion 59c 53c             | Buffalo 48c —      |

## Clever shoppers always win

A CLEVER consumer always watches out for markdowns and is at the same time aware of the mark-ups on other goods. Do not take it for granted that shops with a number of items cheaper than in other shops — sell "all its goods cheaper than in other shops".

Make it your business to talk about special offers each time you meet your friends. They will also start telling you about "special offers in the area where they work", and perhaps offer to buy some of the goods for you in their free time.

POST Shopping Basket is there to guide you in your weekly shopping. Of the five shops visited, all the goods reflected in the chart are the cheapest. The housebrands are always cheaper.

So why not join Consumer POST and share your brilliant ideas with us. We live in bad times. Everything, except wages is going up by the day. Keep in touch with us by writing to: CONSUMER POST, PO Box 43003, Industria 2042.

Consumer  
246 ADM  
group to  
26/7/80  
open new  
office

By VITA PALESTRANT  
Consumer Mail

THE National Housewives' League, one of the most vociferous consumer groups in the country, said yesterday that it would soon open a central office in Johannesburg.

The league's president, Mrs Joy Hurwitz, said her organisation would also be appointing a full-time director and assistant director.

Over the past few years the organisation, which is voluntary and multiracial, has become a force to be reckoned with.

Mrs Hurwitz said "New branches have been mushrooming all over the country, particularly in the rural areas, and we have now reached the stage where we need a central office and a full-time director to handle our ever-increasing investigations and surveys."

Until now the league has relied heavily on voluntary work.

Committee members will be able to conduct their investigations and surveys from the office.

Mrs Hurwitz said they were hoping institutions or corporations would come forward with donations of office space.

"The kind of person who fills the post of director must be committed to the consumer cause, and preferably have a law background", she said.

23/8/80  
246

# Consumer research to be extended

## Pretoria Bureau

The new director of the SA Co-ordinating Consumer Council, Mr Jan Cronje, yesterday announced he intended to expand the council's consumer research system throughout the country.

Mr Cronje, who was previously acting director, said the aim was to have voluntary researchers in every town, who would distribute research ques-

tionnaires on any consumer issue which the council undertook.

Examples could be the plight of pensioners, coloured people or young consumers with a low income, he said.

Mr Cronje also said he was still unsure whether consumer organisations should adopt an aggressive approach or not.

He said that by being aggressive and "making a noise" in the media, con-

sumer organisations had not necessarily succeeded in reducing the price of meat, for example.

Mr Cronje said that consumers could achieve much by having direct representation on bodies such as control boards and market administration committees.

He intended to organise a yearly symposium in Pretoria for all consumer representatives on such committees in order to

train them to act as effectively as possible.

Mr Cronje said he intended working to co-ordinate all consumer-orientated bodies which should pool their efforts under the umbrella of the Consumer Council which had full-time staff.

He said that he did not believe in a multitude of laws to protect the consumer, his philosophy, for consumers was "self help"

Mr Cronje's appointment has been welcomed by the independent Housewives' League whose national president, Mrs Joy Hurwitz, said that the co-ordinated approach could give her league more links with the Government.

● Mr Johan Verheem, former director of the council, has refused to confirm or deny that he is starting a new consumer organisation.

# Call swells for probe of meat marketing

244 Star 29/8/80

By Charlene Beltramo,  
Fair Deal Reporter.  
The Housewives League and restaurateurs have increased demands for an investigation into the marketing of meat.

A meat price drop is doubtful at present — there is a long weekend, an end-of-month peak

when prices are traditionally forced up by increased demand and the impending Jewish New Year.

Prices for super beef soared to R2,07 a kilogram at the Bloemfontein abattoir this week — even higher than in Johannesburg.

Yesterday, the Housewives League sent a telegram to the Minister of Agriculture, Mr Schoeman, asking for him to remove the support price and reiterate their call for a meat investigation.

"We think the support price is partly contributing to the problem, of high meat prices," Mrs Yvonne Foreshaw of the League said.

A Meat Board spokesman said, "We can't lay down meat prices. Wholesale meat prices are the result of the abattoir on the price they feel they can afford and the public will pay what it takes."

"We don't think the market is manipulated. No one has given us enough proof to launch an investigation," he said.

The SA Federation on Meat Traders is so alarmed about rocketing meat prices, that they have sent the Government a telegram urging that exports be stopped.

The federation believes that if exports which were subsidised and sold at a loss overseas were stopped now, this would halt rocketing prices.

# Meat men

# call crisis

# meeting

8/9/80 Cape Times (244)

By MARILYN ELLIOTT

THE MINISTER of Agriculture, Mr Hendrik Schoeman, has announced that a special meeting will be held in Pretoria next week to discuss the current red-meat price crisis and the possibility of launching of a long-term campaign to encourage farmers to produce more red meat.

In an interview yesterday, Mr Schoeman said the Department of Agriculture would meet the Meat Control board and the Butchers' Retailers' Association to discuss countrywide record prices of beef and mutton and decide on steps to remedy the situation.

Mr Schoeman said he was not contemplating immediate steps to solve the crisis, but that the department would look into ways to avoid the same problem in the future.

Asked if the present system of marketing meat in South Africa was responsible for the unreasonably high prices, Mr Schoeman said several different systems had been tried in the country before and that the present system was the most practical.

He was answering allegations from butchers that the Meat Board was deliberately keeping prices high.

Mr Schoeman said meat prices displayed an uncanny tendency to rise towards the end of the week. On Mondays, when fresh supplies of cattle and sheep were available from the weekend trains, the prices remain fairly low. As the carcasses were depleted, so buyers went higher and higher on bidding to make sure of their supplies.

In Cape Town on Friday, butchers from larger buying outlets said there was "panic buying" at the abattoir. Some butchers however, stayed in

Cape Times

8/9/88

246

#### Mr Hendrik Schoeman

On Friday, prices in Cape Town reached an all-time high. The floor price of super beef reached R2,70 a kg while super mutton was auctioned between R2,30 and R2,49 a kg.

"One long-term plan we wish to implement is a campaign to encourage farmers to produce more red meat," Mr Schoeman said. "The high prices at the moment are due to bigger demand and the widespread drought. The Housewives' League has sent me a telegram asking me to remove the support price which, it maintains, is being kept artificially high to protect farmers."

"The support price has nothing to do with current record prices. We are short of meat and we will meet to discuss what we can do about it."

Mr Schoeman said South Africans would eat 2,2 million head of cattle and 6,6 million sheep this year and that the demand would increase next year as urban blacks were becoming major red-meat consumers.

"The only long-term solution is to encourage farmers to produce more red meat. If they know that they will get a good price for their carcasses, they will go into production in a big way."

outlets said there was "panic buying" at the abattoir. Some retailers, however, stayed in the background and passed up the carcasses believing that their customers could not afford to buy the meat and that they would be stuck with the costly rumps.

Larger companies, for example Pick 'n Pay, have frozen prices countrywide on pre-packed meat cuts until September 20. Supermarket chief Mr Raymond Ackerman says the price-freeze was prompted to show a "strong stand against wholesalers and everybody in the meat industry responsible for the increases."

Mr Schoeman denied yesterday that the increases had come about because of inefficiency of the system or its agents. He also denied that the support price was keeping the price of meat artificially high.

#### Butchers anxious

"Only 60 percent of South Africa's meat is sold via the control boards. The rest is sold by private auction where the consumer often pays higher prices," he said.

He added that the Department of Agriculture was not considering a different meat-marketing system. "The one we have is adequate. We just need more meat."

Butchers will be watching bidding trends anxiously today as some observers feel the prices could rise even higher than last week.

# Big buyers blamed for high meat price

246  
RDM  
10/9/60

Staff Reporter

THE Housewives' League has accused big meat buyers of inflating meat prices through excessively high bidding at the markets

It has called on consumers to fight soaring meat prices by withdrawing their buying power — "the only weapon they have"

Small family butchers were being squeezed out of the market, members of the league said at a Press conference in Johannesburg yesterday.

"One butcher told me he might as well lock up his shop for two months, he could not be making less money," said Mrs Jean Tatham, vice-president of the league

In a Press statement the Housewife's League quoted the Minister of Agriculture, Mr Hendrik Schoeman, as stating

that high prices were due to a shortage of meat

"But the Meat Board says there is no shortage. Investigation seems to show there is no shortage of meat coming into the abattoirs anywhere in the country, therefore prices should not have risen," the statement said

The league concluded that prices were being manipulated

"We do not blame the manipulators for making money out of a system that allows them to do so

At present the whole price structure can be altered merely by the opening bidding being pitched excessively high by the big buyers who control the bulk of the purchasing on the markets, or with the clock system — the clock being stopped at an artificially high level"

The high price was then

maintained by the operation of the "support price", re-introduced by the Minister of Agriculture in March, the statement said

The league called on consumers to serve red meat only twice a week until there had been a withdrawal of the support price and an indication from the Minister that he would investigate the marketing of meat

Many independent butchers were unable to afford the elaborate trucks or staff used by big buyers at the abattoirs. These "independents" therefore became absolutely dependent on wholesalers for their meat supplies.

Mrs Joy Hurwitz, president of the league, said it had been confirmed by butchers in the last two weeks that consumers were buying less meat.



Meat <sup>room</sup> <sup>19/5</sup> <sup>(24)</sup>  
boycott  
calls 'not  
helpful'

PEOPLE who advocated meat boycotts were acting irresponsibly, the chairman of the Meat Board Mr Flip du Toit, said in Pretoria yesterday

In a statement, Mr Du Toit commented on statements of people who advised the public not to buy meat and who campaigned against the meat marketing system. These people were not doing the consumer a favour, Mr Du Toit said.

"If the South African consumer does not make it possible for the meat producer to continue producing meat, the consumer himself will eventually have to bear the brunt.

"If the South African farmer is no longer prepared to continue producing meat, the agitators will have real reason to gripe when inferior quality meat will have to be imported at high prices."

Similar campaigning in the past, he said, had shown that people supposedly acting in the interests of the consumer only succeeded in achieving the opposite, creating a "psychosis of high prices" which resulted in panic buying and soaring prices.

Mr Du Toit said the Meat Board had for many years warned that farmers were not receiving enough for their cattle and that this was not conducive to a steady future meat supply position in the country.

Mr Du Toit's advice to meat producers was to ignore the opinions of the numerous so-called "experts" quoted in newspapers — Sapa

# 'Fat tannie' or fighter for the underdog?

246

ROM 17/9/80

PAT SIDLEY  
Consumer Mail

THE HOUSEWIVES League consists of a bunch of short-sighted, irresponsible fat tannies who eat themselves "dik", spend millions on cosmetics and then agitate for red meat boycotts.

That, according to published comments, is how the Meat Board, the South African Agricultural Union and even the Consumer Co-ordinating Council appear to see these South African housewives, who strive as a consumer organisation to keep basic foods within the range of all South African purses.

The league's call to boycott red meat sparked the most recent rash of remarks — and Consumer Mail decided to see the top agitating "tannie", agricultural expert and vice-president, Yvonne Forshaw.

She grew up in Potchefstroom, of farming parents and grandparents, went to Rhodes University where she did a BA in economics, history and English, did a personnel management course and started a Master's degree in economics.

She worked for many years for the Johannesburg City Council's Social Affairs Department, dealing with alcoholics. After studying alcoholism abroad she helped draw up the constitution of the South African National Council for Alcoholism.

"You find me an underdog," she says "And I'm there."

Mrs Forshaw became involved in civic affairs, fighting the proposed Sandton CBD and Sandton City — and losing — and was then approached, in 1973, to join the local branch of the Housewives League.

She has "always" steered clear of politics.

"I've had a reasonable academic background, I know economics. My parents and grandparents were farmers, I have an agricultural background and I've had some experience in the business world.

"With that combination, it can't be complete stupidity that guides us. I don't think we should be brushed aside as irresponsible," she says.

From 1972 to 1980 the league has battled on the meat front.

During that time, they have done investigations, surveys, seen the Minister of Agriculture regularly and met various experts in the industry to keep informed, or pressurise.

Twice a month, members of their 29 branches, around the country, send in prices of different cuts from local supermarkets and independent butchers.

"We think we know something about how meat is sold and marketed," she says.

They have had some measure of success. The old quota system, managed by farmers' agents, was scrapped in favour of the present permit system after the league had presented allegations of abuse to the Minister.

But the new system has come under fire and the fight continues. Prices have soared, seemingly without reason.

"Our patience is now exhausted. We've done everything we can. We've done everything to avoid undue pressures — we've avoided politics. Now we're confronted with a sudden rise with no apparent explanation.



Mrs Yvonne Forshaw

"Why? What reason, except that it has been decided to push the price up?"

As early as January this year the industry predicted steep increases, with threatened meat shortages as the reason. These have apparently not yet materialised, but will soon.

And the housewives are told their meat price honeymoon is over. "No matter how they carry on, they won't change anything," a Meat Board spokesman was quoted recently as saying.

"We're not saying they're a bunch of crooks, or doing anything wrong — the system allows it," Mrs Forshaw says.

And once again comes the plea for a thorough investigation of the industry.

"The marketing system was passed in Parliament, by representatives of the people of this country to establish an equitable system which would bring meat from the producer to the consumer with as little cost and the most efficiency to both.

"We merely ask whether this has happened. It's about time everybody sat up to see if it (the Meat Board) is achieving its purpose."

Does the floor price give a fair profit? Investigate the agents' role and his fees. Are wholesale and retail profits fair? The links between producers, middlemen and retailers should be investigated.

These are some of the pleas of the league.

"Do we just sit back and say 'yes, well this is free enterprise working, we mustn't rock the boat?' We can only fall back on

our entrenched right not to buy," Mrs Forshaw says.

Does she think the league's lack of involvement in politics and black consumerism lends support to the theory that they're a bunch of "fat tannies" interested in make-up?

"I don't know. You can't say we're not involved in black consumer problems. The price of maize and bread won't cripple northern suburbs housewives, but we're involved in fighting increases there.

"We obviously have serious problems to sort out in this country. To solve them we need time. If we have sufficient time we will find the solutions. And the only way to do this is if everybody eats, is clothed and has shelter.

"One of my main reasons for involvement in the league is selfish. I was born in this country, I belong here and I want to survive here. Our black people are patient and the country is built on compromises but we've got to give way.

"Everybody must eat and the day people don't eat, everything will blow up. This is why I'm concerned — and consumer organisations have a role to remind people of this.

"We appeal. don't be short-sighted and stuff your pockets. Everybody has to eat."

Fat bank balances, here, in Switzerland or anywhere else, Mrs Forshaw warns, won't help if people don't eat.

"In this country the attitude cannot be 'to heck'. There comes a time in every girl's life when she's got to say 'no' — even fat tannies."

# Boycott knocks sales of red meat

18/9/60

1 SMP

246

SUGGESTED SOLUTION TO:  
QUESTION: 1 Cont'd:

Cash Distributi

Proof of cash d

|                      |               |
|----------------------|---------------|
| Cash Balance         |               |
| Proceeds on sale     | 12 000        |
| Payment to creditors | (10 000)      |
|                      | <u>R4 000</u> |

By Charlene Beltramo, Fair Deal Reporter

Beef sales fell 731 tons on the Witwatersrand last week and lamb, sheep and goat sales have fallen 195 tons, indicating that consumers are supporting the Housewives League boycott call.

The Meat Board has been surprised by the drop in sales. Although officials privately admitted last week that they thought sales would drop, they said they did not envisage this happening until after the Settlers' Day weekend and the Jewish New Year when sales always

Beef sales were relatively high before the Settlers' Day weekend — the week ending September 6 at 2961 tons, but they dropped 163 tons last week when they were expected to rise further.

The figures for the decline in sales are based on a comparison with sales figures for the same time last year.

Lamb, sheep and goat sales on the Witwatersrand rose two tons last week from 444 tons the previous week.

This is in conflict with claims issued by the Meat Board, the SA Agricultural Union (SAAU) and the SA Co-ordinating Consumer Council that the country was "experiencing a tremendous increase in consumer demand for meat"

### SMALL DROP

The Meat Board said today that it believed the "relatively small drop in consumption was a normal reaction to increased prices. If it's a response to a boycott call, it's a poor boycott"

The spokesman said the board did not expect a boycott to have any effect. "Blacks won't stop buying, and about 12 percent of sales go to mine contracts, which won't be stopped," he said

The board was not exporting meat at present because certain centres — Kimberley, Durban and Bloemfontein — were already experiencing shortages. Meat was being re-distributed to those mar-

Mr Jan van der Walt of the SAAU pointed out that overall meat consumption had increased this year, from 181 000 tons of beef sold in the first eight months of last year to 191 000 tons up to August this year.

At a meeting with the Meat Board general manager Dr Jan Lombard yesterday, the Housewives League asked the board to increase the floor price "to guarantee the farmer a reasonable return, and abolish the support price"

The Meat Board said this would mean the floor price (or price guaranteed to farmers and below which prices cannot fall) would have to rise by at least 20 percent

The red meat price at Cape Town's Martland Abattoir dropped 29 percent in a week, and there is no shortage in the Western Cape

● The price of milk may go up next year. At its annual meeting yesterday, the Transvaal Fresh Milk Producers' Association adopted a resolution for a nationwide increase in the price of fresh milk.

● Page 2 — Chicken, turkey, fish to rise.

M A R K S

POSS

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# Meat row: Scrap permit system, says league

By ROB MEINTJES

THE Housewives' League yesterday called for the removal of the meat permit system and attacked as "childish" allegations that its meat boycott amounted to "sabotage"

And the league is seeking legal advice on the latest "fat tannie" statements made at the weekend by Mr Chris Cilliers, director of the South African Agricultural Union

The league's vice-president, Mrs Yvonne Forshaw, said there was no need for the meat permit system if reports of meat shortages on the markets were true

She said the league had sent a telegram to the Minister of Agriculture, Mr Hendrik Schoeman, calling for an end to the issuing of permits to farmers — a system which enables control over the volume of livestock sent for slaughter at the abattoirs

Commenting on the allegation that meat boycotters were guilty of "sabotage", reportedly made by the managing director of a major South African stock feed company last week, Mrs Forshaw said supporters of the boycott were merely exercising their rights as consumers — "to purchase or not to purchase"

"We are a consumer organisation. What the devil do they think we get together to discuss — how best to make stock feeds? No, our concern is the best value for the consumer. There is nothing illegal or immoral about that"

Commenting on his earlier statement that the league was a "bunch of fat tannies", Mr Cilliers was quoted in a Sunday newspaper as saying "These women gorge themselves on food and then wonder where the high prices come from. When they see the prices they drink themselves to a stupor in shock"

Mrs Joy Hurwitz, the league's president, said yesterday the

statement "looked at from a legal point of view"

Commenting on Mr Cilliers' reported claim that the league was "thrown out" of the consumer union because of its "extremist views", Mrs Hurwitz said the league had resigned from the union of its own free will

Mrs Forshaw said she had learnt that housewives were rushing out to buy meat at the current "ridiculous" prices because of an SAAU statement that meat would reach R10 a kg by Christmas. These women "deserved what they got", she said, because there had been no indication that prices would reach that level

Mrs Forshaw said the league had called for an investigation into the meat industry, but because it was a "R3 000-million business", people in the industry would not easily allow "the boat to be rocked"

"We're not talking about corruption, but if it is found along the way (during an investigation) — and there is probably corruption in every field of business — then it should be stamped on hard," she said

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# Poultry: Call for inquiry

248  
17/10/80  
A. L. W.

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**Argus Correspondent**  
**JOHANNESBURG**—  
A leading supermarket  
chain has called for a  
commission of inquiry into  
the poultry industry fol-  
lowing the four cent in-  
crease on a dozen eggs  
that will take effect on  
Monday.  
Mr Richard Cohen,  
director of Pick 'n Pay,  
says the increase is caused  
by producers manipulating  
the supply and demand of  
eggs and cutting down on  
the number of 'layers'.  
A spokesman for  
Checkers said 'I do not  
know the reasons for the  
increase but it is begin-  
ning to look as though the  
disease of price-hikes is  
spreading throughout the  
poultry industry. Maybe it  
is time the Government  
had a commission of  
inquiry into poultry as a  
whole.  
The grades affected are,  
extra large up to 74c, a  
dozen, large up to 70c, and  
medium to 68c.

Egg producers have  
attributed the price in-  
crease to a shortage of  
eggs.  
Egg prices have in-  
creased by nearly half  
over the last year.  
Mr Rupert Lorimer,  
Opposition consumer  
spokesman said he does  
not believe the increase is  
justified.  
'I think all protein pro-  
ducers are cashing in on  
the increased meat prices,'  
he said. 'This is yet  
another blow to the consu-  
mer'

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(1) make SACHED known to people who might wish to take advantage  
of what it offers, but who do not know about it;  
(11) to promote the idea of possible commissions (such as the  
Booster Project with UNISA and the African Studies Course for the  
Catholic Bishops;  
(111) to possibly raise funds locally for projects such as the  
bursary project, which cannot support themselves.

1.2 Centre or National Matters  
Fundraising, as a policy matter, should be discussed and decided  
upon at a directors' meeting. However, Johannesburg proceeded to  
arrange the open day on a 'local' basis with only slides/tapes  
from Cape Town and Durban. They realised the implications of this  
too late to make arrangements to their plans. The 30-odd companies  
which have been written to were, mostly, signatories to the  
Sullivan and ECC Codes. Invitations will be sent out by May 15.

1.1 Because of the possible difficulty of recei  
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bursary project, which cannot support themselves.

1 OPEN DAY

Because Fanjama had to leave the following morning we started the proceedings

# League criticises meat probe plans

B-11 80  
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By PAT SIDLEY  
Consumer Mail

THE Housewives' League — which has fought for years for a probe into the meat industry — is dissatisfied with the terms of reference and the composition of the coming inquiries into the meat industry.

The league is not even certain of its willingness to participate in the investigation, and has said the commissions could be a "waste of time and money."

The Minister of Agriculture, Mr Pietie du Plessis, announced a two-part inquiry following pressure prompted by red meat shortages and soaring prices.

The first inquiry will be chaired by Mr Justice C F Eloff and will look into specific aspects of the industry, including the permit/quota system, price support measures, restrictions on the entry of persons into aspects of the trade and vertical integration of interests in the industry.

The second commission, announced this week, will in-

vestigate the supply of red meat as well as the economics of beef production.

The commission is to be headed by Dr A S Jacobs of the Reserve Bank, assisted by Mr R P G Kotze, vice-chairman of the National Marketing Council, Mr S J J van Rensburg, general manager of Vleissentraal Co-op, Dr Jan Lombard, general manager of the Meat Board, Mr F J Lategan of Asakor Ltd, Professor J L Weyers, chairman of the Co-ordinating Consumer Council, and Dr M K V la Chevallerin of the Department of Agriculture.

Four of these commissioners are associated with the Meat Board. Mr Van Rensburg, Mr Lategan and Prof Weyers are on the board, Dr Jan Lombard is its general manager.

The Housewives' League vice-president and agricultural expert, Mrs Yvonne Forshaw, said yesterday she hoped to see the Minister next week.

"We wanted an in-depth, independent investigation into the whole industry. The second commission should have been

part of the whole thing," she said.

She said the league could not see the purpose of splitting the inquiry.

"The question of why we have a shortage, and the prices and costs, is part of the whole thing."

"The Meat Board should already know this situation exists. It should be giving evidence at an independent inquiry on why this has happened — not determining why."

On the first commission, she said only "special areas" had been selected for investigation.

For example, Mrs Forshaw said, the offal and hides trade was a source of great concern.

"The investigation is limited to who may enter the offal business — but the grievances are far more extensive than that. It's a question of the entire handling of offal."

Mrs Forshaw said the commission's brief did not adequately cover the meat marketing scheme.

"This is the basis of the problem — getting the meat

from the producer to the consumer. They must look at the scheme to see if it's working or if it has been manipulated to anybody's advantage."

She said the method of determining the floor price should be investigated, but it appeared this area was not covered.

"We need an in-depth investigation on all aspects — it does not help to isolate small parts and look at them. Some people may not come forward if they think it does not cover all their grievances."

In September, Consumer Mail investigated the R6 000-million meat industry and showed that three vast organisations control the various areas of the industry from ranching and feedlots to small butchers, supermarkets and the offal and hides industries.

The organisations are the giant co-operative Vleissentraal, Imperial Cold Storage and Kanhym. The Meat Board, which sets the rules for operation of the industry, has representatives from all three groups.

# Meat price soared 12 percent last month

19/11/80 news

~~Meat~~

246

186

## Consumer Reporter

THE consumer price index shows that the average price of meat went up by 12.2 percent during the past month and by 37.8 percent over the past year.

This compares with a 5.6 percent increase in the average price of food between August and September and a 20 percent increase in the price of food in the year ending September.

The current issue of the Housewives' League newsletter says that the marketing scheme operated by the Meat Control Board has not served its purpose of ensuring a regular supply through the provision of a fair guaranteed price to the farmer.

## SHORTAGE

This had resulted in a shortage and high prices. As a consumer organisation, surely it is our

responsibility not only to resist the excessively high prices of an important basic food but to question the reasons for them,' the newsletter says.

Welcoming the setting up of a commission of inquiry into the meat industry it adds that two aspects needing attention were the Meat Board, with its direct involvement in the industry, and the position of producers who were also agents, wholesalers and retailers.

The newsletter points out that the investigation by the commission is not 'an attempt to deprive the farmer of a fair price'.

## 'FAIR PROFIT'

'It is the function of the floor price — the minimum guaranteed price which is set by the Meat Board — to ensure that the cost of production plus a fair profit is paid to the farmer marketing in the controlled areas.

'The full responsibility must fall on the Meat Board and not the consumer if the floor price is not correct.

'We would point out that increased prices granted in the controlled areas in no way benefit the farmers who are unable to obtain permits to sell in them and are therefore forced to sell at a lower price in uncontrolled areas.'

## 'SUPPORT PRICE'

The newsletter points out that the SA Federation of Meat Traders, at their recent annual congress in East London, were 'unanimous in their opposition to the "support price" and wished it to be abolished immediately'.

The support price system, introduced in Cape Town in September, is in addition to the floor price. Its object is to prevent prices at the abattoir auctions from falling too suddenly.

Under the support price system, auction prices cannot drop more than six percent below the average price for the previous week.

Butchers claim it is inflationary because it interferes with the usual pattern of a drop in prices in the middle of the month when demand is normally

# League's top housewife reacts on row

22/11/80  
246 KOM

By MARJA TUIT

THE housewife's League operates on a democratic basis, but when a crisis arises, it is impossible to notify all the people concerned, Mrs Joy Hurwitz, president of the Housewife's League, said yesterday.

Mrs Hurwitz was reacting to comments made earlier this week by the former chairwoman of the Bloemfontein branch of the Housewife's League, Mrs Joey Coetzee, that the league's 45-year-old constitution was "old fashioned and centralised".

Last week members of the Bloemfontein branch resigned, initially, because they refused to support the meat boycott. But the argument later developed into a constitutional disagreement.

Mrs Coetzee said they were not informed when a national meat boycott was called. She was also dissatisfied with the constitution which allowed the organisation to affiliate with women's organisations with similar aims. "But when we asked to be affiliated with the National Council of Women, we were turned down," she said.

Mrs Hurwitz explained yesterday how the league worked and said in a statement "that the Housewife's League in Bloemfontein had been operating only just over a year and Mrs J Coetzee took over as chairman in August 1980".

The league expected the new chairman to know how the organisation operated, to have read the constitution and to be aware of the fact that the

league had been involved in the investigation of the meat industry for the past 10 years.

Mrs Hurwitz said that Mrs Coetzee had apparently "not understood all these principles".

Mrs Hurwitz said the chairmen were aware that in consumer work it was impossible to notify everyone when an emergency arose and that decision-making had to be immediate.

She said the president was empowered through the constitution to make decisions which complied with the ongoing league policy.

All 28 branches of the league had agreed with the stand of a national meat resistance with the exception of Bloemfontein.

Mrs Hurwitz said she and the vice-president, Mrs Yvonne Foreshaw, had gone to Bloemfontein to try to solve the problems.

Considering the question of affiliation with other women's organisations, Mrs Hurwitz said that immediately after Mrs Coetzee had been appointed chairwoman, she requested that the Bloemfontein branch should be affiliated with the National Council of Women because both she and the vice-chairman held portfolios with this organisation.

Their request for affiliation was turned down by the national executive because a resolution had been passed unanimously at a meeting in August 1978 stating that the league would not affiliate with any other bodies.



# Plate Glass reports record earnings

By DAVID CARTE  
Deputy Financial Editor

WITH demand from its customers in the building, motor and furniture industries soaring, Plate Glass has reported record earnings in the six months to end September and forecasts that earnings will be 75% ahead at the end of the year.

Sales in the half year were 37% better at R147-million and pre-tax profit based on the conservative, tax-saving "lifo" method of stock valuation was R20 300 000.

Plate Glass has not provided comparative figures as the group was not on lifo last first half. But, it points out, without lifo, first half earnings would have been 100,7c — a 91% gain on last year's first half.

With the tax rate up from 33% to 38% since the year end, due to the expiry of assessed losses and investment allowances, lifo-based earnings were R12 900 000 or 87 1c.

The interim dividend was lifted to a 2,5 times covered 35c. Even though dividend cover has been increased from 2,1

since the year end, the interim dividend is a 94% improvement on the 18c paid last first half.

PG's pyramid, Placor, has doubled its half time payout to 12 6c (1979 6,3c).

PG has forecast year-end earnings after lifo of 180c — a 75% improvement on the 102c earned last year.

First half pre-tax income is 78% of the total for last year, while earnings at the half-year stage are 85% of last year's total. This, and a traditionally more buoyant second half, means Plate Glass will have little difficulty attaining its earnings forecast even though at this stage it is not quite halfway there.

With effect from October 1, Plate Glass has bought several timber and board companies. The biggest was Knep Timbers, bought for R12 600 000 cash. Once these have been streamlined and rationalised into the group, PG says, returns should exceed the group's target of a 20% yield on assets before tax interest and lifo.

To help fund the new acquisi-

tions and increased investment in Australia and the US UAI has arranged a R10 million pref issue for PG. The prefs have been privately placed and carry a variable interest rate, starting at 6,25%.

According to a statement, even before the latest acquisitions, PG's building industry exposure based on assets and sales was down to 38%. Furniture accounted for 25%, motor 24% and other 13%. As a result the listings of PG and Placor will switch from building to the industrial holding sector of the JSE.

COMMENT If PG only attains its target earnings of 180c and half time dividend cover is the pattern for the year end, it will pay a total of 72c, a 44% improvement. At 900c, this would put the share on a minimum prospective yield of 8%.

The chances seem good that Placor will be able to double its payout at the year end as well, which would put it, at 320c, on a prospective 11,1% yield, making it the better of two good bets.

R3/11/85

249

R10m

# Meat price: league asks for letters

By PAT SIDLEY  
Consumer Mail

WITH red meat prices set to soar over Christmas, the Housewives' League has appealed to consumers to protest about the already high prices by sending telegrams to the organisation.

The league has repeatedly been asked to furnish written proof that consumers are dissatisfied with prices. Now the president, Mrs Joy Hurwitz, has asked consumers to let the league know of their "anger".

"There is not the slightest indication that people have accepted this rise," said the league's vice-president, Mrs Yvonne Forshaw. She added that the floor price had gone up by about 10c to R1,53/kg for super meat on November 11.

The floor price is the basic price of meat guaranteed to the farmer. At the moment the price of beef on the market is almost double the floor price.

Other basic foods have some measure of price control and the Cabinet has to give its approval, Mrs Forshaw said.

"But in meat, any buyer can press the auction button and raise the price, just by bids.

"It would appear that the price is completely out of the Minister's hands," she said.

The league considers that prices are being kept high by the operation of the support price, introduced by the Meat Board to prevent any large drop in the price of meat, even if demand falls off.

At its meeting on November 13 with the new Minister of Agriculture, Mr P T C du Plessis, the league asked for the support price to be abolished.

This was refused on the grounds that it was an aspect of the industry to be covered by a commission of inquiry.

Mrs Hurwitz said the argument was "specious as the support price was only recently reintroduced and could just as easily be removed, as it has been in the past."

She added: "One wonders what price meat will reach by the time the commission has made its recommendations. It seems the interests of the consumer are of little concern to the Minister and the Meat Board. They are being sacrificed to the interests of the producers and in particular a few major meat companies.

"One only has to glance at

truly quoted companies dealing in basic foods to see that, while the public is tightening its belt, these corporations are growing more corpulent."

At the November meeting, the Minister gave an assurance that the inquiry would cover any aspect which any body wished to have investigated. The league has asked for this assurance in writing.

The address to which letters or telegrams of protest should be sent is: The Housewives' League, P O Box 52572, Saxonwold 2132.

Klaas van der Poel

# League slams meat support price

29/1/80  
246

**EAST LONDON** — The Housewives' League of South Africa said yesterday the current high meat prices were being maintained by the operation of the support price.

In a statement, the League said they expected the usual hike in meat prices to coincide with the festive season.

"If this comes about and we add these to our excessively high meat prices that already exist, most consumers will be unable to purchase this basic food."

The League said the support price was an additional support over and above the existing guaranteed price the producer was paid (the floor price).

The meat auction opens every day with the average price of the previous week with a maximum reduction of 10 per cent. This is called the support price.

"If there is any bidding at the auction, the price must go up and therefore there is very little possibility of it coming down even if we, the public, were not to purchase meat."

If there was no buying at the abattoir at support price level, the Meat Board bought the carcasses and offered them for sale the next day or for two further days. The League predicted that if the support price was not removed, the prediction that beef could reach R10 a kilogram may well come true.

The League stated that at a meeting with the new Minister of Agriculture, Mr P. T. C. du Plessis, they asked once again that the support price be removed. He told them that as this was one of the matters to be investigated by the Commission of Inquiry he could do nothing.

"We feel that this argument is specious as the support price was only recently introduced and could just as easily be removed as it has been in the past."

● In East London the chairman of the East London Meat Traders Association, Mr D. Meyer, yesterday denied butchers were making excessive profits.

Mr Meyer was reacting to a report in yesterday's Daily Dispatch in which a butcher said some butchers had it too easy for a long time.

Mr Meyer said butchers did not make excessive profits.

"There are too many butchers and too much competition for that," Mr Meyer said.

Mr H. J. K. Schultz, a butcher in Vincent, said prices quoted yesterday — R2,45 a kg for super beef and R2,34 a kg for super lamb, were the prices at the abattoir and not his retail prices. He was not prepared to disclose his retail prices

tions Research from Tilburg, Holland. He has national for 10 years and worked for that company consultant in several countries around the world. es the design and development of systems for manufacturing control and production optimisation.

in Management Information Systems and Operations ss Schools of the Universities of Cape Town and

member of the consultants group of the Computer a and specialises in requirement definition and systems.

# League <sup>Argus</sup> replies to <sup>12/1/51</sup> criticism (246)

Consumer Reporter

CRITICISM of the Housewives' League of South Africa for apparently doing nothing to combat high meat prices has angered the Cape chairman of the league, Mrs Peggy Borchenhagen.

A letter from a Kenwyn housewife, Mrs Peggy Morris, published by The Argus last week, complained about the steep rise in the price of mutton before Christmas and asked: 'Where is the Housewives' League?'

'Why don't they walk around and look into sudden price rises or do they only investigate reported incidents?'

## SURVEYS

Mrs Borchenhagen said that branches of the league all over the country carried out weekly price surveys.

It was mainly due to the league's complaints that a commission of inquiry had now been appointed to

look into the meat industry.

Mrs Borchenhagen advised Mrs Morris and other housewives to cut down on buying meat when prices were high.

Consumer resistance was the best way to bring down prices and improve quality, she said.

The league had complained about meat price increases to the former Minister of Agriculture, Mr Hendrik Schoeman, and the present Minister, Mr P T C du Plessis.

## SUCCESS

It had campaigned against the introduction by the Meat Control Board of a support price system which was aimed at preventing prices at abattoir auctions from falling rapidly when demand was low.

The system has now been amended to allow prices to fall more quickly.

# New bid to cut SA's RDM 2/3/81 rocketing food costs

Poor hard  
hit by  
RDM 2/3/81  
price rises

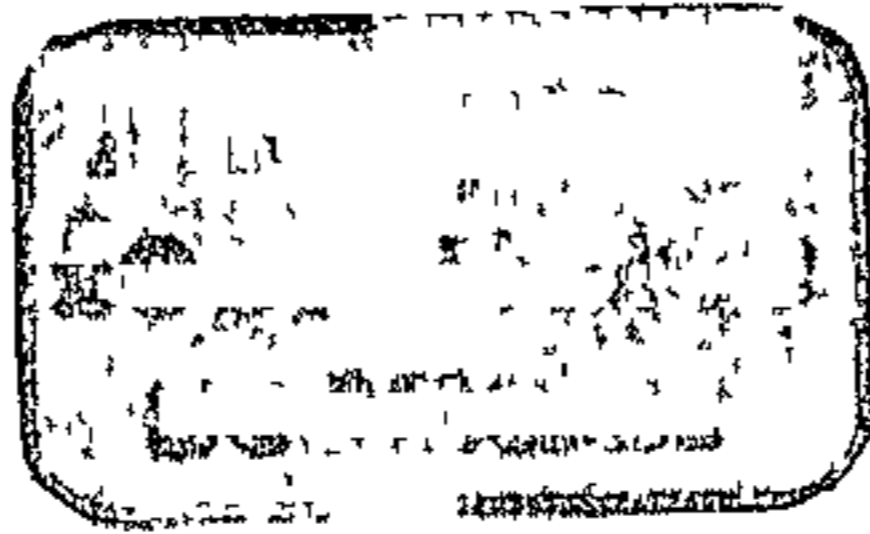
By VITA PALESTRANT  
Consumer Mail Editor

EXECUTIVES, economists, consumer bodies and trade union organisations meet today to try to find ways of curbing the Republic's high food inflation rate

The conference, organised by Consumer Mail, followed calls by retailers, manufacturers and consumer organisations — led by Mr Rex Glanville, the managing director of Checkers — for national, round-table talks to try and solve the growing food price crisis

Their call came after the Consumer Price Index showed a 30% increase in the price of food during 1980 — which was almost double the overall CPI

Since the request, consumers are likely to have been even harder hit. The recent Railway budget will almost certainly have a spiral effect on present prices of food



Economists, labour leaders and consumer organisations have expressed their concern on the effect this will have on the low income group — mainly blacks

Mr Glanville said South Africa was facing a potentially volatile situation, given that unemployment was estimated to be about 7% and that the incidence of malnutrition was on the increase

Those attending the all-day conference include major food companies such as ICS, Spar, Kanhym, Tongaat, Premier, Tiger Oats, I & J, Fedfoods, Cerebos, Pick n Pay, Metro

Cash and Carry, O K Bazaars, Checkers, Woolworths and Blackchain

From the agricultural sector, delegates might include the South African Agricultural Union, Vleissentraal, the Maize Board, Meat Board, Wheat Board, Dairy Board and Egg Board

Five consumer organisations and labour groups will also be at the meeting

The conference will be chaired by Professor Jan Sadie, of the University of Stellenbosch

Some of the topics which are to be discussed include

- Areas of inefficiency in the food supply and distribution chain
- Government interference, price control, bureaucracy and inhibiting legislation in free enterprise and
- Monopolies and collusion throughout the food supply and distribution chain

By PAT SIDLEY  
Consumer Mail

MOST poor South Africans have been hard hit by the past year's 30% increases in food prices — and many who were on the breadline have been pushed below it, according to a Consumer Mail survey

For the survey on eating habits, 30 people were interviewed in Brixton and in White City Jabavu — one of Soweto's poorest areas

The survey found that in Brixton people were forced to quit eating red meat and substitute it with vegetables or, to a lesser extent poultry

The people of White City already could not afford basics like milk, eggs, meat or vegetables and were forced to increase their consumption of mealie meal — which has little protein

Many claimed they were starving, and most people blamed the high prices on the Government

• See Page 9

(246)

3/3/81

# Body formed in bid to cut food inflation

**BY VITA PALESTRANT**  
Consumer Mail Editor

A NATIONAL conference on the food price crisis described as "historic" and "unique" yesterday elected a top level committee to act as a pressure group to make urgent recommendations to the Government on ways of curbing high food inflation.

About 30 leading members of the food sector, economists and consumer groups attended the all-day conference held under the auspices of Consumer Mail. It was chaired by Professor Jan Sadie, head of the Bureau of Economic Research, of Stellenbosch University.

The committee will meet within a fortnight to decide on its frame of reference.

Special attention will be given to maize price increases and food subsidies. Yesterday the cost of maize and its pricing structure was questioned.

Maize — a primary product which has increased in price by almost 70% in the past three years — is the starting point for increases in other products such as meat, eggs, poultry and dairy products.

This year produced a bumper crop said to be between 25% and 40% higher than last year but price increases are expected to go up by about

20%

Mrs Sally Motiana, president of the Black Housewives League, warned that blacks hard hit by increasing food prices would be "compelled" to organise themselves by "any means at their disposal", unless the brakes were put on excessive food prices.

The committee was elected after a day of heated debate and clashes over who was to blame for high food prices.

The committee consists of Mr Rex Glanville, managing director of Checkers, Mr Raymond Ackerman, chairman of Pick 'n Pay, Mr Sid Matus, executive director of Spar, Mr C McLeish, director of Metro Cash and Carry, Mr R Stevens, chairman of Tongaat Foods, and consumer organisations represented by, Mrs Joy Hurwitz, president of the Housewives League, and Mrs Sally Motiana, president of the Black Housewives League.

Meanwhile key marketing



Ms Joy Hurwitz, president of the Housewives' League, argues a point with Mr Raymond Ackerman, chairman of Pick 'n Pay, at the Consumer Mail's Sandton conference on the food price crisis

Picture JOHANKUUS

☐ To Page 2

D10-60  
246  
cut food  
inflation



RESEARCH DIVISION,  
SCHOOL OF ECONOMICS  
BEATTIE BUILDING,  
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From Page 1

boards invited to attend the conference -- the Meat Board Maize Board Wheat Board Egg Board and Dairy Board -- declined to attend as did the large meat co-operative Vleis-sentraal and the S A Agricultural Union

The following views were expressed at the conference

- o That marketing boards be more representative and not only represent producers but also retailers, wholesalers, manufacturers and consumers
- o That the plight of blacks, who spend almost 40% of their income on food be alleviated
- o That corporations give attention to equal pay for equal work to their black workers
- o That Government seek increased means of finding revenue for financing subsidies
- o That manufacturers do their own policing to prevent collusion in price structures
- o That the call for open trading -- uniform prices for small and large retailers -- by the Grocery Manufacturers Association be dropped as this would push up food costs by 50%
- o That large supermarket chains pass their 'confidentials' or target discounts from manufacturers on to the consumer
- o That transport, which represented 40% of the retail cost of food be made more efficient
- o That credit cards be eliminated from supermarkets as the costs of running them were being passed on to all consumers
- o That cheaper bottled milk instead of cartons be made available in all supermarkets and cafes

At the close of the conference consumers retailers and wholesalers said that although difficulties emerged as different points of view were expressed there had nevertheless been a commitment and co-operation and the four day meeting had been an 'historic achievement'

# 'Keep meat market sound'

KIMBERLEY — Consumers would have to realise that it was in their and the country's interest that red meat producers be kept in the market on a sound basis, Mr J Cronje, director of the South African Co-ordinating Consumer Council, said in Kimberley yesterday

Addressing a national meat congress organised by the South African Agricultural Union (SAAU), he said 1980 had been a year of "many movements" in the meat industry

Drastic increases in prices had been a shock to consumers and a good thing for producers, a group had called for a red meat boycott but the consumer council had distanced itself from what it termed an "emotional call"

Mr Cronje said consumers should remember that if they did not make it possible for farmers to continue producing meat, the consumers would ultimately carry the costs

It had also to be remembered that if meat became too expen-

sive, the farmer would face grave problems

The consumer council remained opposed in principle to price and product control, but conceded that in South African conditions it was sometimes necessary said Mr Cronje

Producers had a duty to act responsibly in their decisions

"I think of the delivery of the best products at the most reasonable prices, by using research to apply the most efficient production methods," he said. Producers also had to make their product known and market it through the most efficient organisation

Consumers needed guidance in the buying and utilisation of meat

"Producer and consumer organisations must grab each others hands and not move away from each other"

Mr J Lombard, general manager of the Meat Board, said statutory interference in the marketing of red meat was not only justified but essential

He came to this conclusion against the background of these elements of the broad agricultural marketing policy in South Africa

- Production uncertainties Because of dependence on climatic factors, farmers could not control supply in order to bargain effectively for a price
- Production characteristics Red meat production had a long term cycle which tended to be seasonal and made use of biological technology rather than mechanical technology
- Demand characteristics The demand for red meat in the short term was typically unelastic, which meant a small surplus could cause prices to collapse, while a small shortage could cause prices to rise sharply.
- Nature of the product The producer had a small choice of products, and it was highly perishable.
- Bargaining power A relatively small number of sellers competed with a small number of buyers.
- Low profit yield Because of social pressure and the nature of red meat production, the industry yielded lower profits than other enterprises — Sapa



# Maize: League's plea

CT 28/4/81

~~344~~ 246

PRETORIA — The Housewives League has called on the government to hold back on raising the price of maize.

The cabinet food committee is now studying the Marketing Council price-increase recommendation for the new season.

The expectation is that a 15 to 20 percent price rise will be authorized from May 1.

This economists have pointed out will create an inflation wave which will affect a large range of foodstuffs.

In a statement yesterday the Housewives League said South

Africa was harvesting the biggest maize crop in its history 135 million tons. Almost half this would be exported.

For a number of years maize was exported at a profit and the profits given to the farmer. The consumer received no reduction in price so why should they pay for the losses?

In terms of the maize scheme all maize produced in the major area must be bought by the board at the controlled price, the league said.

This price was determined by producers themselves who dominated the board.

The hospital serving the area is False Bay Hospital, formerly located at Simon's Town but now on the outskirts of Fish Hoek near the main road to Ocean View. To the people it is "Fish Hoek Hospital" as opposed to "Simon's Town Hospital" or "The Cottage Hospital". As a general hospital it handles any case, including maternity cases, from Ocean View, but transfers some specialist problems to the bigger hospitals at Wynberg and Groote Schuur. From our small sample of twenty families however, patients had attended Red Cross, Rondebosch and Somerset general hospitals, three maternity hospitals in Cape Town, Valkenberg Mental Hospital, the S A Navy sickbay (which caters for the families of serving men), Retreat Day Hospital and, until it was closed after being damaged in the 1976 disturbances, Ocean View Day Hospital.

For reasons of economy, the vast majority of patients go to the local surgeon and to the nearest hospital but every family interviewed had had experience of at least two private practitioners, and most had visited three or four different doctors in the past decade. In addition to the Day Hospital and False Bay Hospital, most families had had contact with Groote Schuur and many with one or two others as well. From their personal experiences, often traumatic, and from the accounts given by their friends and relations, our informants were in a good position to make comparisons between doctors and between hospitals.

Doctors have remarked that doctors bury their mistakes - an erroneous insight, perhaps, of their kinsfolk if not the patients.

# Book explains new credit laws

Staff Reporter

A FREE, easy-to-read booklet has been published in a bid to help consumers understand new legislation controlling credit transactions. Produced by the Consumer Council and the Association of General Banks and Finance, the booklet is available at all banks.

The booklet explains the legal rights and obligations of consumers under the recently-amended laws governing hire purchase, or instalment sale as it is now called. For example, unless you know what kind of interest rate you are being quoted, you could end up paying twice as much as you expected - and buy beyond your budget.

The laws which affect instalment sale are the Credit Agreements Act, and Limitation and Disclosure of Finance Charges Act (Ladofca).

The latter Act assures the buyer of his right to know the true rate of interest he is paying - usually almost double the "flat" rate quoted by the time the purchase is completed.

This is because "flat" interest is charged every month on the outstanding balance - not on the principal credit amount.

Ladofca also allows the consumer the right to pay up the agreement early and so have the amount of finance charges reduced.

An important new aspect of the buyer's rights is a five-day "cooling-off" period after a sale agreement when a deal may be cancelled by written notice and return of the purchased goods.

The time allowed to a buyer to make good his debt after repossession of goods has been extended from 20 to 30 days, unless the agreement is formally terminated.

All sale agreements must clearly show the period of credit, dates, and the number and amount of the instalments the buyer agrees to.

The seller may not lend the buyer the deposit required for the purchase, and if the seller offers any inducement to buy - such as a discount - this must be reflected in the written agreement.

calling the doctor without very good reason. The most popular doctor in town that when they do call him, he will come. Hoek escapes this sort of judgement entirely as she has made it clear to her patients that she does not visit the township and so they do not expect her to do so.

Most often damned for lack of availability is the False Bay Hospital, where patients reported that they had to wait for hours and where "you're lucky to find a doctor... especially at night." A police reservist described how he had called an ambulance for a man who had been stabbed badly in the neck. By the time that the ambulance arrived the reservists had stemmed the flow of blood, but when they went to the hospital 45 minutes later the victim was still on a stretcher, unconscious and had received no attention. Another informant described how he had been burned badly on his hand and thigh by a paraffin stove. A friend drove him to the hospital at about 8 p.m. where by a particular and his fee were taken. At about midnight a doctor came to see him and he got home about 1.30 a.m. A driver who has had some experience of the available services felt that it was probably quicker to take emergencies to Wynberg than risk the delays at Fish Hoek at night.

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Understanding, beyond zoological expertise, is also a major consideration. One of the valued aspects of using a private doctor is that one knows the person on the other side of the consulting room door. It is difficult to build up a relationship of trust in a system where the continuity of a personal friendship is replaced by a folder passed from one technician to another. We have observed that implicit in the behaviour and attitudes of the people is a concept of a total person, all of whose components must be "right" if good health is to be sustained. The same value is shown in their assessment of their doctors. "Beta knows how to talk to you." "Delta understands you - takes his time over you - answers all your stupid questions." "I only went to Beta once - you can't talk freely with him." It is more than "bedside manner", and it is communicated by more than mere speech.

"Respect", a term often used by Ocean View people, conveys almost as much as "understanding" in this context. For Simon's Town people particularly, respect was what characterised relationships between white and brown, rich and poor, Christian and Muslim. The indignity of the removals to Ocean View and the lack of respect shown for them as decent people, hurt many as much as the physical loss and the subsequent additional costs of living. In the relationship between patient and doctor, the former is very vulnerable - quite literally exposed. Sensitivity to that position of power and self-discipline against abusing it, are essential in the doctor, and "respect" vital to the relationship. Having examined a teetotal church leader, a hospital doctor told him that he would have to "cut down on the boozing", a remark which, whatever its intent, communicated racism, contempt and bad medicine. The patient took it that the doctor had seen that he was "coloured", and made his diagnosis on the basis of his prejudice.

to identify View are Simon's Town men who have known something of one person's "non-white". The people feel that they should understand the financial problems of the poor, and be tolerant of slow or late payers. Both clearly use their experienced judgement in the delicate area of moderating or waiving fees. "Beta demands money before he treats you." "Beta doesn't demand cash first," informants assured us. Because they are brown, greater sensitivity is demanded, if not expected, and judgements are sharp.

Familiarity is clearly double-edged. On the one hand, it eases the relationship when values and problems need not be articulated because they can be taken for granted. This is particularly true among the poor who are not verbally adept when confronted by a "highly educated person" like a doctor. On the other hand, as we have observed in the matter of fees, familiarity is correlated with a demand for higher standards in the personal relationship. Thus the Muslim doctor is judged more sternly by his co-religionists than by the non-Muslims - some clearly having confidence in his personal commitment to them as Muslims, others feeling that he falls short of the ideal. Older people clearly identified with the elderly doctors who did sessions at the Day Hospital, and bitterly mourn their departure with its closing. At one level they recognise

11/.....

The formation of a team of voluntary community health workers to run a home based information service is described in this paper. On a recommendation of Dr John Smith, Medical Superintendent of the Day Hospitals Organisation, representatives of the Day Hospitals and the St. Johns Ambulance studied the feasibility of this innovation to the local medical scene in the Cape Peninsula. For many years trained members of St. Johns or other trained personnel applied First Aid after accidents and emergencies at sports meetings and other public gatherings. For chronic conditions and afflictions it is now advocated that affected apply to AID first — AID being an acronym for Auxiliary Information Depot. The personnel responsible would be AIDES — Auxiliary Information Disseminators and Educators.

# The law doesn't protect buyers — judge

When did this start?

The idea was first mooted early in 1977 and acted on later in that year.

Where was the idea first put into practice?

An initial pilot scheme was introduced in Kew Town, Bridgetown and Silvertown. These townships form part of the Athlone complex. They are 3 sub-economic housing estates built and managed by the Cape Town City Council and they form part of the area catered for by the/...

DURBAN — Legal protection for consumers in South Africa was not adequately provided for by common law, an appeal judge told the 1981 South African Law Conference in Durban yesterday.

The theme of the three-day conference is consumer protection.

Mr Justice Corbett, in his paper on "Common Law Protection of the Consumer under South African Law", said no phrase in the commercial world was more misleading and untrue than the words "freedom of contract" when referring to the relationship between suppliers of goods and services, and consumers.

"Our courts have often enforced provisions which are harsh and oppressive, on the basis that they have been freely and voluntarily entered into by both parties to the contract," he said.

"If the classical theory of contract assumes that the parties are free to bargain about conditions and terms of agreements from positions of equal strength, it fails to take into account that true equality rarely exists.

Moreover, it fails to recognise that the law ought to ensure that contracts conform to prevailing standards of fairness and decency."

He said pressure groups were a well-accepted feature of a capitalist society, and among the strongest were those representing commerce and industry.

Consumer groups lacked the ability to counter the power of business interests, and this was best illustrated by the inequality of bargaining power between suppliers and consumers.

The Credit Agreements Act of 1980 was supposedly designed to regulate this inequality.

However, the Act adopted a narrow view of consumer interests and focused mainly on people entering into transactions to obtain products and services from commercial enterprises.

The judge said one of the most important reforms introduced by the Act was that it permitted the credit receiver to back out freely from the contract within five working days of its conclusion, provided that "The initiative for the agreement emanated from the credit grantor or his representative, and "the agreement was signed

the Dr Abdurahman Day Hospital in Kew Town established for many years they housed a Recent upheavals have been due to the you maturity, the riot of 1976 and the unempl If this pilot scheme is successful it will permanent service of the St. Johns Ambulance the Day Hospitals Organisation. The serv expanded to all the townships around the environs.

credit grantor's business premises" and the written transaction was not initiated and concluded "entirely by means of the official State postal service of the Republic"

Unscrupulous door-to-door operators could avoid the effects of the cooling-off provisions by soliciting the consumer at home, and then taking him to his business premises to sign the agreement.

Similarly, finance institutions could avoid the provision by not signing agreements away from their premises and, if they did, by not delivering the goods until the five-day period was up — Sapa

Why is the scheme necessary?

Summarizing the health problems of the poor the Dean of Harvard

dehumanized and lacking in continuity. Not only does the poverty group receive a different quality of care for physical illness, but even the stresses and strains and anxieties associated with illness are treated differently according to social class. Medical care is a middle class commodity and the poor are discriminated against medically just as they are educationally."

The poor suffer severely from nearly every physical and emotional illness known. The causal relationship between poverty and ill-health is very well known. There is an inverse relation between income level and such conditions as malnutrition, infant mortality, tuberculosis and

venereal/...

dust particles. These include the wetting down of broken rock after blasting, both before and during transit. (67)

Dust control by these means is the main factor in safeguarding workers. Nevertheless in certain circumstances it may be necessary to protect the individual further by providing him with specialised clothing, particularly a respirator. While R. Archibald claims that advances in the design of respirators have made them efficient and comfortable to wear, other writers throw doubt on their comfort when worn for long periods. (68) Importance in the wearing of protective clothing lies in the individual responsibility of miners.

Technological improvements in machinery have led to increased dust formation and dispersion in mining procedures, but because of constraints in the environment and observance of modern standards of dust control and ventilation by management and workers, the result in workers being exposed to lower concentrations of silica. Already less noxious abrasive materials have been substituted, for example, in sandblasting operations. (69) Attempts have been made to find prophylactic substances which will prevent the action of silica in the lungs. (70) Aluminium powder has been tried, but not with total success, in Canadian goldmines, in conjunction with the use of other dust suppression methods. Aluminium delays but does not eliminate the production of silicosis. (71) Webster demonstrates clearly that any prophylactic measure must be 'uniquivocally' successful in preventing fibrosis otherwise miners or industrial workers will become lax in the use of dust prevention methods. (72)

Finally, in South Africa (and elsewhere) preliminary examination of applicants for employment have since 1916 become standard procedure. This measure prevents workmen with defective respiratory physiques from entering dangerous employment. It also helps to detect workers with pulmonary tuberculosis who would expose themselves to additional risks by remaining in dusty occupations and who could possibly infect their fellow workers. (73)

In order to understand the disease process (namely the pathology) of silicosis it is necessary to have an elementary understanding of the anatomy and physiology of the lungs and their defence mechanisms. It is, however, beyond the scope of this paper to

# Consumers 'not given enough legal protection'

*2/66*  
*SIAM*  
*15/1/66*

## Own Correspondent

DURBAN — Legal protection for consumers in South Africa was not adequately provided for by common law, an Appeal Court judge told the 1981 law conference in Durban yesterday.

The theme of the three day conference is consumer protection

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The judge said that one of the most important reforms introduced by the Act though was that it permitted the credit receiver to resile freely from the contract within five working days provided that

● The initiative for the agreement emanated from the credit grantor or his representative

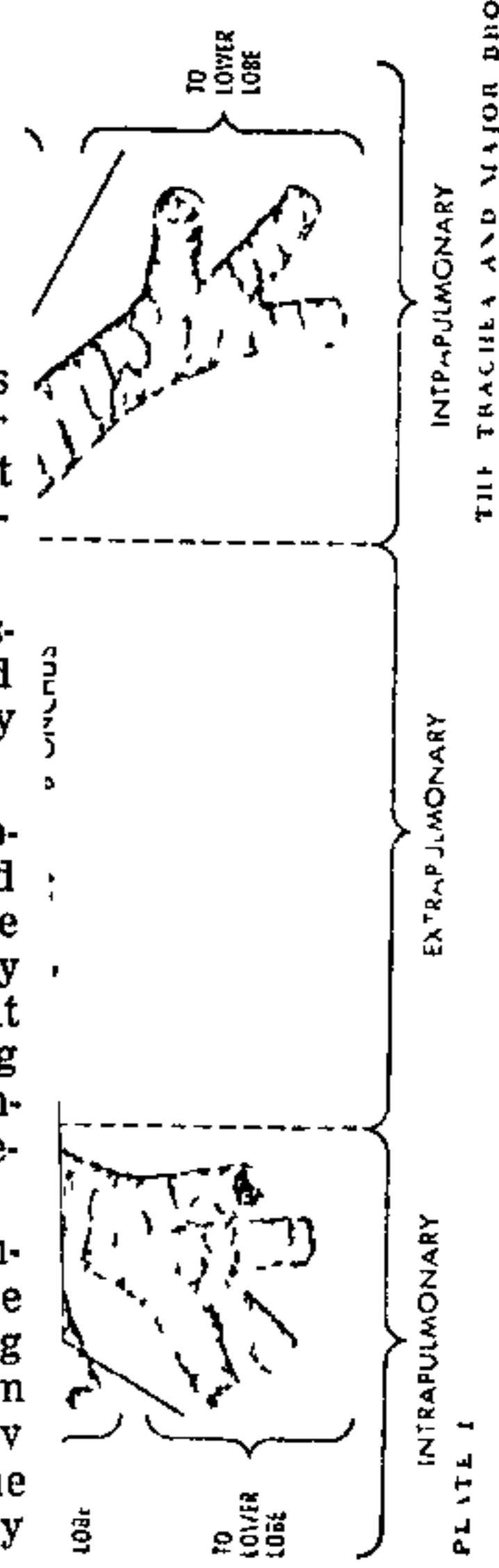
● The agreement was signed by the consumer away from the credit grantor's business premises

● The written transaction was not initiated and concluded entirely by post.

Unscrupulous door-to-door operators could avoid the effects of the cooling off provisions by soliciting the consumer at home and then taking him to the business premises to sign the agreement

Similarly finance institutions could avoid the provision by not signing agreements away from their premises and, if they did, by not delivering the goods until the five-day period was up.

The Act did not enable the consumer to enforce his rights in the event of the credit grantor failing to inform him of the cooling off provisions, said Mr Justice Corbett



African enrolment in primary schools has increased, but this is deceptive, owing to the high drop out rate and the concentration of pupils in the very lowest classes. Thus in 1962, 44 per cent of Africans in school were in the two lowest classes of primary school, while only 2,9 per cent were in any of the five forms of secondary school (Horrell 1965). In 1967, 71 per cent of all Africans in school were in the four lowest primary classes.<sup>30</sup> The proportion of school age Africans in secondary school has not been growing, it was 3,4 per cent in 1953 and 3,43 per cent in 1966.<sup>31</sup>

The conditions in African schools are inadequate in every respect. Whereas schooling is free and legally compulsory for Whites, it is neither for Africans. A high pupil-teacher ratio reflects the shortage of teachers, who are badly paid and on the whole poorly qualified. Because of the serious shortage of African schools, those that exist have to work double sessions. It is officially estimated that Soweto, Johannesburg's African town complex, is short of about 60 schools.<sup>32</sup> And the content of African education is closely determined by the government, which fixes the syllabus and aims to condition Africans into an acceptance of an inferior position in society.<sup>33</sup>

Conditions in higher education are no different. In 1968 the non-Whites, who make up four-fifths of South Africa's population, furnished less than 12 per cent of its university students.<sup>34</sup> Since 1959 all universities in South Africa have been segregated, and the facilities and opportunities in the non-White colleges are far inferior to those in the White Universities. In the academic year 1967-68, only 10,740 degrees and diplomas of higher education

A decision on dairy products is expected soon, although it is due only in June. The rise is expected to cover increased costs of between 18 and 20 per cent. In the pipeline are increases in medical tariffs, turned down by the Government but probably likely to emerge from the doctors again soon. Civil Service pay rises of R1 000 million together with a similar amount for the private sector must give the CPI another twist as money chases scarce goods — production levels are high and shortfalls must be met by imports.

Consumer Price Index continues to rise with food costs leading the way

246  
247

# 16,19 Power

NW 23/1/81

Financial Editor

THE Consumer Price Index is now 16,19 percent higher than it was in March 1980 and the food index has risen by 29,87 percent over the same period.

These figures were released yesterday by the Department of Statistics.

They show that while the rate of increase has fallen from February's 1,47 percent to 0,72 percent in March — the annual rate is still rising and showing no signs of going

down

February's CPI was 16,05 percent higher than February 1980 and the food index 30,08 percent higher.

The three income group CPI rises compiled by the department show annual rises of 20,59 percent for the lower income group; 17,18 percent for middle incomes and 14,59 percent for higher incomes.

The food index rose by 0,14 percent in March. Since March consumers have been told of price increases for sugar, private school fees and hospital fees.

here All of the major White interest groups share responsibility for these conditions.

Thus simple statements about increases in African money wages have very little significance, because of inflation, because of far greater increases in White wages, and because of their arbitrary nature, since African workers are deprived of collective bargaining power. And it should be noted that the inequality of total assets in South Africa is much greater than the income disparity portrayed here.

It is true that Bantu wages have been increased in recent years... But if one takes into account the accompanying rises in the cost of living figures, one is struck by the ever-widening gap between White and non-White wages' (Malherbe 1969: 34)

As one observer comments

to stop this difference from increasing, the percentage of future pay increases for Africans would have to be five and a half times greater than that of White pay increases (Hepple 1969: 54). Between 1962 and 1967, White earnings in the manufacturing industry rose from 440 per cent to 485 per cent of those of non-Whites.<sup>40</sup> In the gold mining industry the gap has widened steadily. In 1911 the average cash earnings of White workers were 11,5 times those of non-White workers, in 1951 they were 14,5 times, and in 1966 17,5 times the African rate. It has been calculated that the real wages of African workers in South Africa's gold mines today are no higher and are possibly even lower than in 1911 (Wilson 1968). As one observer comments

manufacturing industry rose from R120 to R194, and it was calculated that just spheres, enforced through

# Living costs still rising

246  
23/4/81  
DD

**JOHANNESBURG** — South Africa's living costs continued their upward spiral during March, according to the consumer price index released in Pretoria yesterday by the Department of Statistics.

Although the increase slowed down to 0,7 per cent in March, the 12-month inflation figure to the end of March reached a record level of 16,2 per cent.

And leading economists warn that all the indicators point to further rises in the inflation rate during the next few months.

A disturbing feature of the index is the increase of 20,6 per cent in the living costs of the lower income group over the past 12 months.

This is considered certain to rise even more steeply after the increased maize and milk prices come into operation after the election.

The all-items figure for March rose by 0,7 per cent compared with 1,5 per cent during February. The food only figure dropped sharply to 0,1 per cent giving an increase for the 12 month period of 20,9 per cent.

This was a marginal drop of 0,2 per cent compared with the 12-month figure to the end of February.

For the lower income group the index rose by 0,8 per cent during March (20,6 per cent for the 12 months); for the middle income group by 0,7 per cent (17,2 per cent) and

for the higher income group 0,7 per cent (14,6 per cent)

Barclays Bank's chief economist, Dr Johan Cloete, said the latest CPI clearly indicated the upward trend in living costs was continuing.

They could be expected to accelerate during the months ahead, mainly because too little was being done to control the problem.

A spurt in the index could be expected after the elections when a number of government-administered price increases would start to influence general price levels.

These included maize and maize products and dairy products. The maize

price rise would have a wide ripple effect on a whole range of foods

Dr Cloete said government-enforced monetary control measures appeared the only effective answer to the problem

This would entail making money more expensive by raising interest rates further, and restricting their availability of credit in an attempt to slow down the demand for goods and services

However, there was a thin red line in the strategy which, if crossed, could dump the country into another recession.

An aggravating factor which would have an inflationary influence during the months ahead was

the more than R60 million a month in pay rises for public sector workers, and the snowballing of wage increases in the private sector.

Other economists pointed out that the 12-month figure to the end of March 1980 was 13,1 per cent. Since then, the index had risen by more than three per cent.

The Deputy Chief of the Bureau for Economic Research at the University of Stellenbosch, Mr At- tie de Vries, said he expected the upward-trend in the index to continue for the next few months

He was hopeful, however, that there would be a slow-down in the rate of increase in the second half of the year — DDC

Action Taken

| Item                                      | Source                       |
|---|------------------------------|
| 6. Prospectus                             | DC 186 continued             |
| 7. Doctoral degree                        |                              |
| 8. M.Phil                                 |                              |
| 9. Broadening the curriculum              |                              |
| 11. Examiners                             |                              |
| 12. Acting Deanship                       |                              |
| 13. Deputy Dean                           |                              |
| 16. Annual Report                         |                              |
| 1. M.Com. in BDP                          | DC 187<br>22 October<br>1980 |
| 2. Entrance requirements for High degrees |                              |
| 4. M.Com. proposal                        |                              |
| 5. Prospectus                             |                              |
| 6. Examiners                              |                              |
| 7. GSB budgets                            |                              |
| 8. New B.Com. course                      |                              |
| 9. Examiners                              |                              |
| 2. Concession                             | DC 188                       |
| K J Levenstein                            |                              |
| 3. Faculty Board membership               |                              |
| 4. Re-naming of Personnel Diplo           |                              |
| 5. Changes to B.Bus.Sc. curriculum        |                              |
| 6. Re-naming B.Com. courses               | In PC 397                    |

# Campaign to help consumers fight rise in CoL

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RDM 13/5/81

## Pretoria Bureau

THE Consumer Council of South Africa is to launch a nation-wide campaign to mobilise consumer awareness in an effort to combat the rising cost of living.

This was announced at a Press conference on Sunday by Mr Bill Heunis, assistant director of publicity for the council.

The theme of the project will be "Prosperity with Consumer Knowledge".

The project will consist of a six-point plan. This is:

- The consumer and the free market system,
- Effective consumer spending;
- Consumer protection;
- The consumer council,
- The consumer and inflation,
- Consumer goods utilisation.

"The ever-increasing food prices and the possible increase will be of great concern to the consumer and it will be extremely difficult to absorb these increases," said Mr

## Heunis

The project is being launched to assist the consumer in deciding how to spend his money effectively. The Consumer Council intends involving all sectors of the community in the project.

Committees have been set up throughout the country to assist in the project. These committees will prepare programmes that will bring consumer awareness to the public.

The Consumer Council is also preparing literature on consumer matters for distribution. The control boards, SABS and the Department of National Education have indicated their cooperation by agreeing to give demonstrations and lectures.

The news media will display the emblem of consumer week wherever possible to stimulate the interests of the consumers.

Any organisation is welcome to join the project. For further information phone Pretoria 28-3512 or write to PO Box 3800, Pretoria.

# Keep milk increase to a minimum, urges league

RDM 15/5/81

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By VITA PALESTRANT  
Consumer Mail Editor

THE Housewives League yesterday appealed to the Minister of Agriculture to keep the milk price increase to a minimum and to rethink the way in which basic foods are priced

At the weekend the Minister of Agriculture, Mr P T du Plessis, said the retail price of milk was likely to increase by about 13%, or between 5c and 6c a

litre. South African milk is among the most expensive in the world

Food inflation is running at about 30% with low income consumers being particularly hard hit. The price of maize rose by 12,5% last month and the price of bread is likely to go up later this year

The increase means a litre of milk sold in cartons or plastic containers on the Witwatersrand will cost 55c and delivered milk 47,5c (including GST)

At present there is a shortage of milk

In a Press statement, the league said "If we have these increases in a boom period, what will happen to South Africa in the recession?"

"A complete rethink is es-

sential. Solutions must be found now even if it means cutting red tape and breaking down traditional channels of marketing"

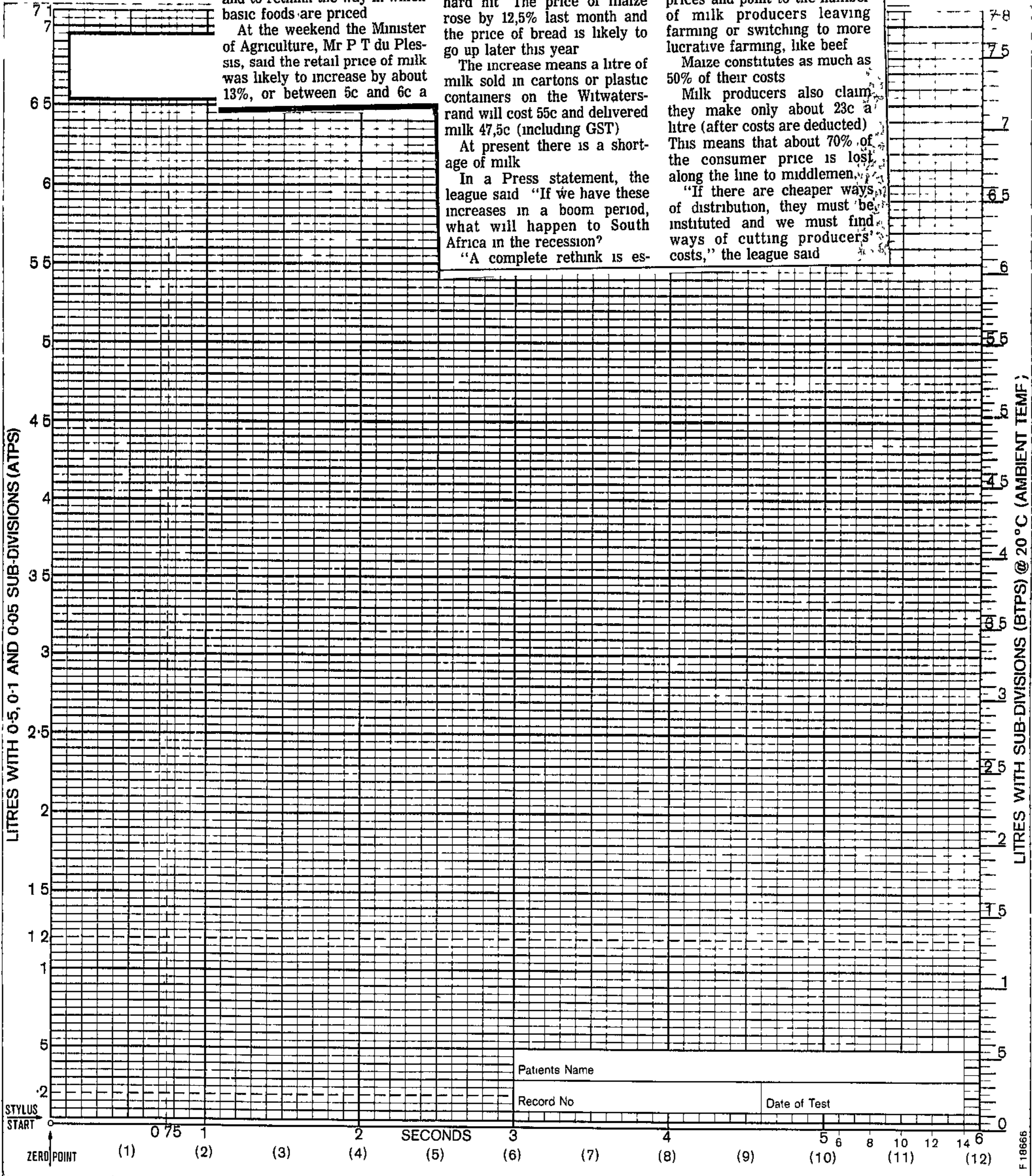
Producers claim they can no longer operate on present prices and point to the number of milk producers leaving farming or switching to more lucrative farming, like beef

Maize constitutes as much as 50% of their costs

Milk producers also claim they make only about 23c a litre (after costs are deducted)

This means that about 70% of the consumer price is lost along the line to middlemen.

"If there are cheaper ways of distribution, they must be instituted and we must find ways of cutting producers' costs," the league said



Patients Name

Record No

Date of Test

STYLUS START ZERO POINT (1) 0.75 (2) 1 (3) 2 (4) 3 SECONDS (5) 4 (6) 5 (7) 6 (8) 7 (9) 8 (10) 9 (11) 10 (12) 11

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31/11  
Municipal grants to Wits may be halted

By Elaine Reyneke

The burning of the South African flag by students may cost the University of the Witwatersrand its annual grants-in-aid from several reef municipalities.

In a statement released yesterday the Council for Reef Municipalities expressed anger and "grave disapproval at the behaviour of certain students who defiled the flag."

The 24 members of the Council of Reef Municipalities have called on the vice chancellor and principal of the university, Professor D J du Plessis, to take positive action against the students responsible for the flag which grants-in-aid will be withheld indefinitely.

At the time of going to press Professor D J du Plessis was unavailable for comment.

The Johannesburg City Council, one of the 24 members of the Council of Reef Municipalities, is a major contributor to the university making a grant-in-aid of R200 000 annually.

The council includes the municipalities of Alberton, Heidelberg, Meyerton, Vanderbijlpark, Vereeniging, Germiston, Benoni, Boksburg, Brakpan, Nigel, Springs, Edenvale, Kempton Park, Sandton, Verwoerdburg, Bedfordview, Modderfontein, Krugersdorp, Randburg, Randfontein, Roodepoort, Westonaria and the Transvaal Board for the Development of Peri-Urban Areas.

OCUS

# Women's groups fight a never-ending battle

TV Post 29/8/81 246

By NOREEN SUTCLIFFE

AT consumer level the fight against the ever-present enemy, inflation, is spearheaded in Port Elizabeth by two vigilant bodies — the Port Elizabeth Consumer Association and the Port Elizabeth Housewives League

In interviews this week, the chairmen of the two organisations, Mrs Irene Todkill (Consumer Association) and Mrs Margaret van Stryp (Housewives League) told Weekend Post that their constant aim was to keep the authorities aware of the hardships being caused by the never-ending increases in the cost of living

Though the two organisations often wage a losing battle in the bid to keep down food prices, they believe it is important to continue making their voices heard

Recently both took up the challenge offered by the increase in the price of bread — particularly that of brown bread and the resultant hardships on the lower-income groups

The Consumers Association wrote to the Minister of Finance, Mr Owen Horwood, the Minister of Agriculture and Fisheries, Mr P T C du Plessis, and the Minister of Health, Welfare and Pensions, Dr L A P A Munnik

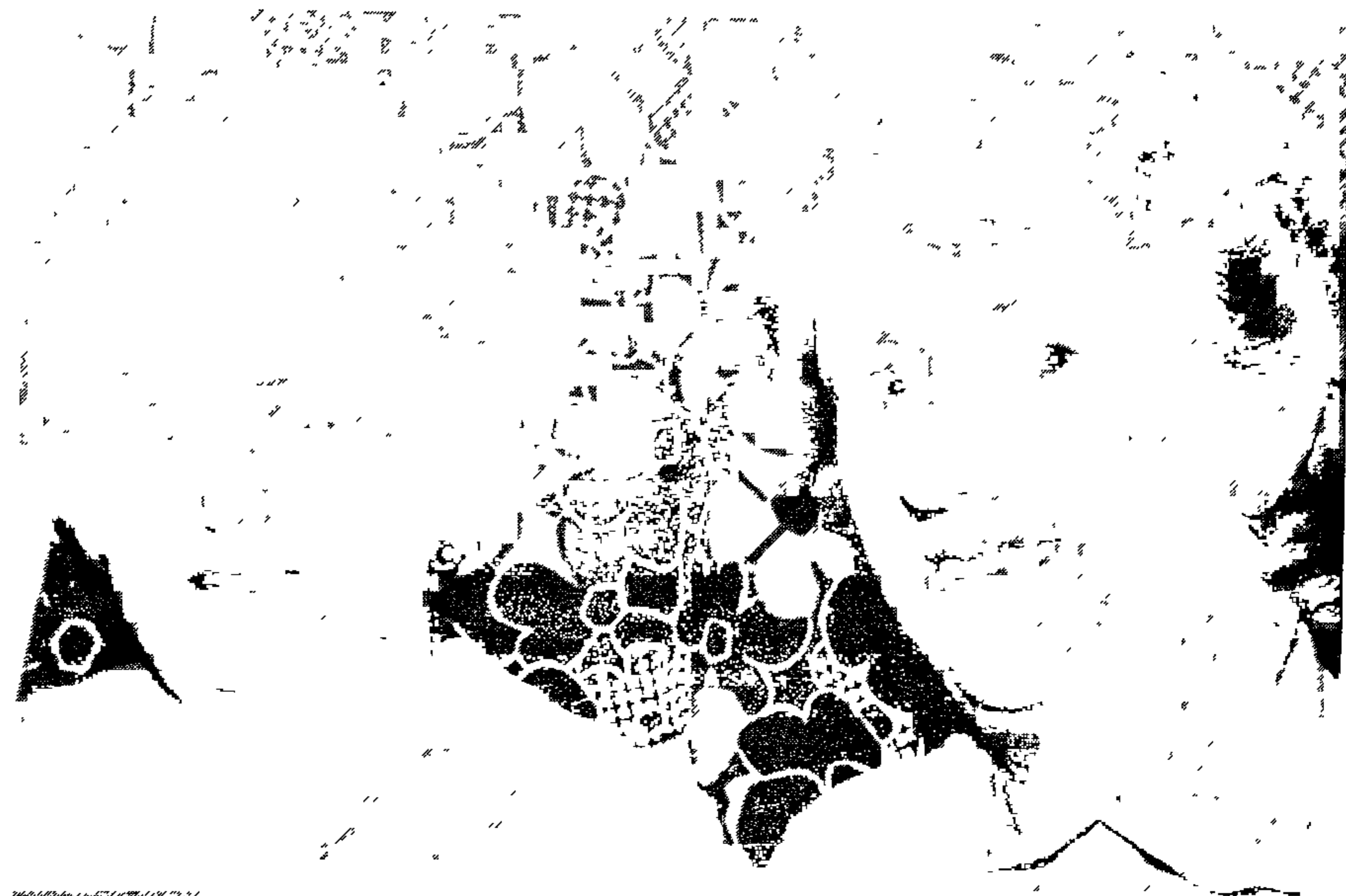
However, to date the only response has come from Dr Munnik's office — acknowledging the contents of the letter

"But," said Mrs Todkill, "we must not just sit quietly on this matter, we must pursue it. It is one of the highest importance"

The Housewives League also took up the issue by sending a telegram to Mr Horwood about the bread price. It read "Authority out of touch with needs of black majority. We import wheat (cheaper than local production), but export wheat to Mozambique"

When the Housewives League took up the cudgels throughout South Africa on the escalating costs of red meat and housewives boycotted it, their actions resulted in a 23% drop in consumption. Prices did not drop much, but the boycott showed the power of the consumer

The Housewives League also sent a letter to the Prime Minister regarding the increas-



Mrs IRENE TODKILL (left) and Mrs MARGARET VAN STRYP head the Port Elizabeth Consumer Association and the Port Elizabeth Housewives' League respectively. Both organisations have the same objective — to keep the voices of the women heard concerning the ever-increasing cost of living. Though not always successful, they never give up the battle.

ing prices of basic foods, with the request that savings be made in producer, distributor and marketing fields

The league recommended

- Dairy farmers should be able to buy maize direct from farmers

- Farmers should be allowed to use cheaper, imported sacks

- Farmers should be allowed to slaughter sheep and cattle locally to reduce transport costs

- The Fertiliser Commission's findings should be implemented

- Undergrade fruit and vegetables should be used in areas where food was desperately needed

Neither organisation encourages "squealing" by the public or petty complaints. They urge the consumer to try and sort out their problems for themselves

"We have found that talking to the management of a store often brings results. Unless the top people know of the

complaints, they cannot eradicate or correct what is wrong," said Mrs Todkill

"Manufacturers welcome information about their products. Take the case of a pair of shoes, for instance, where there is a manufacturer's fault. It is no good taking them back to the store where you get a replacement pair. This does not bring the fault to the attention of the manufacturer

"Write to them and let them know, and by this means they can work on the faults. I have found from personal experience that this is the case"

The two organisations have achieved much at local and national level

In the presidential report of the Housewives League this year the president wrote "I am sure that our efforts to curb inflation have had some effect

"I am pleased to note that the Minister of Finance called a meeting of businessmen to discuss inflation and ways to

curb it

"Last year, I said that we, the few, would fight for our consumer rights in the face of what could be termed insurmountable odds. This we have done. Again I say this is mainly due to the guts and tenacity of the members of the league"

The Consumer Association battles not only against escalating costs, but against inferior goods

It succeeded in getting suppliers of medicines to print clearly an antidote for a medicine which may be poisonous, and also clear instructions on medicines which are harmful when taken by children

It fought to get chemists to put the names of patients on medicine labels instead of just the instructions, it made its voice heard over air pollution in the Port Elizabeth bus station and it was instrumental in getting robots erected at various points in the city

The CA also advises people on the art of budgeting and

urges people not to be compulsive buyers

"Buy what you need and need what you buy," is Mrs Todkill's slogan

In Port Elizabeth the women have had tremendous co-operation from the Chamber of Commerce, the South African Bureau of Standards and the price controller, in particular. In many cases their advice is sought

But while the membership of the two bodies looks rosy, both organisations complain of a certain amount of apathy among women who believe they are "doing their bit" if they just join up

"We want our members to become more active. This is the way we can expand our activities. New members will always be welcome, as the greater our numbers the more our voice can be heard"

The Port Elizabeth Consumer Association has been recognised as the most active branch in South Africa, earning itself a trophy from the national body

BM 6 10 81 246 ~~Standard~~ board

# 'Promote milk among blacks'

BLACK people will not carry on drinking milk unless it is promoted, Mrs Mavis Masoeu, a demonstrator of the Dairy Control Board, said at the South African Dairy Foundation Conference in Johannesburg yesterday

"This product will have to be actively promoted because it is far more difficult for blacks to consume milk than whites," she said

Mrs Masoeu gave the following reasons

- There were virtually no home deliveries
- Refrigeration was a problem
- The price was high
- The quality was sometimes questionable

## Income

"Blacks spend 35,8% of their income on food as opposed to 18,4% spent by whites," she said

Mr M Manawar, a nutrition officer of the Durban Milk Association, also stressed the importance of the growing Indian consumer whose main complaint was that milk was too weak

He said milk and dairy products should be made available at all schools

Dr J P du Plessis, a nutritional scientist, said milk could play a very important role in the prevention of diseases, such as kwa-

## Mail Reporter

shorkor, because it supplied protein, energy and vitamins.

The dairy industry should devote its attention to the development of distributional networks to effectively give blacks access to fresh milk, he said

The National President of the Housewives League, Mrs J Hurwitz, said the success of the dairy industry stood or fell on milk or cheese

Cheese, she said, should not be exported and if there was a threat of over-production then cheddar should be matured and sold at a higher price

On the subject of milk increases she felt farmers should realise that further increases would result in a cut-back in consumption

The chairman of the South African National Consumer Union, Mrs B Hirzel, said it was a tragedy that because of price increases, cheese and yoghurt had to be eliminated from shopping lists

# Wage deal gives

## garment workers

Star 8/10/81 125/81 246

## an extra R33-m

A new wage agreement for Cape Town's 58 000 clothing workers was successfully negotiated last weekend

The new industrial council agreement amounts to an extra R33-million for workers in the industry

A spokesman for the Tursa-affiliated Garment Workers Union said the agreement was effective from December this year and amounted to a 7,5 percent increase on December 13 and another 7,5 percent again next July.

The wage rises also mean that the starting salaries for "learners" will be the highest in the country, going from R21,60 a week to R25

In the Transvaal the starting rate is R17,60, in Natal R20 and in Eastern Province R18,48

The determination affects workers at 372 factories

### LABOUR BRIEFS

shops are reported to have removed Wilson-Rowntree products from their shelves

While the trader boycott has had the verbal support of area traders associations, much of the impetus for the boycott came from members of a Wilson Rowntree support committee

# The hidden causes of the continuing rise in food prices

EXPRESS 25.10.81

(246)

**CARTELS, monopolies and price-fixing are the hidden causes of much of the continuing appalling food inflation in this country, Mr Raymond Ackerman, head of Pick 'n Pay, told the Sunday Express yesterday.**

"I am sick and tired of suppliers raising prices on the same day and then pretending they are not working together," he said

"The biggest danger to South Africa is not SWA/Namibia or constitutional problems, but the fact that people will have hungry bellies if businessmen don't stop maximising profits"

As examples, Mr Ackerman said in recent weeks two major dog food producers announced that prices would go up on November 2 "and prices on the 10kg pack, as an example, are within 1c of each other"

"Four major processed meat companies all put up their prices on October 19. All say they are not working together. Prices are going up ridiculously and I've reached the point where we don't know what to do to curb it"

Mr Ackerman pointed out that many of the people involved in the dog food and canned food markets were also involved in poultry

And a Sunday Express investigation into the poultry industry has revealed two major areas of concern to the consumer

Firstly, the establishment of an export association among major producers — including Early Bird, Panmure, Delmas, Festive, Imperial Cold Storage,

## CARTELS CAUSE OF CONCERN FOR THE CONSUMER

By CHARLENE BELTRAMO

County Fair, Rainbow and Premier — which sells large quantities of poultry abroad at prices well below the ruling world average and at about half the local wholesale price

The export association, in the words of one industry spokesman "Keeps the local market sufficiently short of chickens to enable producers to put up prices with ease"

Secondly, the Sunday Express investigation reveals that producers, fearful of retailers or wholesalers importing cheap chickens and keeping local prices down over Christmas, have dropped prices and for the first time in months provided adequate chicken supplies

But sources within the industry believe that by the middle of November — the year's peak-selling period for poultry and a time when it will be too late to place orders for imports for Christmas supplies — the price will rocket and there will again be a shortage

In a very effective web of moves and counter-moves, chicken producers have ensured they will be able to feather their nests this Christmas and prevent

retailers dictating to them as they did last year when Checkers imported American chickens which sold at R1,29/kg and forced local chicken producers to drop their prices by almost R1/kg

Since then, first chicken and now all poultry has been removed from its former import permit category of food items to a category of their own

Checkers have been blocked from importing poultry again this year by both the Government and local industry

Last year, the Government refused to allow them to sign a year-long contract with their United States suppliers for frozen chicken at R1,29/kg

Poultry producers have since banded together in an organisation called the SA Broiler Export Association, which producers say is to assist exporting producers with problems like freight charges

But Mr Richard Cohen, a director of Pick 'n Pay, said the three major suppliers had a pooling agreement to fix the amount of exports in advance to control the local price

"At the moment they are ex-

porting at a loss to themselves. But locally the consumer is paying about 30c over the producers break-even margin, which is a hell of a difference"

Producers claim exports are only 10% of production, but Sunday Express investigations have shown they are closer to 20% and at times have risen to 25% of production

Mr Des Lurie, managing director of County Fair Foods in Cape Town, a subsidiary of Tiger Oats and one of the "big three" poultry producers, denied the major producers "tailored exports to control the local price"

He said there was merely a "surplus removal scheme" under the Broiler Export Association

"The first six months of the year are not as buoyant sales-wise as the last half of the year and mid-month there is a slump in sales. The surplus is then exported"

Mr Lurie confirmed that one of the big three "at one stage was exporting 300 tons a week"

"Our total exports per annum are less than 20 000 tons. In excess of 90% of all poultry produced is sold in South Africa"

Sunday Express investigations have indicated, however, that this is probably not the case

Mr Ackerman said last year export quotas were agreed to by the eight leading producers and were fixed according to Rainbow's export price. Any producer who made a loss would be reimbursed from a pool

The Sunday Express investigation has shown that this year, however, the producers party to

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the agreement had to agree to an export quota. If they do not meet the quota they have to pay a forfeit of 50c/kg into the pool

Therefore a large producer who has 100 000 birds (at an average weight of 1,2kg each) ready for market each week and has an export quota of 20 000 birds (or 24 000kg) could lose R12 000 to the pool if he does not meet his export quota

The local market produces 3,5-million birds a week (or 3 600 tons).

Mr Stan Methven, head of the Rainbow organisation, is currently the only producer who is exporting substantial amounts of poultry

Rainbow, the largest chicken producers in the country with an estimated pre-tax profit of R30-million, recently dropped prices by 10c a kilogram, a month after putting them up to a wholesale price of R2,04/kg.

Their price drop brought them closer into line with their competitors' average wholesale price of R1,84/kg.

But it seems highly unlikely this reflects a more magnanimous attitude toward consumers

Mr Clive de Wit, national distribution manager for Rainbow, said they had cut back on exports "Because we heard some retailers were having problems getting supplies we are ensuring there will be adequate supplies, now, over Christmas, and any-time thereafter."

He said he could not comment on the pooling agreement allegation.

Mr Peter Wrighton, managing director of the Premier Group, denied there was any such agree-

ment He said the recent Competition Board investigation into the poultry industry had cleared them of such dealings and that the situation had not changed.

The Department of Customs and Excise does not give the quantities of poultry exported, only the value

Exports last year were worth R15 400 112 and for the first five months of this year they were worth a healthy R5 635 376.

Mr Wrighton said the wide price differences, of as much as 20c to 30c/kg between producers, showed there was no price control agreement

"I haven't exported a chicken for three months Market demand locally is fairly strong so we cut back exports"

He said local demand dropped as much as 30% to 40% during the first half of the year and that was when many producers exported

"We have to. Chickens don't stop growing It is not like the mills — you cannot just switch them off when demand drops.

"The investment is enormous If we don't put down a lot of money now we will have a shortage in two years' time and will have to import"

● Ms Peta Lomborg of Checkers said their group was not against suppliers exporting, but that the exports should not be at the expense of the South African consumer "who should come first"

She said they were also against a situation where suppliers, or a supplier, created an artificial shortage on the local market by exporting, either openly or secretly.

PRICES - CONSUMER PROTECTION  
BODIES

1982, 1983 - 1984 - March

Star 13/3/82

# Body <sup>246</sup> to aid the consumer

By Caroline Braun  
Consumer Reporter

A new and autonomous consumer organisation, the Consumer Foundation, has been formed.

It aims to improve the living standards of consumers, promote awareness of consumer matters, strengthen and protect the consumers' role in the market place and to improve relations between consumers and entrepreneurs

The founder mem-

bers include the chairman, Mr Johann Verheem, a former director of the Consumer Council. Professor Geer de Wet, a professor of economics, Mr Leon Louw, director of the Free Market Foundation and Dr Mogogo Nokaneng, educational and regional officer of the Consumer Council

The Consumer Foundation will provide

- Information and advice on products and services

- Assistance to con-



sumers with complaints

- Assistance in using existing protection open to consumers in the market place

- A forum for consumers to air their views

- Research on the availability of products and services, compari-

son of quality and prices and assistance in making the best choices

Membership is open to private consumers, businesses and other institutions. There is a reduced membership fee for students and pensioners

Further details can be obtained from the Consumer Foundation, PO Box 2142, Pretoria 0001. The telephone numbers are (012) 46-4714 and (012) 34-578



# Act does not hamper all pushy sellers

246  
Star  
17/3/82

By Colleen Ryan

The Credit Agreements Act intended to protect consumers from high-pressure salesmen, is ineffective in vital areas of selling.

Products such as books, educational programmes and home improvements products including wall coatings and brick paving, are not covered by the "cooling off" provision of the Act.

The law allows the buyer of certain goods five days to cancel a contract if the initiative came from the seller and the instalment sale document was signed away from his business premises.

A Pretoria consumer law expert who uncovered the defect said high-pressure sellers frequently pushed products such as encyclopaedias and educational aids not covered by the Act.

The law also empowers the Minister of Industries, Commerce and Tourism to include "services" under the Act but this has not been done, he said.

The director of the Consumer Council Mr Jan Cronje, told The Star his organisation had not been aware some products were not covered by the Credit Agreement Act.

"If these products are not covered it is very serious," said Mr Cronje.

The Consumer Council had written pamphlets on the law explaining the "cooling off" provision without mentioning the law was ineffective in certain areas.

Mr Cronje said some book companies geared to high-pressure selling sold to consumers who were vulnerable to psychological selling techniques.

"Courses and books are frequently sold to low income groups and the whole aim of the Act was to protect people from buying products they can't afford and usually don't use."

He said he would discuss the problem with the Department of Industries, Commerce and Tourism shortly.

**CONSUMER COUNCIL CALLS FOR ACTION AGAINST UNSCRUPULOUS DOOR-TO-DOOR ENCYCLOPAEDIA AND IMPROVEMENT SALESMEN**

By PAT BULGER

THE Consumer Council urged the Department of Commerce this week to clip the wings of hawkish door-to-door encyclopaedia and home improvement product merchants.

And the council's director Jan Cronje warned that if the Credit Agreements Act (CAA) — the law governing door-to-door selling — is not adjusted to include encyclopaedias and home improvement products, gullible homeowners will lose out by

● Becoming financial victims of the 'hard-sell rip-off' common before the CAA was passed in 1980.

● Agreeing to buy expensive sets of books thinking (mistakenly) that they have five days to change their minds as they do with other products covered by the CAA;

● Being lured into paying ridiculously low deposits and instalments over many years

**Not aware**

"We were never aware that the five-day 'cooling off' period which gives buyers time to change their minds did not apply to home improvement products and encyclopaedias which are being marketed so aggressively nowadays," Mr Cronje said this week

"The whole idea of the law was to prevent people being ripped off by aggressive salesmen but once this loophole in the law is discovered by salesmen the whole rip-off scenario could start again."

The CAA lists certain items which are subject to the five-day cooling off period. Included in the list are electrical appliances, photogra-

246  
**Slam  
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phic equipment and jewellery

"It comes to me as a shock that they have left out encyclopaedias and things like brick pavings which are being sold so widely," a senior lecturer in law at Natal University, Nazeeh Cassim told the Sunday Tribune

"The whole purpose of the law was to do away with unscrupulous door-to-door salesmen. Unsophisticated homeowners are in danger of being ripped off all over again if this is not changed"

According to Mr Cronje there have not been "an unusual number of complaints regarding door-to-door

selling of encyclopaedias."

A Department of Commerce spokesman said, however, that while salesmen may soon realise they can sell encyclopaedias without restrictions, the department would have to receive sufficient motivation from the public to change the law.

Mr Cronje says it is essential that encyclopaedias and home improvement products be covered by the CAA

"The aim of the law was to protect people and they should have included educational books and programmes which cost in many cases over R1 000

"These selling companies sell their products to people who cannot afford it. They tell them their sons will become doctors and architects if they buy the books but in most cases they are never even read after being bought

"The law should be changed to protect these people"

Mr Cronje said encyclopaedia companies deny they pick on unsophisticated buyers

"But I maintain they go to these people because they have more chance of talking them over

**Low salaries**

"They deny it but the complaints we get are from men who buy these books for their families. They earn low salaries and have been talked into something they cannot afford and cannot get out of"

A spokesman for a major encyclopaedia company, Bill Hand of Britannica, said he was not aware of the loophole in the law and that his salesmen observed the five-day cooling off period

"I was not aware of this omission," he said.

He and a spokesman for another company denied using hard sell techniques

Post Correspondent

JOHANNESBURG — The management committee of the Housewives' League is to discuss a possible boycott of dairy products in the wake of the latest price increases

Yesterday the Dairy Board announced that the cost of milk would rise 6c a litre from July 1. This means that in Port Elizabeth it will retail at about 56c

The 12,8% rise in the milk price is accompanied by a 15% hike in the price of cheddar and gouda cheese and a 16,4% increase in the butter price

Mrs Joy Hurwitz, chairman of the Housewives' League, confirmed today that the management committee of the organisation would meet on Monday to discuss a boycott

Mrs Hurwitz said her organisation had talked and talked with producers, distributors and even the Minister of Agriculture, but it had got them nowhere

# Housewives to discuss dairy products boycott

*E. Post 18/6/82 (246) (2) ~~2~~ + 1/1/1/1*

"The situation is now very serious and a lot of members feel boycotting dairy products may be the only way to deal with it"

Port Elizabeth housewives are also upset by the increase

Said Mrs Roz Hirsch, of Humewood "This is abominable. Increases like this always hit the people who cannot afford it. The Government is constantly backing the farmers. It's time the housewife was looked after"

Mrs K Jeffrey, of Central, said "This is going to affect families with children who drink milk"

A married full-time stu-

dent at the University of Port Elizabeth said "When you live on a tight budget and have to support yourself studying, you buy cheap

"We drink three litres of milk a day and eat a lot of cheese. Now that these commodities have become astronomically expensive, what are we going to do?"

Independent ombudsman Mr Eugene Roelofse said the new price of dairy products would be paid for with malnutrition

"We cannot see this increase in isolation. The Government has allowed maize to be exported at a loss and we have to pay. The maize increases have

rippled through the economy. If maize farmers get an increase why can't milk farmers?" Mr Roelofse asked

"Farmers are in a privileged position in this country and when the farmers say jump, the Government says 'How high?'"

The vice-chairman of the Dairy Board, Mr J H Grey, said the higher production costs and the big demand for milk had necessitated the increases

He said dairy farming had been affected by factors such as the rise in feeding costs of more than 20%, a 16% rise in transport costs and more expensive

electricity, labour and machinery"

Mr Christie Burger, vice-chairman of the South African Agricultural Union's national dairy committee, said prices would have to be adjusted sooner in future

Producers had to absorb substantial increases in production costs while waiting for adjustments, he said

Sapa reports that Mrs Betty Hirzel, chairman of the South African Consumer Council, said the price hike was justified

But she also expressed the fear that consumers would use milk substitutes with less nutritional value

CONSUMER LAW

# Is it a boon or a bane?

246 FM 10/7/82

*I originally came to Washington with a great deal of hope that the regulatory agencies would champion the consumers' interests, but it did not take me very long to become disillusioned. Nobody seriously challenges the fact that the regulatory agencies have made an accommodation with the businesses*

*they are supposed to regulate — and that they have done so at the expense of the public — Ralph Nader, Playboy interview*

*This insight from US consumer champion, Ralph Nader as far back as 1968, has not, it seems, made much impact on his counterparts in SA. The well-intentioned —*

claiming to represent the interests of consumers — are still adding their voices to the call for more consumer legislation. And often in concert with the very businesses that they seek to control.

Concern for the underdog and a recognition of the abuses that can flow from unequal bargaining have sent consumer

P. T. O. For Continuation

bodies clamouring for state intervention without really understanding the implications.

Perhaps, while SA still has relatively few consumer laws, those who want more should heed Nader. For the assumption that complex consumer legislation and regulatory agencies are beneficial to the consumer is rather wide of the mark.

Cape Town University's outspoken economist Brian Kantor argues, for instance, that the market place has in fact intrinsic safeguards for the consumer. "Most businesses are in the market for the long term. It is, therefore, imperative that they receive repeat business. They recognise this and realise that the only way to achieve this is through giving customers what they demand.

"Businesses that do not meet the requirements of the consumer, run the risk of losing patronage and ultimately going to the wall. It is generally not in their self-interest to rip off consumers."

In Kantor's view, consumer groups should instead be calling for the dismantling of present legislation, not asking for more. They should, he says, aim at establishing organisations and publications that keep the public well informed of their rights, of standards of quality and instances of abuse.

He cites as examples the overseas consumer magazine *Which*, various consumer reports and associations like the Automobile Association. He argues, too, that advocates of state intervention fail to recognise that protecting consumers from their own folly is expensive. For regulatory agencies are ultimately paid for by taxpayers or, more often than not, are "built into" the prices of consumer goods.

Kantor disagrees with the paternalism of the supporters of intervention and the arrogance of the view that consumers do not know what is good for them. Far from the poorer consumer being taken for a ride, he or she is sometimes the most exacting of buyers. Value for money is, to him or her, of utmost importance.

Local free market champion Leon Louw feels that it is ironic that the self-appointed spokesmen of consumer interests actually campaign against consumer freedom of choice. "Whereas in free markets the consumer should be free to buy what he likes, from whom he likes, at terms and times of his choosing, these spurious consumer fundis wish to curtail all these freedoms in the name of 'consumer protection'."

"Surely all consumers want the freedom to make their own decisions."

Louw also points out that a regulatory body's task of making choices for the consumer is really an impossible one. "Each consumer is different and, therefore, has different needs and aspirations. Who has the perspicacity to take all of this into account and come up with the most beneficial decision?"

Louw believes that the consumer movement should be arguing for de-regulation, education and advice. "By far the highest priority is a critical examination of the plethora of existing anti-consumer laws. These include restrictive licensing, control boards, restriction on advertising, price and standard controls, credit and import restrictions, zoning and business hour by-laws."

What consumers really need is more information of their common law rights and duties. These, he maintains, are substantial and give consumers largely adequate protection. He notes that while the maxim  *caveat emptor* (buyer beware) applies, so too does  *respondeat venditor* (seller's responsibility).



"This means that the seller bears responsibility for the quality and efficacy of the goods he sells, unless buyers, in order to get lower prices, choose to waive the seller's responsibility. This holds substantial protection for the consumer," he concludes.

Intervention supporters argue that if affluent societies like the US and UK see fit to introduce consumer protection in the form of legislation and regulatory agencies, why should SA — with its vast number of poor earners and relatively uneducated consumers — take a different route?

The hold that, as there is unequal bargaining power in the market, there is a case for protection.

Natal University's Legal Resources head David McQuoid-Mason points to SA's R118m worth of bad debt, arguing that it indicates that substantial numbers of unsophisticated consumers are being pressurised into deals that are to their detriment. Prevention, in this case, is better than incursion.

One problem, he claims in taking a free market line is that it ignores the fact that a substantial percentage of SA consumers are virtually illiterate. Thus they make themselves easy prey to the sophisticated manufacturer and retailer.

He sees the establishment of a small claims court (the idea is currently being tossed about by the Hoexter Commission) as a possible way out of the dilemma. "As litigation is expensive, many lower wage earners are excluded from the legal process and are, therefore, not able to take advantage of their legal remedies. Companies are thus relatively secure in the knowledge that they will not be brought to book and are even more unscrupulous in their dealings."

The small claims court, says McQuoid-Mason, should go some way to remedying the current situation. He warns, however, that it must not become the tool of business. He suggests that applicants be limited to individuals, thereby guarding against its becoming merely a debtor court.

Also important for the consumer movement, he claims, is the better enforcement of existing law. The bureaucrats, he says, are presently overloaded and not able to provide the services essential for the protection of consumers.

He believes the UK's Unfair Trade Practices Act is a good model with which to kick off in SA.

Of course, unequal bargaining power in the market does not remove the consumers' freedom of choice. Nor is an illiterate man one who necessarily is ignorant of his own interest. Because he is illiterate he does not have to be a fool.

The level of bad debts is as much an indicator of consumer greed, foolishness and rank dishonesty, as it is of unwanted desires being fulfilled by unscrupulous salesmen.

There is one consumer group in SA that supports deregulation as the key to consumer interest. It is the Pretoria-based Consumer Foundation. By and large, however, the country's vocal but fractured band of consumerists — they vary from housewives to retired army officers — do not understand what they are arguing about. One housewife consistently calls both for free markets and more regulation.

Probably, this reflects the deep-seated and paternalistic view that government is capable of redressing all society's wrongs. The fact is, of course, that in these days of excessive government and power politics, our legislators are the basic cause of some of the very wrongs that ordinary people mistakenly believe they should redress.

# Time for Govt to heed consumers

By NOREEN SUTCLIFFE

THE Housewives' League of South Africa has called on the Government to pay heed to the voice of consumers and keep the price spiral of basic foodstuffs in check

According to the President of the league, Mrs Joy Hurwitz, the consumer could do "so much and no more"

"It is not the consumer who has created inflation or even fuelled it. It is all very well to ask us to tighten our belts but there comes a time when there is no slack left and the limit has been reached," she said in her report to the annual meeting of the league

"That time has now arrived. Every sector of the economy from agriculture to industry to commerce, even the professions, have been deferred to by the Government. To only one segment has the Government turned a deaf ear and

that is the consumer

"It is to the ordinary wage earner and pensioner struggling to keep his head above water that the powers that be should be listening"

Mrs Hurwitz called on the Government to put a stop to the endless round of price increases, particularly those that affect the prices of basic foodstuffs

"Instead of appealing to the public to do something, make agriculture industry and commerce tighten their belts and contain prices for at least a year

"Let's spread the burden over the whole spectrum of the economy," she said

During the year under review, the league spent much time on their priorities the pricing, structure, production, availability, distribution and the cost of basic foods

It dealt at top level on making the voice of housewives heard on meat price

rises and is now awaiting a report from a committee appointed by the Minister

The 15.9% rise in the price of maize was also taken up at the highest level — but to no avail

Mrs Hurwitz said she had also written to the Minister of Agriculture in May this year, asking him to keep any proposed increase in the price of milk and dairy products as low as possible

"This could be done by effecting savings within the producer and distributive fields of the industry

"But to no avail, milk and its by-products, all vital foods, joined the price spiral"

On bread, Mrs Hurwitz warned that on present figures, before the farmers get an increase in October, would mean that the subsidy on white bread would be reduced from 5c to 2c and brown bread from 13c to 8c

"After the wheat in-

7/8/82 S. Post

246

## Joy Hurwitz

... stop increases

JOY HURWITZ

... stop increases

... stop increases

... stop increases

... stop increases

... stop increases

... stop increases

items, particularly lettuce, started off at a high price and consumers resisted by not purchasing, then, as a result, the products began to deteriorate and prices were dropped

"But it is then too late," she said

She criticised green-grocers, some of whom were not displaying their prices and grades, and for not showing the grades of fruit and vegetables shown on prepacks

"It is illegal to mix grades," she said "This is still being done in the market place"

She handed out a bouquet to the Banana Board when she said "Thanks to the Banana Board for the ups and downs in banana prices, announced on the radio, we get the benefit of good supply at a reasonable price and a rise if there was a shortage

"This is as it should be

"Thanks to the Minister

of Agriculture and the Potato Board for not only a reduction in price where there was an oversupply, but for buying up potatoes and distributing them to townships and homelands"

# Shopkeepers warned over bread prices

*246 Sowetan 14/9/82*

SHOPKEEPERS overcharging on the price of bread run the risk of being prosecuted, the Wheat Board warned yesterday

A spokesman for the board said there was confusion among shopkeepers as to what the correct price of bread was. He said the board would launch investigations as soon as it received complaints from consumers.

"We warn shopkeepers that we will take the matter up with the police who will prosecute all those overcharging. Consumers should lodge complaints with the board and supply us with the names of the shops involved," the spokesman said.

This warning follows numerous telephone

By LEN MASEKO

calls at The SOWETAN from angry consumers complaining that they were being ripped-off by shopkeepers who overcharge them for brown and white bread. One shop in Meadowlands sold bread at 10 cents more than the normal price.

According to the Wheat Board, the basic price of a loaf of brown bread was 27 cents with two cents General Sales Tax. The controlled price of a loaf of white bread is 42 cents, including the GST.

The price of bread will be going up by 10 cents from October 1.

Meanwhile, the Soweto Chamber of Com-

merce and Industry is to hold a meeting on Sunday to discuss, among other things, the overcharging of bread by some shopkeepers in the townships.

Mr Veli Kraai, chairman of the SCCI said: "We will try to impress upon shopkeepers to sell bread at the correct price. Most shopkeepers have agreed to sell half a loaf of brown bread at 14 cents, instead of 14½ cents."

In the light of the 1979 amendments to the Industrial Conciliation Act, could you please indicate for extensions in scope. I

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|---|--|
| Federation of Salaried Staff Associations of South Africa     |  |
| Pulp and Paper Industry's Joint Committee                     |  |
| Rand Water Board Unions Joint Committee                       |  |
| South African Council of Mining Unions                        |  |
| South African Federation of Leather Trade Unions              |  |
| South African Council of Transport Workers                    |  |
| South African Federation of Chemical and Allied Workers Union |  |

4. AFFILIATIONS TO INDUSTRIAL FEDERATIONS CONTINUED:

# Star Line

## They represent a small percentage of commerce but —

Continued from Page 25

who paid \$1,500 including a \$500 agents fee to secure a home for his retirement.

The firm he dealt with closed its doors without notice leaving many desperate after

losing their life savings

★ ★ ★  
Hundreds of unwary black consumers are caught by the false advertising of unscrupulous furniture dealers. Thousands of cases have been reported



Ready material for the conniving businessman, blacks are often tricked into signing contracts which contain no legally enforceable obligations on the seller.

where items are advertised at a low cost. When customers respond they are informed the specific item is sold and they are told to buy something else often the same price but an inferior quality.

Blacks frequently over-commit themselves when buying furniture as extended credit is made attractive. When one default in payments is made the furniture is repossessed.

Mr. S. F. Redelingshuys executive director of the Furniture Traders Association, said exploitation in the business did not happen "willy nilly." He did, however, acknowledge exploitation happened within the trade, but not among members of the association.

According to Mr. Redelingshuys members are bound by a code of conduct. The association he added, covered about 90 percent of the trade — "what the balance of 10 percent does is not our responsibility."

He advised clients to make inquiries as to whether a company was a member of the association before buying. The chances of being exploited by a member are extremely slim, said Mr. Redelingshuys.

He said repossession within the furniture industry was a last resort as storage space had to be found for repossessed items. He warned the consumer to be on the look-out when shops offered bargains as these were usually inferior.

# Unscrupulous firms damage race relations

A call was also made by Mrs. Pauline Lipson, director of Legal Aid and Mrs. Helen Suzman, the Progressive Federal Party's spokesman on Justice, for more use to be made of the media to educate the consumer.

Mrs. Lipson said the media should run constant articles on consumer awareness.

The Federal Republic of Germany has extensive legislation protecting the consumer against "immoral or shameful" deals as well as against exorbitant and cut-throat prices.

The basic effect of Germany's legislation is:

- Any non-bona fide deal is not treated as a deal.
- Contracts are declared invalid particularly if a deal is made where the seller uses the buyer's lack of ability to judge as a means of procuring the sale.
- Or where the buyer's decision to purchase can be classed as insane;
- Or if the buyer is inexperienced in the techniques used in selling or,

All the incidents of exploitation mentioned in this series of articles have been obtained from the intensive and extensive foot-slogging and investigations conducted by Star Line staff reporters spearheaded by the Editor, Mrs. June Bearzi, and appear in Star Line files dating back to 1976.

No attempt has been made in the past to bring the thousands of isolated incidences of exploitation suffered by the less sophisticated under the umbrella of one informative and educational series of articles.

of order fairness and freedom.

Those with an understanding, no matter how basic, will realise it can be an effective tool working on their behalf in certain situations.

The law is so pervasive in our lives that schools cannot overlook it in curriculum development.

Today it is recognised that every student should have an opportunity to be instructed in reading, writing and mathematics. Every student should therefore, be given the opportunity to participate in a course of study which develops legal literacy.

Those with even the most elementary legal skills will possess that minimum amount of

drivers who pay substantial amounts for lessons.

When arriving for their first lesson they are told by instructors that the learner vehicles have broken down and cannot be repaired immediately. Refunds on deposits are then refused.

Several years ago Star Line investigated a complaint where a proprietor of a driving school led thousands of blacks to believe they could qualify for something they were not entitled to through deceptive advertising in newspapers. In his advertisement the proprietor

246

22/9/82



★ ★ ★  
 Although many concerned spokesmen called for extensive consumer education, Mr. Job Schoeman, chief liaison officer of the Department of Education and Training, said this type of education was not the responsibility of the department.

"Although the exploitation of blacks is recognised as a problem it is ultimately the private sector which has a relevant role to play in the instilling of consumer awareness into the black buyer," said Mr Schoeman, who pointed out the department was, however prepared to assist in a venture curbing exploitation.

Many spokesmen including Mr Schoeman, Mrs Hazel Moolman of the Institute of Race Relations, and Mrs Deborah Mabiletsa, a director of the Urban Foundation called on women's organisations, welfare organisations and churches to warn the public about the pitfalls and dangers inherent in the consumer world.

Mrs Moolman and Mrs Mabiletsa called for education within the black community "It is high time the black people did something for themselves to curb the practice of exploitation," said Mrs Mabiletsa.

Mrs Margaret Lessing and Professor Leon Weyers, respectively chairmen of the Consumer Union and the Consumer Council, called on Commerce and Industry to launch a nationwide campaign to stamp out trade malpractices against blacks.

Mr Weyers said commerce should deal more harshly with their own members who abused the consumer. Consumer bodies, he added, should "pay more attention to the needs of the black buyer as he is our problem child."

"Unscrupulous dealers are a small percentage of commerce in this country but they do damage to race relations out of all proportion for their numbers," concluded Mrs Lessing.

One concerned spokesman, Mr Morris Zimmerman, an attorney at the Hoek Street Law Clinic, said education did not only entail the enlightenment of the consumer but more importantly the education of the seller to respect the buyer. He pointed out that legal aid societies were only scraping the tip of an iceberg in their efforts to help the uninformed con-

... to be and what the terms in fact turn out to be.

According to Mrs Suzman South Africa's legal system should make an example of exploiters by prosecution. These prosecutions, she said, should be stringently carried out.

Through the years concerned bodies have found that complaints arise through ineffective or non-existent protective legislation. Organisations launched by concerned individuals to deal with crafty dealers in their specific trades have no power to act because offenders are not members of the respective organisations.

It appears from the extensive information given that one of the ways in which the system can rid the market of skulduggery, particularly of the unsophisticated consumer, and enlighten buyers, is through wide-spread and frequent publicity.

This however, is an inadequate measure as many who fall victim to the exploiter do not or cannot read newspapers, nor are other media avenues, such as television open to them.

Ultimately it appears to be the law, that is the solution to halting exploitation.

To many the law appears as a series of vague, abstract technical rules to be used against them. Many feel exploited by rules and regulations which should provide a sense

... to understand how their legal system works — and how it can work for them.

★ ★ ★  
 Often the fine print on the slips of dry-cleaning firms absolve the cleaner even where poor workmanship is obvious.

The public is advised to go to cleaners who assume responsibility for the items handed in.

The Garment Care Association, formed two years ago, enforces its members to guarantee skilled and reliable service.

When a member of the association accepts an article for cleaning it must be correctly processed or the consumer will receive compensation.

The disclaimer on members' dry cleaning slips has been removed.

One concerned member of the industry suggested that a star-rating for dry-cleaners should be introduced.

Attractive advertising gimmicks and convincing driving instructors take hundreds of unsuspecting blacks "for a ride." Prospective pupils are not told they can take driving tests only in the area in which they live.

Many travel to driving schools in the plateland where they believe driver's licences are easier to obtain.

Over the years complaints about unscrupulous driving instructors have been made to Star Line by thousands of hopeful would-be

... and lodging as well as food and blankets for hopeful drivers, but pupils were in fact charged 50c for blankets and R10 for meals of cabbage and porridge.

★ ★ ★  
 Black householders should also beware of unscrupulous appliance-repairmen who do out expensive second rate jobs.

No controlling body exists to set standards or prices for these repairmen.

Star Line reporters have over the years called on consumers to be wary of one-man operations not concerned with guarding their reputations, as appliances often come back in a worse state. Calls have also been made on blacks to be wary of electrical firms selling cheap equipment and offering guarantees. Many offer a three-month guarantee but delay the repairs until the guarantee lapses.

A prized possession of hundreds of blacks is a watch but often these need repair.

Thousands of watches taken in for repairs simply disappear without trace.

Mr Stanley Bloch chairman of the Johannesburg branch of the Watchmakers Association, said the public should only deal with members of the association which laid down stringent rules relating to ethical practices in the trade.

Handwritten note: (JHE) 19/1/82



Funerals are costly events . . but it is always wise to get good advice before

# Call for a separate Consumer Ministry

(246) Rom 24/5/78  
A RESOLUTION calling for a separate Ministry of Consumer Affairs was tabled yesterday at the annual general meeting of the South African Consumer Union (SACU) in Pretoria

The founder of SACU, Mrs Margaret Lessing, called for the establishment of the new Ministry in an address to the gathering

The theme of the meeting was "Co-operation — a better deal for the consumer"

Mrs Lessing said this was seen "not only as co-operation between all sectors of our economy which fall under our present Minister, (Dr Dawie de Villiers, Minister of Industry, Commerce and

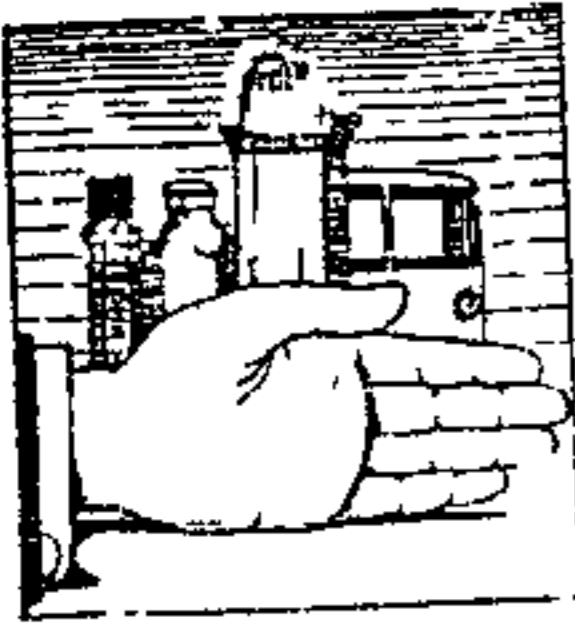
Tourism), but between all Government departments for it is not enough for us to be confined to economics

In an overview of Sacu's development in its 21 years, Mrs Lessing said its standpoint of complete autonomy had equipped the organisation to act as mediator, and liaison point between consumers, commerce, industry and agriculture.

Organisations represented at the meeting were Nafcoc, the Afrikaanse Handelsinstituut, the Federated Chamber of Industries, Assocom, SA Agricultural Union, SA Coordinating Consumer Council and the SA National Consumer Union — Sapa

# Turn of the screw

124 246



Believe it or not, but most businessmen are ordinary mortals, given to the same hopes and fears as the rest of us. They trust what they know and fear what they don't. Just at present, consumer

boycotts figure rather prominently in the latter category.

That is not to suggest that businessmen won't adapt to counter them if they become more frequent, as appears likely in SA. In deed, businessmen are usually more adept at rapid adaptation than most sections of the community.

Broadly speaking, they learn early, and quickly, that constantly changing market characteristics are ignored at some cost. When it comes to changing social and political values, they may be a bit slower. But by and large the survivors are those who keep their ears close to the ground and communication lines open.

Both consumerism and consumer boycotts — if they are divisible — are relatively new to this country as an economic phenomenon. They are, moreover, easily exploitable in the social context of this country for aims that have little to do with economic gain.

They can be fanned quickly into an emotive wall of prejudice, involving not only trade unions and organised consumer groups, but students, churches and welfare organisations. In the Monis & Fattis boycott, the company actually found about 20 hostile community organisations ranged against it.

Not only is their initial impact hard to measure, but the commercial consequences can linger on long after there has been an equitable settlement. Says OK Bazaars' tough MD, Meyer Kahn: "No one needs a boycott, on that you can take poison."

Recently he adroitly averted boycott action against his chain, believing it would have had a major impact on staff morale and corporate image.

The impact on sales, he believes, may be overstated. In fact, on certain essential lines it may be minimal. But, he warns, "we stock 6 000 different lines. It is easy enough to switch if the need arises."

In theory, companies most vulnerable to boycotts are those that have high-profile national brands, international connections,

products for which substitutes are easily available, and are in generally competitive markets.

But that does not mean that others are immune. Far from it. Take Putco's experience back in the Fifties. In some areas it provides what might have been thought to be the only means of transport.

Yet at that time Shanks's pony emerged as a substitute and a three-month bus boycott by blacks enraged over a fare increase cost Putco £250 000. This dispute was resolved only when the Johannesburg Chamber of Commerce stepped in with a £25 000/year passenger subsidy. It was a clear victory for consumers.

Putco was hit again in 1975 when Kwa-Thema residents refused to pay higher fares and demanded additional benefits. The boycott, which lasted just under two months, was halted when the bus company met some of the requests of commuters. The fare increase was, however, maintained.

A Putco spokesman claims that one of the main reasons for the company coming in for criticism and facing boycotts is commuter discontent, which is often linked to other social and political issues. He lists low wages and distance from work as two major grievances.

He notes that as transport is an essential service, it is difficult for commuters to boycott bus companies on any long-term basis. He nevertheless admits that the company is vulnerable in that it could face pressure from disenchanted businesses, inconvenienced by late arrivals and worker stay-aways.

Cape Town-based City Tramways has also come under the boycott whip. In 1980, blacks boycotted the company's services, say community groups, quite successfully. City Tramways refused to comment, claiming that it was not company policy to discuss boycotts. The company, it seems, believes that an admission of vulnerability could invite further action.

Also part of the consumer spectrum is the Housewives League. It has, however, tended to flex rather than use its muscle and has called for only two boycotts — one of dairy products, the other of red meat.

The dairy boycott was resolved at a general meeting which included manufacturers, producers and retailers, but the red meat "token boycott" continues. The league, which has asked consumers to limit

meat use to two days a week, did not identify itself with the 1980 meat boycott associated with the General Workers Union, because it wishes to remain "apolitical".

But boycotts also pose problems for unions. Convincing consumers to withhold their rand takes time and organisation. The additional commitments can deflect the unions' energy, argues industrial relations consultant Andrew Levy.

If they pick the wrong companies to boycott and lose, they can undermine the value of the boycott.

A further problem, says Levy, is that once boycotts have gained momentum they take on a life of their own and are difficult to stop. Also, they incorporate community groups who come to believe they have a stake in the settlement.

A trade unionist adds that boycotts must be carefully managed. "They must not be called until the organisational infrastructure has been set up."

"Boycotts must also relate to immediate issues with which community groups can identify if they are to be successful." Further, he argues that the economic weapon must not be overdone and used at every turn.

Unionists and community groups agree, the recent boycott which brought the international soccer tour underwritten by SA Breweries to a halt was one of the most successful to date. The reasons, they claim, were the immediacy of the issue, the short-term nature of the boycott and good organisation.

Also important in any boycott is the role played by third parties. Black retail outlets have on a number of occasions expressed support and stopped stocking the boycotted product. This happened with the Monis & Fattis dispute, the red meat boycott and the Wilson-Rowntree and SA Bottling Company conflict.

Peter Moni, who handled the boycott for Monis & Fattis — one of the first companies to be confronted with a major boycott — claims that the company lost its entire bread sales in the black market, mainly because of retail outlets' refusal to carry the product. But, he notes, other areas of the company's operations were left relatively untouched.

In the period February to July 1979, Monis & Fattis reported profits half those of the corresponding period in 1978. Moni says, however, that for most of the trading peri-



## Fattis & Monis



**ANGIWADLI AMASWIDI  
AKWA  
WILSON-ROWNTREE**

# e right track

underground activities and from time to time the Railways Police were asked to flex their muscles

'The parking bays are there for people who come to off-load passengers or to collect them' Mr Els said

'It is a convenience for them especially when they have a lot of luggage' But it would seem that Johannesburg Station officials do turn a well-intentioned blind eye most of the time

maintained until the doors opened at 7am

'A small group of undisciplined people began to push and a small boy was pushed a metre up against the glass door' he said

Twelve police reinforcements were called to supervise the crowd for two hours allowing 50 people into the store at a time

Mr Van Blerk said that within three hours 'we must have processed about 1 600 customers'

all of 171 Main Street Johannesburg  
 Press - Sapa Reuter

# Sacu still strives to assist consumers

By GERALD REILLY  
 Pretoria Bureau

THF purchasing power of money had dwindled alarmingly since the South African Consumer Union was founded 21 years ago a member of the President's Council and former chairman of the union, Mrs Margaret Lessing said in Pretoria yesterday

Addressing the anniversary meeting of the union, Mrs Lessing said a tidal wave of inflation had sent the rate soaring from 2 1/2% then, to more than 16%

Mrs Lessing proposed the establishment of a Ministry of Consumer Affairs because values had changed over the years and consumer demands had increased

Mrs Lessing said everyone had the right to spend money foolishly, but no-one should have to do this out of igno-

rance

'The consumer's watchdog we are The consumer's nursemaid we are not'

Consumers could not be protected in a free enterprise system, but the aim of the union was to assist consumers in getting the best value for their money

'Every effort is made to teach you how to earn money little is done to teach you how to spend it to the best advantage'

'During the 21 years there had been a consumer revolution

'We have moved into a world which lives on credit at ever increasing interest rates

'The housewife is struggling to come out on a budget that shrinks in its buying power every month,' Mrs Lessing said

# Weather Mail

THE weather bureau's forecast for today

**TRANVAAL** — Fine to partly cloudy and warm but cloudy over the eastern Transvaal in the morning with fog patches Isolated thunder showers are possible over the south-western Transvaal

**FREE STATE, NORTH CAPE** — Fine to partly cloudy and warm but hot over Cape north of the Orange River Isolated thunder showers may occur over the north-western Free State and the Vryburg-Mafikeng area

**CAPE** — Fine and warm to hot with bergwinds on the west coast. It will become cloudy and cool on the south coast and adjacent interior

**NATAL** — Fine and warm

**SWA** — Partly cloudy and hot with isolated thunder showers over the northern and central parts

**BOTSWANA** — Fine to partly cloudy and hot with isolated thunder showers over the northern and western parts

Temperatures are Celsius maximums expected for each city

**Rand Daily Mail Weather Station**

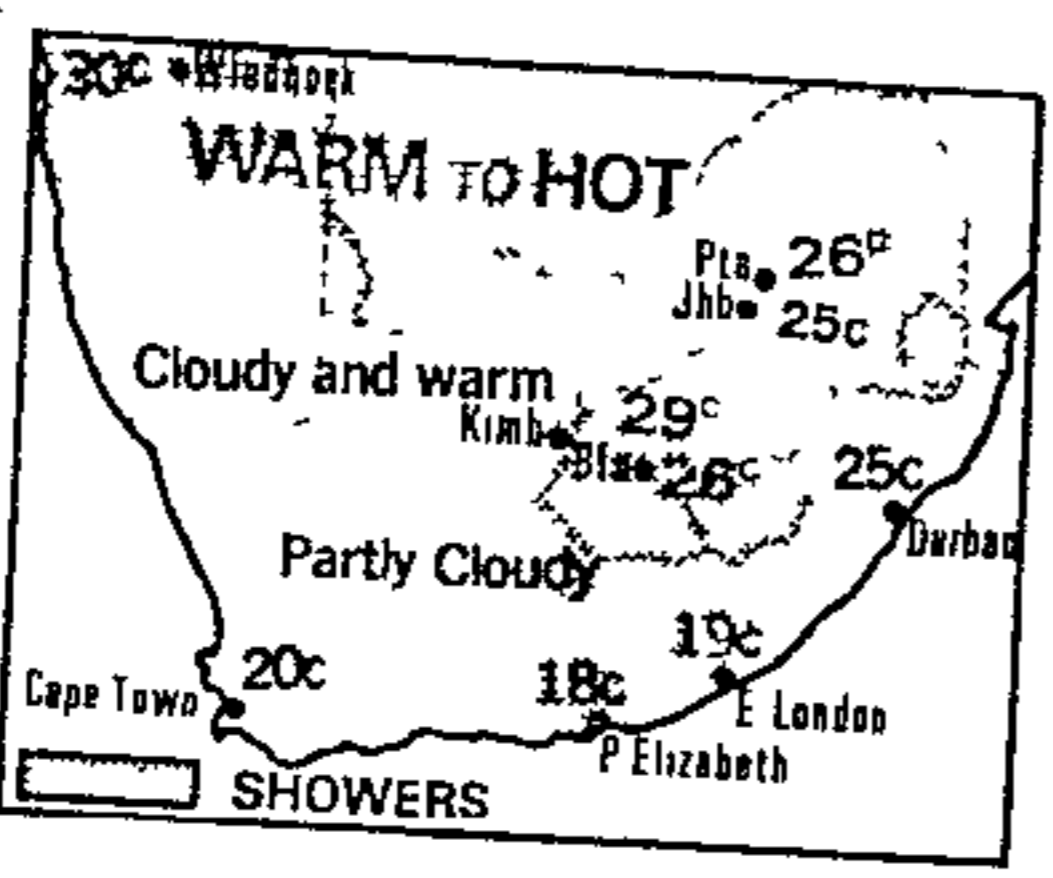
**YESTERDAY**  
 Friday 24 September 1982

Temperatures  
 09h00 14h00 21h00  
 14°C 22°C 17°C

Humidity  
 65% 35% 48%

Max temp 23°C  
 Min temp 11°C  
 Rain 24 hours to 20h00 Nil

Sunset today 18h05  
 Sunrise tomorrow 05h55



# SOUTH AFRICA YESTERDAY

Temperatures at 14h00

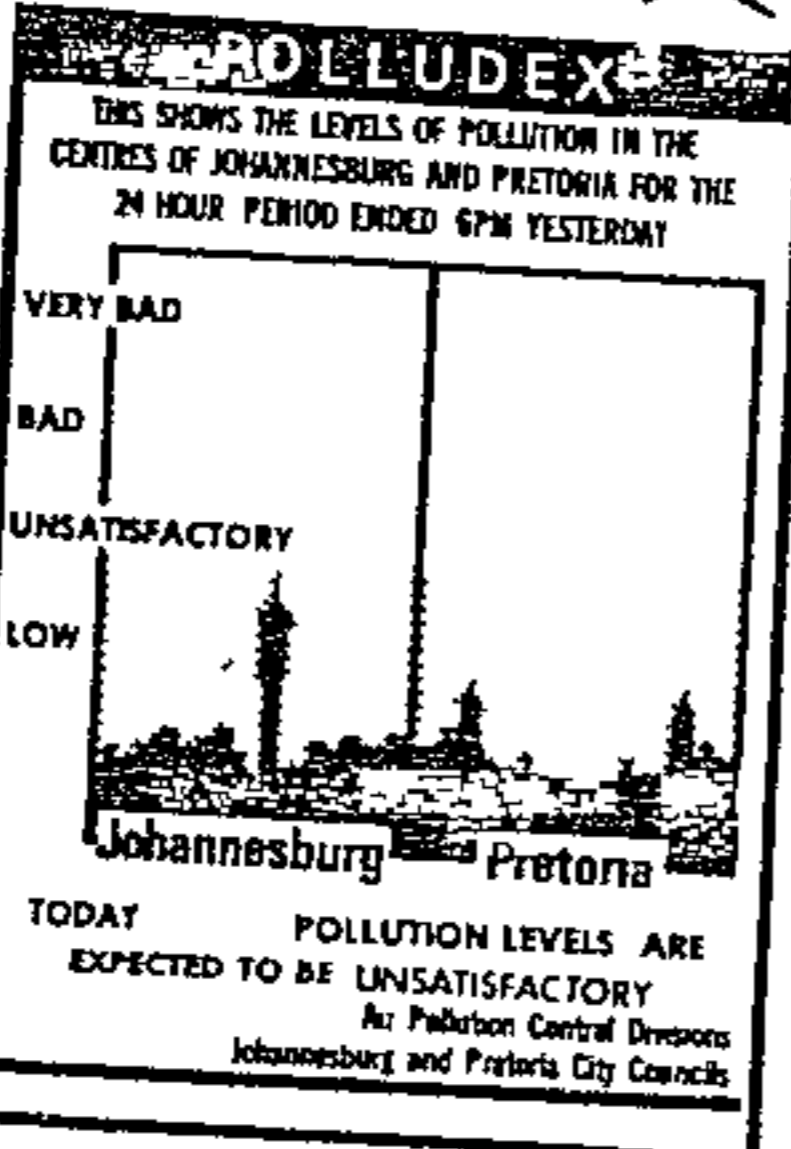
|              |    |                |    |               |    |
|--------------|----|----------------|----|---------------|----|
| Bloemfontein | 25 | Jen Smuts      | 22 | Potchefstroom | 26 |
| Cape Town    | 17 | Nelspruit      | 24 | Pretoria      | 24 |
| Durban       | 25 | Petersburg     | 20 | Skukuza       | 27 |
| East London  | 23 | Port Elizabeth | 21 | Standerton    | 24 |

**SOUTH AFRICA** Hottest at 14h00 Alexander Bay 40°C Coldest at 08h00 Sutherland 1°C

**TRANVAAL** Hottest at 14h00 Skukuza 27°C Coldest at 08h00 Standerton 5°C

# THE WORLD YESTERDAY

|                | Min °C | Max °C | Weather |
|----------------|--------|--------|---------|
| Amsterdam      | 0      | 15     | Clear   |
| Athens         | 19     | 29     | Clear   |
| Berlin         | 10     | 20     | Clear   |
| Brussels       | 10     | 17     | Cloudy  |
| Buenos Aires   | 10     | 18     | Cloudy  |
| Chicago        | 4      | 19     | Cloudy  |
| Hong Kong      | 26     | 29     | Cloudy  |
| Jerusalem      | 17     | 27     | Clear   |
| Lisbon         | 14     | 21     | Clear   |
| London         | 11     | 18     | Cloudy  |
| Los Angeles    | 21     | 36     | Cloudy  |
| Madrid         | 11     | 24     | Clear   |
| Miami          | 25     | 29     | Rain    |
| Montreal       | 13     | 20     | Clear   |
| Moscow         | 11     | 20     | Cloudy  |
| New York       | 15     | 20     | Clear   |
| Paris          | 13     | 20     | Cloudy  |
| Rio de Janeiro | 13     | 28     | Cloudy  |
| Rome           | 17     | 27     | Clear   |
| San Francisco  | 13     | 23     | Cloudy  |
| Stockholm      | 7      | 14     | Clear   |
| Tokyo          | 17     | 22     | Cloudy  |
| Toronto        | 13     | 19     | Cloudy  |



# SA consumers live beyond their means

Pretoria Bureau

SOUTH African consumers had begun to live beyond their means, and credit was playing a bigger role in their affairs than ever, the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, said in Pretoria yesterday

Addressing the 21st anniversary meeting of the South African National Consumer Union, Dr De Villiers said consumers saved less than 6% of their incomes during 1981

This compared badly with the more than 10% in previous years

This slow savings level could be associated with consumers' efforts to maintain their living standards in the face of a high rate of infla-

tion

But it was apparent that if this trend continued there could be a negative saving pattern next year and the shortage of savings for productive investment would have to be made up from other sources

The Minister said personal disposable incomes had doubled in the past five years to R40 000-million in 1981

Of even greater significance, however, was that of this amount nearly R38 000-million, or 94%, was spent on goods and services

And of the R38 000-million, 12,4% was spent on costly goods such as cars, 17,6% on semi-durables such as clothes, 23,9% on services, and 46% on inexpensive commodities such as food

# MATTER OF FACT

TO CORRECT specific errors of fact write to the Editor at PO Box 1138, Johannesburg, or telephone the Editor's secretary at 710-2500 between 9am and 5pm on weekdays

If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary

# Ghana shuts its borders

ACCRA — Ghana has closed all borders with its three neighboring countries — the Ivory Coast, Upper Volta and Togo — to guard against cocoa smuggling

The government announced the closure on Tuesday night and observers said the measure was clearly intended to cut down on cocoa smuggling — UPI

Hurry! Limited Stock of...  
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246

MUST enter in of each question in which it has columns (2) and

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 communica-

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. . . .

tion needs of blacks, especially those living in rural areas," said Mr Motsuenyane

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 popula-

tion 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

- 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

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

# Many living beyond means

20/1/82  
246

Consumers have begun to live beyond their means and are becoming more reliant on credit, says the Minister of Industry, Trade and Tourism, Dr Dawie de Villiers.

He said personal savings had declined in 1981 as consumers battled to keep up with inflation.

He said less than six percent of total consumer income had been invested in personal savings in 1981.

Dr de Villiers said consumer decisions were crucial to the efficient running of the economy.

"Consumer decisions act as an economic barometer and form the basis of market surveys which assist both the Government and private enterprise," he said.

"It is therefore vital to establish a better-informed and respons-



DR DE VILLIERS

ible consumer sector," he said.

Dr de Villiers said there was a lack of organised consumer bodies in certain parts of the country and particularly among some sections of the population.

"The Consumer Council has been asked to supply plans for the establishment of regional offices," he said. "The first office is expected to open in 1983 in Cape Town."

*sent - understood - the*  
*A.P. De Vries - a central*  
*and personal economy*

ADM 2/10/72

# Bread hike prompts protest petition

Mall Reporters

CONSUMER anger at the increase in bread prices yesterday has spurred the Housewife's League to start a national petition to the Minister of Finance Mr Owen Horwood condemning the increase and demanding it be reduced immediately.

A vice-president of the Housewife's League Mrs Jean Tatham said Pick n Pay and Checkers had agreed to allow petitions to be signed on the premises. The OK Bazaars had said a table could be placed outside the premises and signatures collected.

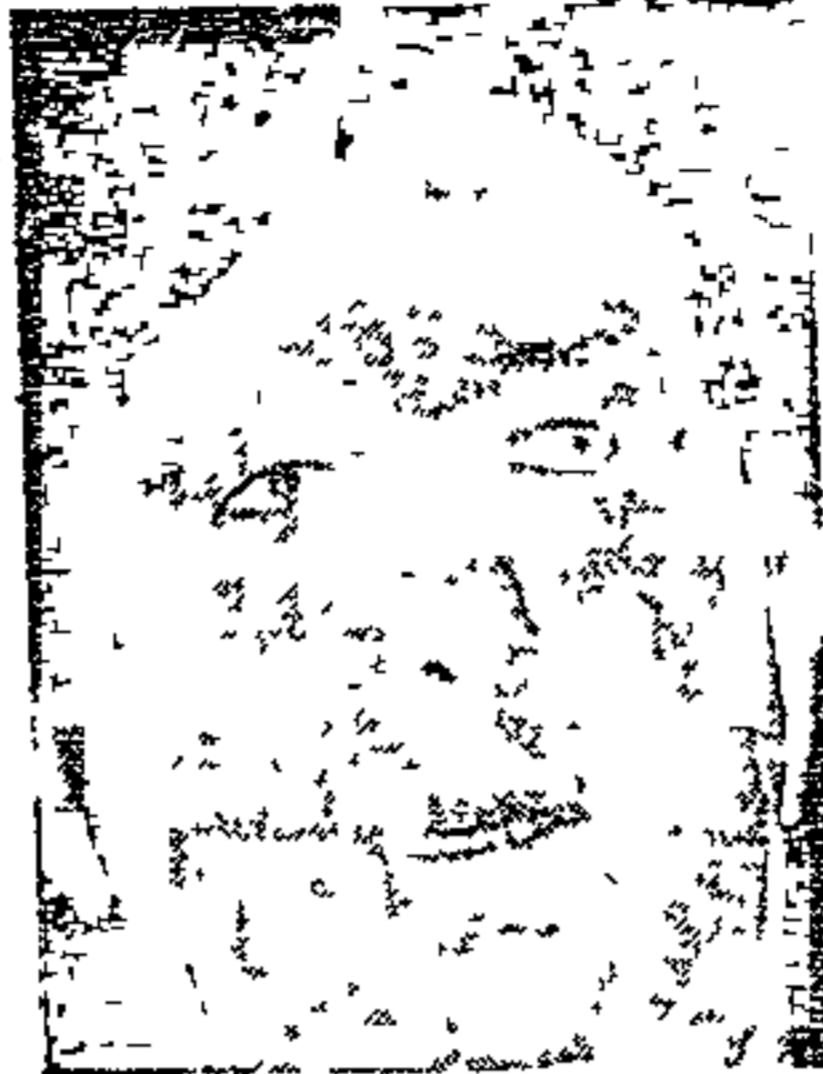
White bread rose to 53c a loaf and brown bread to 35c yesterday.

"I know a large number of

people are upset by the increase and we are hoping for a big response" she said.

On Thursday the price hike prompted a protest march in Paarl, in which 19 people were arrested. And on the same evening 200 representatives from sports and women's organisations met in Kayamandi in Stellenbosch to discuss the price increase.

Strongly condemning the arrests, a representative of the Paarl Community Council Mr Matthews Scott said it was "saddening" to note that the Government was using the police to harness and crush "the only legitimate voice of the people without a parliament in their own land".



MR OWEN HORWOOD to receive petition

He said it appeared that they would have to prepare themselves for more clashes

with the authorities as 'the minority ruling class keep making decisions for the majority working class'.

Among the demands at the Stellenbosch meeting were

- General sales tax be removed from all basic foods
- The bread price not be increased
- Free bread be supplied by the government to all primary schools pensioners and the disabled and
- All supermarkets lower their profits on basic foodstuffs

A second meeting will be held at Kayamandi on October 5 where a committee will be elected.

Meanwhile Sapa reports that the Opposition's chief

spokesman on consumer affairs, Mr Harry Schwarz yesterday attacked the chairman of the Consumer Council, Professor Leon Weyers, for his statement that black workers were, in real terms, paying less for bread than 22 years ago.

"This kind of statistical argument is of no value in the face of the reality of trying to make ends meet with virtually every essential of life going up in price, not only bread.

"The job of the spokesman of the consumer is to champion the consumer cause and not to excuse government or control board actions.

"People cannot eat statistics," Mr Schwarz said.

# Caveat emptor FM 8/10/82 (246)

SA consumers are an apathetic lot, or so most champions of consumer rights believe when comparing them with their many highly organised and publicity-minded counterparts in the US and Europe.

Besides the state financed SA Coordinating Consumer Council (SACCC) and its umbrella body the SA National Consumer Union (SANCU), there are only two nationwide private consumer organisations in SA — the Housewives League (HL) and the fledgling Consumer Foundation (CF).

Some argue that consumer protection bodies are unnecessary because spending is the all-powerful arbiter of business success. The counter-argument is that this would work only in the framework of a totally free market with equal stipulatory power and equal knowledge and that it is unrealistic to expect the average consumer to be as well-informed as a dealer in specialised products.

Free Market Foundation director Leon Louw says consumer bodies overseas have successfully brought about improvements to certain products but that many of these 'benefits' have been costly.

"If all improvements were free, we would support them," he says. "But higher standards are not bounty from heaven."

Louw says misguided consumerists such as Ralph Nader lobby for safety measures which can make products more expensive and beyond the means of poorer users. He says 'excessive safety regulations have added about \$1 000 to the price of the average American car.

Even Nader has more recently expressed disillusionment with the power of regulatory bodies and legislation to protect consumer interests. Publicity, he says, is the consumers' deadliest weapon.

In SA consumer columns in newspapers have probably righted more wrongs than have officially recognised consumer protection bodies.

"Our strength is that, unlike consumers organisations we publish our findings," says Star Line head June Bearzi. "We expose issues to a large audience and aim for a reaction and more awareness."

Joy Hurwitz of the Housewives' League, also recognises the need for publicity but has so far failed to get consumers a platform on the most powerful medium of all.

"We've spoken to the SABC," she says "but they are not interested in a TV consumer programme."

The SACCC handles about 400 written inquiries monthly. Its brief is to inform and represent consumers on bodies like agricultural control boards, to research and publish information, to follow up complaints and lead special projects.

Complaints about mail orders and encyclopaedia sales to the SACCC led to police investigations. This in turn led direct book-sellers to start a self-disciplinary association.

Assistant director Bill Heunis says "We were involved in the lobbying that tightened up laws on instalment sales. HP charges now have to be disclosed, any inducements have to be written into the contract and agreements signed anywhere but at the seller's place of business are subject to a 5-day cooling-off period during which the buyer can change his mind without forfeiting any money.

"This helps protect particularly black buyers from abuses. But now we have to educate buyers to know and demand these rights."

Johann Verbeem of the Consumer Foundation says "South Africans are just not consumer-minded and generally, they're either ill-informed or unsophisticated buyers."

Most consumer organisations agree that SA law protects the consumer and that it is more important to educate buyers than to lobby for further legislation.

The Housewives' League, which regards basic foodstuff costs as its main priority, differs. It is the most active lobby for legislated consumer protection. It maintains that, because the vast majority of SA consumers are unsophisticated, protective pen-

alties are needed.

Issy Pinshaw, Assocom's immediate past president, says he welcomes the growth of consumerism although the number of complaints received by consumer bodies is minuscule compared with the millions of purchases in SA.

He says "Consumers should realise that the most effective weapon in their hands remains competition. It is just as much the consumer's task to make competition work by insisting on value for money and a fair deal."

Most established businesses are members of voluntary self-regulating associations with codes of conduct which limit excessive abuses. And they repeatedly claim that most sharp practices come from non-member businesses.

Relatively few cases of short measurement or sub-standard goods are the fault of manufacturers or farmers.

Heunis says "Many complaints about agricultural produce can be tracked back to middlemen rather than to farmers themselves. Our main activity is to pressure for a decrease in consumer prices when producer prices drop — as meat has done."

Many complaints are directed at retailers for overcharging, defective goods and the lay-by system for items such as cars, clothes and furniture. The victims are often black.

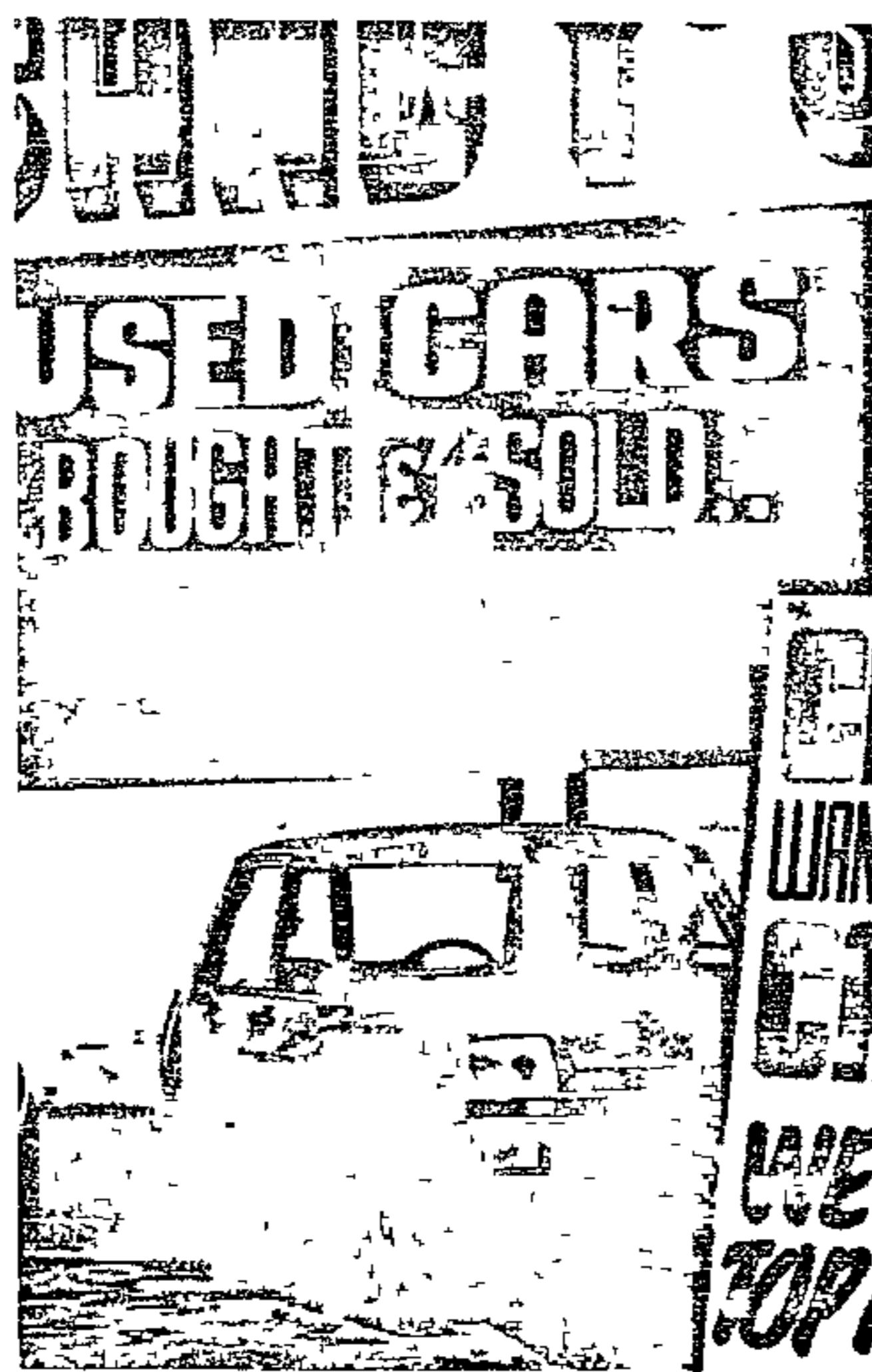
Since the legal changes governing instalment sales, HP is not an outstanding area of abuse, though higher finance charges for blacks — often on the grounds that they have no fixed property as security — are a grievance.

With township electrification, a flood of faulty and obsolete electrical appliances often with false or misleading guarantees has hit the market.

The service industry appears to be another area of abuse. Contractors for wall coverings, swimming pools and paving attract much consumer wrath for shoddy service and uncompleted work for which they have been prepaid. The same applies to repair services on television and other electrical goods which are often carried out by unskilled workers.

Shady driving schools and house-agents rip-off the black market. So do dry cleaners, who clean the clothes of black customers separately and less effectively than those of whites and who sometimes refuse to make good any damage. Black buyers are often also conned into signing contracts they do not understand.

Consumer protection, however, will be best served by education. Because no amount of legislation will stop a fast operator making an equally fast buck.



Used-car offer ... check the fine print



# Call for co-operation <sup>246</sup> constraint

D. D. [unclear]  
12/10/82

EAST LONDON — Credit managers and consumers had to co-operate to enable both sectors to benefit from the use of credit while keeping the economy stable, Mrs Margaret Lessing, a member of the President's Council and the Consumer Council said here yesterday

Speaking at the biennial conference of the Institute of Credit Management in Southern Africa, Mrs Lessing called for constraint in both sectors to help the economy to recover

During 1980 and 1981, she said, consumers went on a spending "rampage" due to the sharp rise in the earnings of workers, which was the result of the considerable shortage of skilled labour

Excessive spending led to a weakening of the savings effort and during

the past two years savings had been insufficient to finance the high level of domestic investment

"This means that extensive use has to be made of foreign financing sources and the foreign exchange reserves A spending spree by private consumers in the past two years contributed greatly to this undesirable situation," said Mrs Lessing

Less than six per cent of the total consumers income had been invested in personal savings last year and savings had dropped to its lowest recorded level during the first half of this year

The private consumer debt was expected to reach almost R1 000 million by the end of the year Hire purchase deals were heading for a record total and the

number of insolvencies had increased alarmingly in contrast to a decrease in 1979 and 1980 — the first two years after credit cards available increased from two to six

"The sustained high inflation rate and the expectation that it will remain high have encouraged consumers to adopt an attitude of buy now, pay later Which is all very well if you can pay later — but how sure can you be that you will?" asked Mrs Lessing

While credit facilities provided a vital service in the steady growth of the economy, it appeared consumers were still open to exploitation through certain practices in granting credit

There needed to be more protection for consumers from irresponsible, and sometimes un-

scrupulous, traders who tempted sales beyond the means of the "gullible" consumers

At the same time those in credit management had to be protected from consumers who were ready to take advantage of excess credit facilities

Consumer Council records, said Mrs Lessing, had indicated credit facilities were too readily made available in the furniture and second hand car trade with black people

Regarding women, who are responsible for 80 per cent of consumer spending in South Africa, Mrs Lessing said women have become an economic asset in their own right — both in the work force and as consumers — and deserved to be given more consideration in the granting of credit facilities — DDR

Run 13/10/82

# League to call on Minister

(246)  
Mail Reporter

ANGER over the 16,3% increase in Escom tariffs announced this week has spurred the Housewives League of South Africa to call on the Minister of Mineral and Energy Affairs, Mr Pietie du Plessis, to bear in mind the national petition handed to the Minister of Commerce in 1979. The league says it cannot accept the increase, which is effective from January 1, together with other recent Government authorised price increases which have caused the high cost of living.

The president of the Housewives League, Mrs Joy Hurwitz, said they could no longer accept a further lowering of the standard of living.

She said an inquiry into Escom's efficiency, funding and expenditure should be set up immediately.

CONSUMER ACTION (246)

**Blacks off white?**

FM 13/10/82

The black movement Inkatha will put its muscle to the test with its recently announced boycott of white bread

At the suggestion of the movement's president, Chief Gatsha Buthelezi, the Inkatha Women's Brigade passed a resolution calling for blacks to scratch white bread off their shopping lists with immediate effect

And the KwaZulu government sent a memorandum to all hospitals, schools and government agencies instructing them to stop buying white bread Dr Oscar Dhlomo, Inkatha's secretary-general, says this action alone could account for many thousands of loaves each day

Dhlomo predicts that the boycott will quickly develop into a national movement He says Inkatha representatives from all over the country, "will be carrying the



**Bread consumer . . . to stretch his rand further?**

message to the townships and other major urban centres"

Inkatha's role now, he says, will be to coordinate and monitor the effectiveness of the action

This is the first time, says Dhlomo, that Inkatha has initiated a boycott, though it has supported past campaigns like the Fattis and Monis boycott

"If the economic noose continues to tighten around the necks of blacks, Inkatha will be duty-bound to act in this way," he says "The boycott will also have an educational value in that it will teach blacks how to stretch their rands further

"We must discipline our people not to buy expensive things when there are cheaper goods available"

25 m 16/10/82

# Consumers hit doctors fees rise (246)

Mail Correspondent

DURBAN — The South African Consumer Council cannot justify any price increases by the SA Medical and Dental Council, said the director of the consumer council, Mr J Cronje, in a statement released yesterday.

He was commenting on the recent decision of the SAMDC to apply for an increase of 17,8% for medical fees and 30% for dental fees

"The Consumer Council appeals to the Medical and Dental Council to take into consideration the present position of the consumer by adjusting its application so that it is not more than the inflation rate," said Mr Cronje

"Although it is true that the total increase of medical and dental costs since 1979 is below the rate of inflation, what is important is the consumer's present position — an inflation rate of 14,5% as well as various price increases have hit him the last few months"

The consumer council also appealed to consumers to transmit medical and dental accounts to their medical aid societies for payment or to pay accounts themselves promptly

By so doing, they could help relieve the burden the medical profession had to carry as a result of outstanding accounts, said Mr Cronje

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Weekend Argus  
Correspondent

JOHANNESBURG —  
The South African  
Consumer Council and  
the Consumer Union  
have called on the SA  
Medical and Dental  
Council to curtail "un-  
justifiable" percentage  
fee increases

Spokesmen for the two  
consumer bodies ap-  
pealed to the Medical  
and Dental Council to re-  
consider its new tariff  
structure in the light of  
the present economic  
squeeze

Earlier this week, the  
Medical and Dental  
Council announced its  
proposals to increase  
doctors' fees by 17,8 per-  
cent, dentists' fees by 30  
percent and physiothera-  
pists' fees by 13,8  
percent

The disclosure was  
slated as excessive and  
inflationary by the Na-  
tional Association of  
Medical Aid Schemes,  
which believed that prac-  
titioners had been placed  
well ahead of their costs  
after two fee adjust-  
ments since August 1981

According to Mr Fritz  
Steyn, the economic ad-  
viser for the South Afri-  
can Medical Association,  
spiralling costs in sala-  
ries, rentals and travel-  
ling had resulted in the  
fee rise application

Mr Bill Heunis, the  
Consumer Council's pub-  
lic relations officer,  
called on consumers to  
be more diligent in send-

# Medical fee increases 'excessive'

ing their medical and  
dental accounts to their  
medical aid societies

He said consumer re-  
luctance to return their  
accounts caused havoc as  
practitioners were forced  
to wait for their money

Mrs Betty Hirzel,  
chairman of the Consum-

er Union appealed for  
fairness

"The plight of the con-  
sumer should be more  
carefully considered. The  
Medical and Dental  
Council should adjust its  
fee increase application  
to a level not more than  
the inflation rate," she  
said

W/E ARGUS

16/10/82

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246

# Supermarket king's consumer party fades

246  
Inclusive  
14/11/82

## Tribune Reporter

The plans of supermarket king Raymond Ackerman to start a consumers' party seem to have taken a nose dive after his "fruitful" meeting with the Minister of Agriculture, Greyling Wentzel, this week

In October an angry Mr Ackerman said he was so disgusted with the Government's handling of the bread price, which soared by 10 cents a white loaf and five cents a brown, that he was considering starting a consumer party to challenge it at the polls

But Mr Ackerman, who says he is not a member of any political party and believes the National Party and the PFP should get together, made it clear his party would be a last resort

"I don't really want to do it. Everyone knows that South Africa is at the crossroads politically. 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



Raymond Ackerman: last resort

really like to form another splinter"

But Mr Ackerman said the consumer was ignored by all political parties and unless the Government changed

its attitude he would go ahead with his plans

He told of being given the civil-service run-around when he protested about the bread

price increase "I had a very cool meeting with the Prime Minister. He referred me to the Minister of Agriculture, Mr Greyling Wentzel. But when I went there they said it was Finance Minister Horwood's department. But his office referred me back to agriculture

"I phoned the minister's office and they asked what I wanted to see him about. They told me I had put his back up because of an argument we had over eggs. I was told to submit a memorandum and they would give me an appointment. They hoped it would be in the next six months."

But after Press publicity Mr Wentzel agreed to see him this week. Afterwards Mr Ackerman said it had been a fruitful meeting

"It had nothing to do with my plans to form a consumer party. As you know I said I would only do that as a last resort. I still haven't decided but the proposed constitution of the party is with my lawyers."

# Warning issued to owners of shops

246  
E. Post

18/12/82

By NOREEN SUTCLIFFE  
CONSUMERS have issued a stern warning to shop owners price your goods correctly or take the risk of housewives shopping somewhere else

A questionnaire completed by hundreds of members of a special consumer panel gave the warning because they were tired of the delays caused by incorrect pricing

In the latest issue of the South African Consumer, mouthpiece of the South African Consumer Council, it also emerged that inadequate pricing could boomerang on shop turnover because many respondents said they would not buy unmarked articles. They would either take a substitute product or shop somewhere else.

They objected to the time spent waiting at the cash till while someone was sent to find out the price of an article

Many respondents felt supermarkets should be concerned about this state of affairs, especially since 96% of them on their last shopping outing had found inadequately priced merchandise

Not only supermarkets came under fire. A warning was given to cafe owners to "brush up" their pricing of items such as soft drinks and sweets. Clothing store and boutique owners were accused of "mis-marking"

The biggest bugbear, however, seemed to be the article with more than one price

"Put it in your trolley and see what happens at the till," challenged some respondents

Some maintained that cashiers would take the lowest price, others the highest and in some cases they said the lower price was a cash price with the

higher price being a credit price

Three Port Elizabeth store managers said this week that grocery items often had more than one price tag.

One hypermarket head said his cashiers were trained to ring the lowest price on an article which had been marked down and which was identifiable by the line drawn through the more expensive tag.

If articles were marked up, the price tag with the lower price was lined through and the new price marked with a red cross

Another said that in the home and wear sections of his store each item was coded and that when cashiers put the particular articles through the tills the code had to be fed into the computerised tills which threw up the correct pricing. For groceries, where items fluctuated in price, the new price was put on over the existing tag

Another told Weekend Post there were always "two sides to the coin" and that consumers were entitled to their views

"On a markdown, when specials are announced, we could have anything from 60 to 300 cases to be marked down, including what we have on the shelves, making it essential to have more than one price tag on the item"

Another bone of contention, according to the SA Consumer, was the price deception by means of media advertisements, because by the time one got to the shop for that special price, it no longer applied

The Consumer Council at one stage suggested that shops should display a price list, although for supermarkets and hypermarkets with their thousands of items there would be bound to be mistakes made at some time or the other.

# Housewives and firms meet maize producers

Mall Reporter

TWO organisations the Housewives' League of SA and the Federated Chamber of Industries, this week met South African maize producers to discuss the National Maize Producers Organisation (Nampo) suggestion for a free market system to operate in the selling of maize

Mrs Joy Hurwitz, national president of the Housewives' League of SA, said yesterday that the league had met the chairman of Nampo, Mr H P de Jager, and the executive of Nampo

"We have always considered it vital that producers of any commodity should liaise with consumer organisations so that we can understand their problems and they in turn understand those facing their customers," Mrs Hurwitz said

"The problems of the maize industry and its future, and relevant national consumer issues related to same were discussed at length"

Mrs Hurwitz said a further report would be

issued after the delegates had reported to their national executive

Mrs Hurwitz said the league considered the discussion as a positive and constructive breakthrough which would mean a closer association between consumers and maize producers

Mr R J Ironside, president of the South African Federated Chamber of Industries said officials of the FCI had met Nampo in preliminary discussions on Nampo's proposal for a "world market related economic order for the maize industry with the retention of the current single channel marketing system"

He said the FCI agreed with Nampo that the maize industry in SA faced serious problems

He added that the FCI was willing to continue discussions with Nampo as to the best means of resolving the problems of the industry and of agriculture as a whole against the background of the current debate over inflation and the creation of more jobs



WHEN a Lamontville woman bought a second-hand paraffin lamp and found it didn't work, she refused to pay

A Durban magistrate ordered her to pay the R16 lamp off at R2 a month, plus costs.

Over the next three years she paid R78

In the meantime the lawyer acting against her charged legal fees to her account of nearly R200. Then this attorney was suspended from practice for two years. He employed another

firm of attorneys to collect

It is now eight years since the original debt was incurred and the legal fees have mounted to R377,31. The woman, who supports four children on a modest salary, has paid R240 but still owes R140. Impossible? Now read on

# Law Society to probe attorney's statement

By KEVIN DAVIE

The Natal Law Society is to investigate a complaint against a Durban attorney regarding a statement he made in the Durban Magistrate's Court.

In the statement attorney Edwin Mousley, acting for former attorney Mike Sellick who recently completed a two-year suspension from practice, said a Lamontville woman, Roselyn Ncayiyana, had been ordered by the court three years previously to pay off a debt at R2 a month.

Mr Mousley's written statement to the court in July 1979 said she had not paid the R2 instalments over the three-year period and R72 was owing. In fact, according to information supplied by Mr Mousley to Mrs Ncayiyana's lawyers, the Legal Resources Centre, she had paid R78. By the end of the three-year period legal

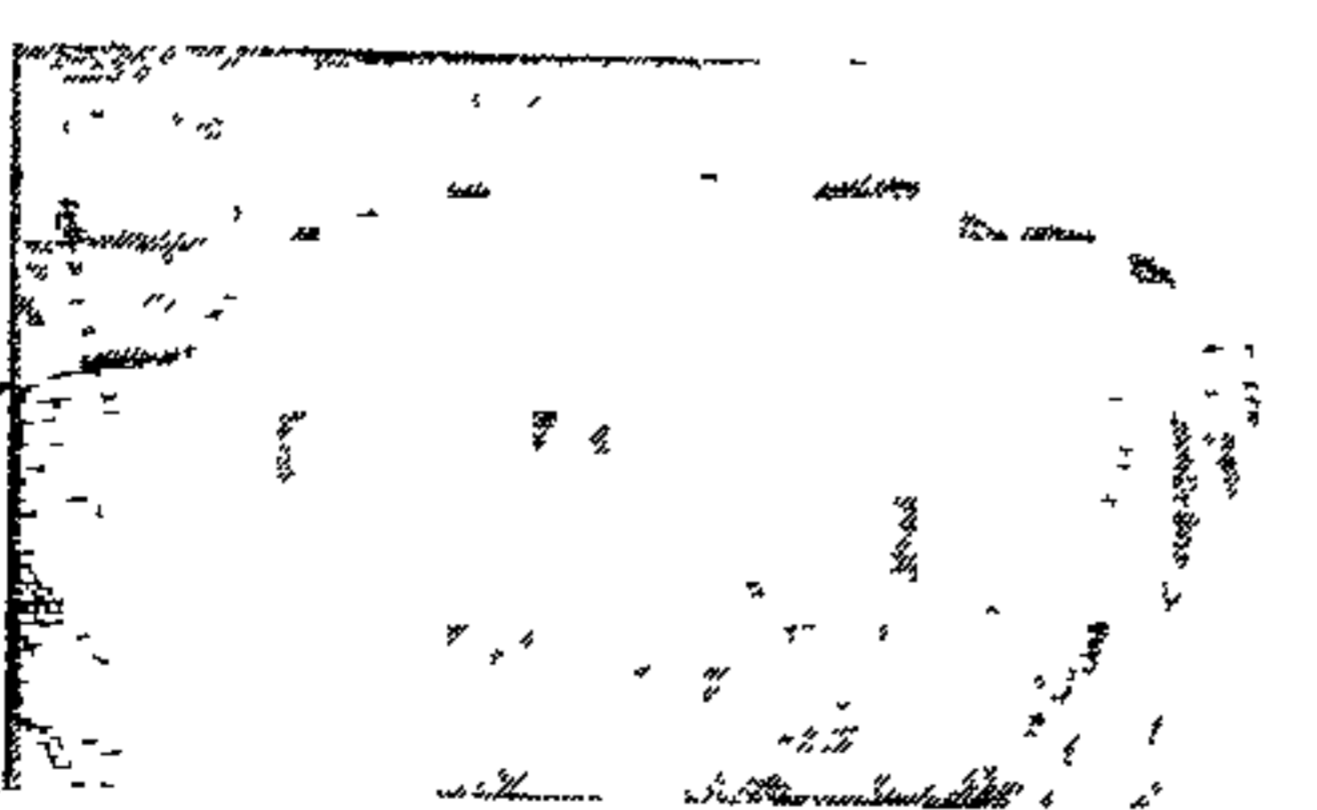


ROSELYN NCAIYIANA with her children Lucky, 19 (left), Rhanya, 4, Ronald, 17, and Mpume, 14. They are all at school.

newspaper reporters." During the period Mr Sellick faced Law Society action his legal business folded and another firm of attorneys, Helman and Partners, took over the job of collecting outstanding legal fees incurred from the

September. In 1975 she bought a second-hand paraffin lamp from Lancer's Furnishers, a company that used to operate near a Durban station but has been out of business for several years.

Eight years later, even though she has already paid R240, she still owes R140 on the lamp. The Legal Resources Centre in Durban decided to take up Mrs Ncayiyana's case and wrote to Mr Mousley re-



MIKE SELICK Not talking



EDWIN MOUSLEY court statement

tracing fees, she has been living at the same address for 20 years. When the Sunday Tribune informed Mr Mousley that senior legal sources at the Magistrate's Court had said in terms of the Magistrate's

aware of the individual case." But he said he would not be prepared to drop his claim against Mrs Ncayiyana. "I'm acting for my client," he said, referring to

statement made in the Durban Magistrate's Court

In the statement attorney Edwin Mousley, acting for former attorney Mike Sellick who recently completed a two-year suspension from practice, said a Lamontville woman, Roselyn Ncayiyana, had been ordered by the court three years previously to pay off a debt at R2 a month.

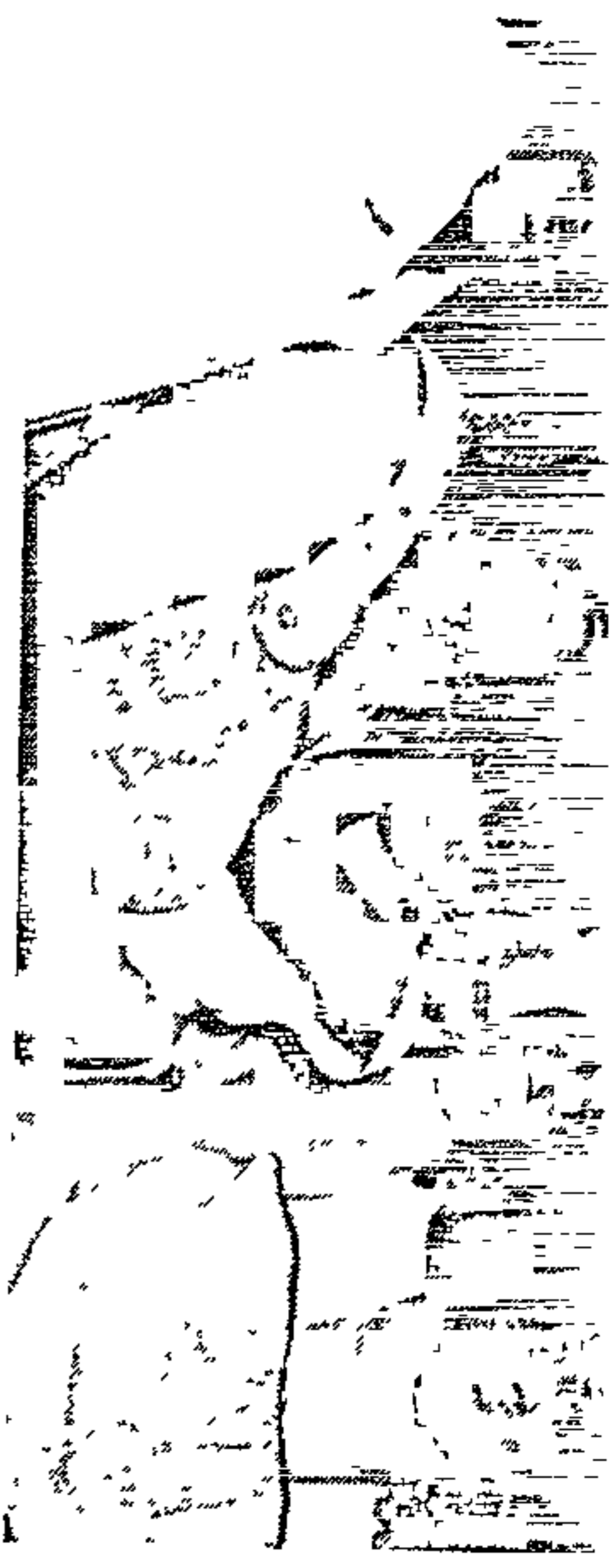
Mr Mousley's written statement to the court in July 1979 said she had not paid the R2 instalments over the three-year period and R72 was owing. In fact, according to information supplied by Mr Mousley to Mrs Ncayiyana's lawyers, the Legal Resources Centre, she had paid R78.

By the end of the three-year period legal expenses debited to Mrs Ncayiyana by Mr Sellick amounted to nearly R200. This carried on until May 1979.

Then about that time Mr Sellick was asked by the Law Society to show cause why he should not be struck off the roll.

In March 1980 Mr Sellick was suspended from practice for two years.

When the Sunday Tribune telephoned Mr Sellick at his restaurant at Hillcrest to discuss Mrs Ncayiyana's case, he said "I don't speak to



**ROSELYN NCAIYIANA** with her children Lucky, 19 (left), Phanya, 4, Ronald, 17, and Mpume, 14. They are all at school.



**MIKE SELLICK**  
Not talking



**EDWIN MOUSLEY**  
court statement

newspaper reporters."

During the period Mr Sellick faced Law Society action his legal business folded and another firm of attorneys, Helman and Partners, took over the job of collecting outstanding legal fees incurred from the R16 lamp.

According to Mr Mousley, Mr Sellick later had this debt ceded to him. Ceded debt is debt which the creditor either gives or sells to a third party. The debtor then has to pay this party.

Mr Sellick employed the firm of Patterson, Manikam and Mousley to collect outstanding fees for him. They were his associates while he was in practice. Mrs Ncayiyana's nightmare was highlighted in the Sunday Tribune last

September. In 1975 she bought a second-hand paraffin lamp from Lancer's Furnishers, a company that used to operate near a Durban station but has been out of business for several years.

Because she was fully paid up on a radio, she was allowed to take the lamp on credit. But the lamp did not work, "not even a single day", so Mrs Ncayiyana went back to the store and asked them to fetch it and take it back. She says they agreed to do this, but never came.

When she was billed for the lamp, she ignored the bills until she was summoned to appear in court. The court ordered she had to pay the R16 plus costs of R12.95. That was in 1976.

Eight years later, even though she has already paid R240, she still owes R140 on the lamp.

The Legal Resources Centre in Durban decided to take up Mrs Ncayiyana's case and wrote to Mr Mousley requesting a full breakdown of costs awarded against her and amounts she has paid.

Senior legal sources at the Durban Magistrate's Court have examined the breakdown of fees supplied by Mr Mousley and have said, for instance, that while tracing fees of R80 have been charged over the years, tracing fees can only be charged if the original amount owing was more than R50.

Mrs Ncayiyana says she cannot understand how they could charge

tracing fees, she has been living at the same address for 20 years.

When the Sunday Tribune informed Mr Mousley that senior legal sources at the Magistrate's Court had said in terms of the Magistrate's Court Act, Table B, Part 1, Item 3D, one could charge tracing fees only if the original amount owing was more than R50, Mr Mousley said "We can look into that."

"We may have to get a Law Society ruling on that."

Mr Mousley agreed with the Sunday Tribune that Mrs Ncayiyana's case was sad and that costs were "totally out of proportion."

"We're collecting a large amount of money," he said "We can't be

aware of the individual case."

But he said he would not be prepared to drop his claim against Mrs Ncayiyana.

"I'm acting for my client," he said, referring to Mr Sellick.

Mr Anthony Brokensha, the vice-president of the Natal Law Society, says the society acts to protect the public from overcharging. He says that if it finds a clear indication of this in Mrs Ncayiyana's case, at the very least she can expect all charges to be refunded.

Mr Brokensha says the society will go into this complaint and if there are irregularities the complaint will be referred to a disciplinary committee for attention.

# Consumer council for black clients proposed

246 2. Post 17/2/83

## Business Editor

BLACK retailers propose establishing a consumer council among their clients in order to better cater to their wishes

This proposal emerged during a seminar conducted by the National African Federated Chamber of Commerce (Nafcoc) in Transkei at the weekend.

Reporting on the two-day deliberations among delegates sent from as far afield as Natal and the Free State, Mr Mphutumi Daman, director of the East Cape African Chamber of Commerce (Ecacoc), said unanimous agreement on the creation of such a council had been reached

"The general agreement was that black businessmen should focus more on research and taking greater cognizance of the wishes of their consumers," said

## Mr Daman.

Mr Daman addressed the seminar and quoted from a study conducted by the University of Port Elizabeth's Institute for Planning Research. The study was designed to show why black shoppers revealed a preference for shopping in white-owned shops

"The delegates were rather surprised by the study's findings, which revealed that the main reason black consumers avoided shopping in black-owned shops was high prices, followed by complaints that foodstuff was not fresh, there was a limited variety, shops were untidy and shopkeepers unfriendly," said Mr Daman.

Arising from the discussion which followed it was resolved that black businessmen should be more aware of the wishes of their clients and one of the

means by which this could be ensured was the creation of a consumer council "which would be a conduit between consumers and Nafcoc", said Mr Daman

The seminar, which was held at the Wild Coast Holiday Inn, was titled *Strategies to Curb the Flow of Capital from Black Areas of Southern Africa*

Main speakers were Mr R Draper, senior vice-president of the Association of Chambers of Commerce of SA, Mr R Madikizela, Transkei's Minister of Commerce, Industries and Tourism, and Mr I J Heatherington, director of the Small Business Advisory Service

"Delegates agreed that the commercial sector depended on the spending power provided by jobs in the productive sector," said Mr Daman after the seminar.

"And if we are to stop that spending power from leaving the black areas it is the concern of every businessman to promote the creation of jobs"

# Black consumers 'taken for a ride'

By KHULU SIBIYA

TEMBISA— Black consumers throughout the country have been taken for a ride because of lack of guidance. This is the assertion of the African Consumer Foundation (Aco) a newly formed black consumer organisation.

A six-man team, led by Mr Eldridge Mathebula of Makhulong Section, Tembisa, will formally launch the organisation at Tembisa this weekend

## Needs

Mr Mathebula said the organisers of Aco came together after realising the need of black consumers to be guided and be educated against exploitation.

"We may not have the expertise as consumers, but at least we will be able to solve a number of problems the black consumer faces daily," he said

A handful of volunteers will put up signs and will canvas door-to-door to explain the purpose of Aco, Mr Mathebula said.

## Rights

He said many blacks have not even heard the word "consumer".

"That is why our first task is to inform the masses of their rights as consumers."

Aco, Mr Mathebula said, will help to alert black consumers to exploitation in the market place.

# Two school friends join forces to aid black buyers

Mr Simon Sehlakgwe and Mr Eldridge Mathebula were at high school in Tembisa when they began to understand the enormous problems facing black consumers.

The two school friends felt helpless as they saw their families and friends struggle to cope financially.

They watched as relatives battled to pay the instalments on furniture they could not afford. They were powerless to help those who had their belongings repossessed. They were angry to see township traders overcharge for basic foods.

"We discussed these problems and came to the conclusion black consumers needed guidance and education," Mr Seh-

The African Consumer Foundation (Acfo) — a new organisation for black consumers — was launched earlier this month by Simon Sehlakgwe and Eldridge Mathebula. Their aim is to fight the exploitation of blacks and they believe that, with the support of the community, Acfo can succeed. Report by COLLEEN RYAN.

lagwe said.

After they left school they pursued different careers but continued to share an interest in consumerism.

"Then after two years of research we felt we were ready to launch Acfo," he said.

Black consumers meet many problems in their daily transactions, particularly with lay-byes and credit facilities.

Mr Mathebula said nutrition was another fundamental issue Acfo

would tackle.

"Shoppers are frequently forced to pay exorbitant prices for poor-quality food in the townships.

"Traders have monopolies in certain areas and they offer a limited range of products," he said.

The two men, both 25, have spent the last few weeks canvassing Tembisa residents door-to-door to tell them about Acfo.

"We have been overwhelmed by the response



Eldridge Mathebula and Simon Sehlakgwe — co-founders of the recently launched African Consumer Foundation.

— but now we need the support of businessmen," Mr Mathebula said.

One Acfo aim is to build consumer advice centres in areas such as Tembisa, Alexandra and Soweto.

The Acfo founders also

want sponsorship to attend the annual conference of the National African Federated Chamber of Commerce (Nafcoc) in Cape Town from July 4 to 8.

"So far we have been able to finance Acfo out

of our own pockets but travelling to Cape Town is beyond our means," Mr Mathebula said.

Mr Mathebula and Mr Sehlakgwe believe it is time the voice of black consumers was heard at such meetings.

# Call for consumers to fight for rights

(246) Star 20/6/83

Pretoria Bureau

South Africa needs a much more active, effective and informed consumer movement, says the chairman of the Consumer Foundation, Mr Johann Verheem.

Speaking at the organisation's first annual general meeting in Pretoria yesterday, he said no free market could function well if consumers were

not motivated to stand together and protect their interests

Like labour, farming and other groups, consumers had to raise their voices in a responsible manner. Large corporations and agricultural control boards had to be encouraged to become more consumer-oriented.

The consumer himself had to be made more conscious of his rights.

## Press 'can help motivate public'

Pretoria Bureau

Newspaper columns such as Star Line are one of the most effective ways of motivating the consumer, says one of South Africa's most powerful business leaders.

Professor Fred du Plessis, chairman of Sanlam, Trust Bank and a number of other financial institutions, told the Consumer Foundation's annual general meeting in Pretoria the South African consumer movement had to be responsible and take a long view.

He said the consumer movement had an "enormous and urgent" task — making consumers more discriminating in their purchases, more conscious of standards of quality and service, and more willing to stand up for their rights when shabbily treated.

In this task of education and motivation, consumer bodies had two allies — the South African Bureau of Standards and media action to investigate readers' complaints and seek redress.

The economy could remain healthy only if consumer organisations were "stirred to some real life".

There should not be witch-hunts against corporations suspected of monopolistic practice merely because they were big or tried to maintain standards by controlling the distribution of their products.

Buyers of new or second-hand cars, swimming pools, household appliances and other goods bought on contract should be made more aware of the pitfalls of one-sided agreements and guarantees. Mass-produced goods should correspond with quality norms.

The Government had to be lobbied for cheaper litigation where the amounts claimed were small.

Lobbying was part and parcel of a democratic society, as was the right and ability of a consumer to complain effectively to the seller of a defective article, Mr Verheem said.

The fear of complaining should be taken out of the mind of the consumer and consumer bodies made to stand up and complain on his behalf.

In this task the Consumer Foundation would co-operate fully with all other like-minded groups, he said.

# Consumer body acts over car complaints

22/7/83 Mercury (246)

## Mercury Reporter

THE South African Coordinating Consumer Council is taking direct action against motor manufacturers after complaints from consumers regarding their vehicles and problems.

The first took place yesterday when the council urgently asked all owners of Peugeot 305 and 505 cars bought since the beginning of 1981 to contact them.

The assistant director of the Consumer Council, Mr Bernard Hellberg, said the council had had a number of problems with quality control of the Peugeot manufacturers in South Africa, the Sigma Motor Corporation.

## Complaints

Mr Hellberg added that there had been a lack of communication between the customer and Sigma. 'The request is because of specific complaints from customers who have not had their complaints resolved — sometimes for more than a year.'

He said there was nothing specifically wrong with the cars and that the action was the 'start of taking a long hard look at all the people who don't perform the way they ought'.

'Once the questionnaires have been completed, we'll get them to jack up their ideas.'

He pointed out that Sigma had had a disastrous launch of the Peugeot range last year.

Sigma public affairs spokesman Phillip Botha said there had been a complete restructuring of Sigma's upper management recently.

The company also had separated the Peugeot assembly line from the rest of their products.

'We have employed a new agency for Peugeot and created a new era for the car,' he said.

The Consumer Council had approached Sigma with only two customer complaints. 'We asked for more information so our service department could institute the necessary action.'

A letter from Sigma managing director Spencer Stirling was sent out two weeks ago to all current owners who had bought Peugeots over the past 12 months, said Mr Botha.

It included a questionnaire which they hoped would provide information to help in planning, and to put right any problems.

## Credibility

Mr Nico Vermeulen, director of the National Association of Automobile Manufacturers of South Africa, said 'All manufacturers in South Africa are fully aware that it is in their interest to attend to any legitimate complaints that the motorist might have during the warranty period.'

'It's obvious, simply because all manufacturers are conscious of the need to safeguard their credibility, and to protect their corporate image in a market which by international standards is probably the most competitive.'

'Sigma has done everything humanly possible,' Mr Vermeulen said.

Research done by a Johannesburg firm and published in the Motor Industry News on July 18 had shown most new car owners were pleased with what they had bought.

The survey was restricted to whites who had bought new cars after September, 1981.

The majority, in round figures, — 71 percent — said they were 'very satisfied', 18 percent were 'quite satisfied', 6 percent were 'not really satisfied' while 4 percent were 'not at all satisfied'.

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# Sigma dismayed by probe into Peugeot

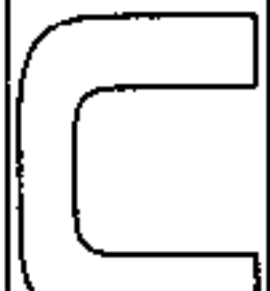
THE Sigma Motor Corporation was dismayed by reports that the Consumer Council had asked owners of Peugeot cars to help with an investigation of alleged defects in the range SABC radio news reported yesterday

A spokesman for Sigma, Mr Leon Schirling said it was not clear what the Consumer Council hoped to achieve by the move Peugeot owners had responded positively several months ago when asked by Sigma for opinions on the cars

Production of Peugeots was temporarily suspended at the beginning of the year and only resumed after engineers from France had been consulted, Mr Schirling said

A Consumer Council spokesman said yesterday the council was investigating hundreds of complaints of alleged defects in cars manufactured by Sigma and allegations that no heed was paid to clients complaints

The council had consequently appealed to the owners of the cars to help with a survey of the range - Sapa



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# Rumblings among Natal's dairy farmers

~~246~~ 246  
Pietermaritzburg Bureau

NATAL dairy farmers are expected to ask some tough questions about the recent removal of retail price control on milk and other issues when they meet two senior members of the Dairy Board at Cedara next week

The normally taciturn farming community has warned that the board's move, along with the very small producer-price increase allowed this year, could drive one out of three milk producers into bankruptcy

There have also been calls for the resignation of the producer-dominated board and rumblings to the effect that Natal farmers had been 'lured' into joining the board in the first place

The chairman of the board, Mr Jan van Vuuren, and the general manager, Mr Eddie Roux, are to address the meeting in the Cedara auditorium on August 6 at 10 a m

# 'Watchdog' to close down office

By Zenaide Vendeiro

Consumer watchdog Mr Eugene Roelofse has announced that the office of independent ombudsman is to be closed down this week due to inadequate funds.

Mr Roelofse was for many years a thorn in the flesh of organisations that exploited the consumer

Even the South African Council of Churches, who appointed him ombudsman in 1975, was not safe from his barbs

His investigations into the SACC led to the appointment of a judicial commission of inquiry and the conviction of several office-holders on charges of fraud

A former director of the SA Co-ordinating Consumer Council, a government-subsidised body, Mr Roelofse then set up his own ombudsman's office with grants and the backing of several mining houses

"We found that we were able to get funding to cover the basic expenses of office," Mr Roelofse said today "But we were never able to get enough funding in order to do the real job"

"This office has been doing a lot serious investigations into assaults on farm labourers and this meant a lot of travelling. I was faced with a situation where I could either sit here and be paid a salary for work I could not do properly or close the office

Mr Roelofse said he had been keeping a low profile recently while "crossing the t's and dotting the i's" on various investigations "I think they will appear in court in due course"

Mr Roelofse said his office was the first to "kick up a fuss" over the Biko case. "We weren't successful in bringing to book the doctors who treated the Black Consciousness leader while in detention, but we drew attention to the matter"

He has no immediate plans for the future

# 'Aid Schemes earned the Magician R1m'

By MARTIN WELZ

A PRETORIA Supreme Court action is threatening to blow the lid off the controversial black 'aid society' empire of Johannesburg millionaire Mr Sarel van Biljon.

Last year Mr van Biljon, his father-in-law Mr Jan Burger and various members of their families were the centre of Press, police and Insolvency Court investigations into a vast network of seemingly unrelated fly-by-night 'black aid' and funeral insurance businesses.

Mr van Biljon is known to business colleagues as 'the townenaar' — 'the magician'. Last year he promoted a course for country businessmen which he called 'Think and Grow Rich'.

Mr van Biljon claimed last year that he was no longer active in the black 'aid society' market. His major company, Golden Aid (Pty), which had operated 16 branches throughout the country, closed down in 1980.

A new series of companies launched by Mr van Biljon, called Golden Consultants, had all been sold to former employees and he no longer had any interest in them, he said.

One of these former em-

## EVIDENCE:

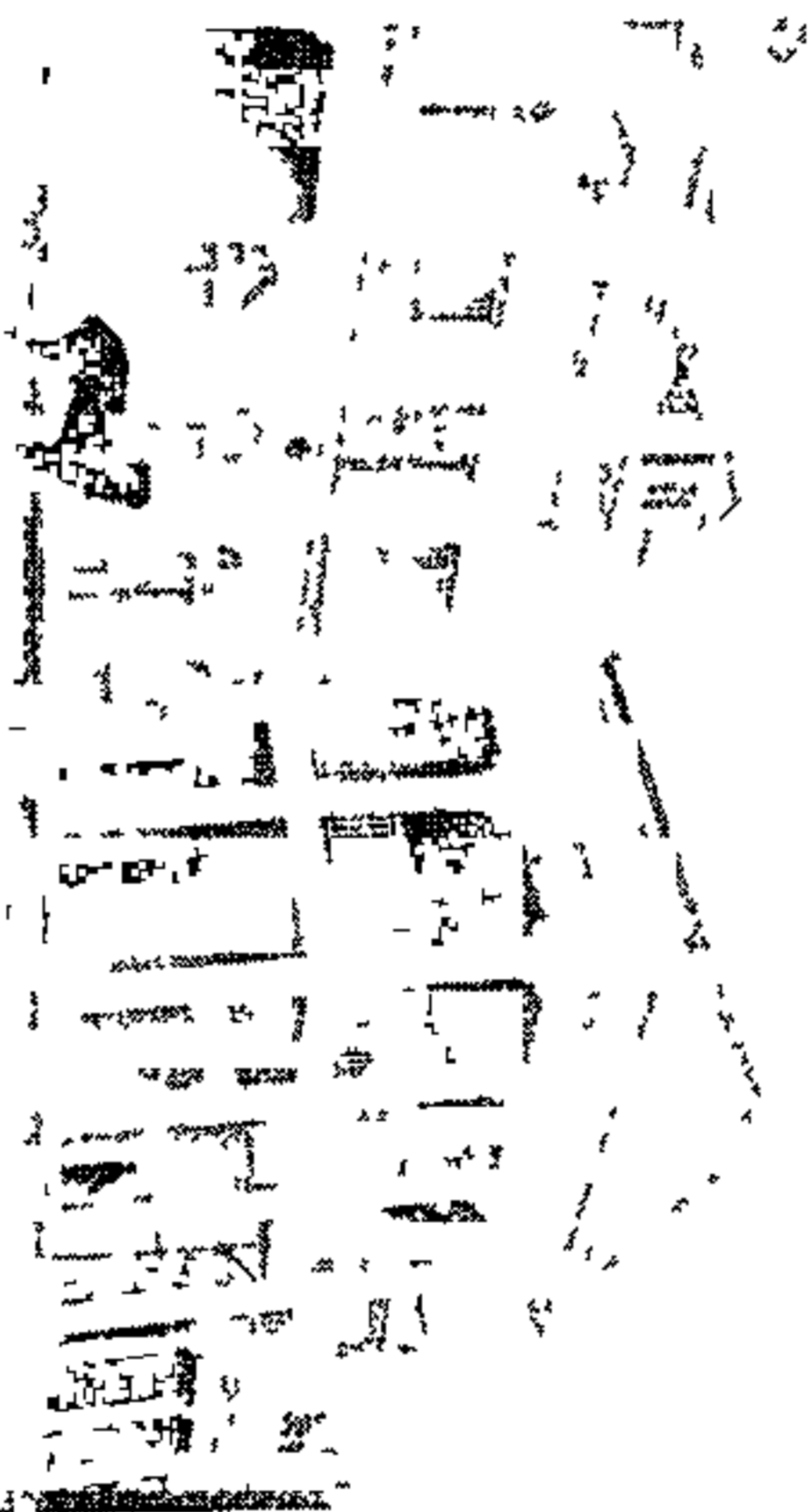
## BLACKS WERE FINCHES TO BE PLUCKED

Employees has, however, now alleged in evidence to the Supreme Court that the sale of the Golden Consultants companies was a fraudulent ploy to foil investigations into Mr van Biljon's business activities, while he retained indirect control of the lucrative business.

He has also claimed that Mr van Biljon's business was conducted with the sole purpose of defrauding the black public.

In a court action that started in December last year, Mr van Biljon is claiming R414 000 from Mr Eddie Bekker, former manager of the Pretoria branch of Golden Aid.

Earlier this year Mr van



● Mr Sarel Van Biljon's luxury house in the plush Sandton suburb of Morningside

Biljon applied for summary judgment against Mr Bekker, claiming he had no valid defence to the claim on the strength of a replying affidavit by Mr Bekker, Mr Justice W J Human dismissed the application and the case will now proceed to trial, probably later this year.

In his affidavit Mr Bekker told the court that Golden Aid had posed as an 'aid society' for the black community, promising its members funeral insurance, personal loans and help in acquiring homes, cars and legal assistance.

"In fact the intention was literally not to fulfil a single promise held out to the black

Setting out the history of the deal, Mr Bekker said that from 1979, when he was employed to run the Pretoria branch, until 1980 Golden Aid had collected possibly more than R1-million from its members.

In 1980 the 16 branches of Golden Aid had closed and in their place Mr van Biljon had established 16 separate new companies, called Golden Consultants, Pretoria, or Witbank or Ermelo or whatever, which effectively took over the business of the branches.

As Golden Aid's 'dishonest' activities increasingly became a troublesome issue, Mr van Biljon launched a scheme whereby he would sell all the shares in each of these new companies to former branch managers.

Former branch managers signed purchase agreements in which the 16 companies were priced at up to R500 000 each. This was to be paid in monthly instalments out of the monthly profits.

The business was to be run according to methods laid down by Mr van Biljon.

Mr Bekker bought the Pretoria branch for R480 000 in July 1980, hoping, he said, to put the business on an honest basis.

Mr van Biljon — known to business colleagues as 'The Magician' — challenged the legality of this contract, Mr van Biljon asked the buyers to replace the sale contract with an acknowledgment of debt to hide the illegal origins of the deal, Mr Bekker said.

Until earlier this year directors of several of the Golden Consultants companies met regularly with Mr van Biljon and his brother, Mr Fame van Biljon every Wednesday at Golden Consultants in Johannesburg to co-ordinate policy and "exchange ideas", Mr Guillaume van der Spuy, owner of Golden Consultants, Rustenburg, told the Sunday Express this week.

van van van Mr van der Spuy said he had resigned as chairman of the weekly meetings in December

# Brick industry slammed over new price rise

246) (23) (244) RWM  
3/8/83

**Mail Reporter**  
THE CONSUMER COUNCIL has criticised the latest brick price increase last week and has hinted that a virtual monopoly exists in the industry

"This is inevitably going to push up the price of housing all over the country," a council spokesman told the Mail from Pretoria yesterday

"The increase is an even greater cause for concern when one considers that two building societies recently put up their interest rates on bonds

"Higher financing costs and higher brick costs are going to have a ripple effect and the consumer is going to have to pay more for his home"

The price of bricks had risen from R57 to R152 a thousand in just under three years. Since the Government removed price control on bricks recently there had been several increases

"There is a lot of talk about free enterprise, but in a situation like this the free enterprise should be put in inverted commas," he said

"Another strange thing is that the moment there is the slightest hint of a price increase in the offing, there is suddenly a shortage of

bricks. Once the new price comes into operation there is no longer a shortage — at the new price"

Ever-increasing brick prices were serious, especially when one considered the trend towards using more and more bricks to save on maintenance costs

Thus townhouses would become more expensive, and if sectional title blocks using a lot of bricks were put up, costs would rocket. Sectional title had originally been designed as low-cost alternative housing

The spokesman added that it appeared as if there were a virtual monopolistic situation in the industry with market leaders setting the price and other factories following

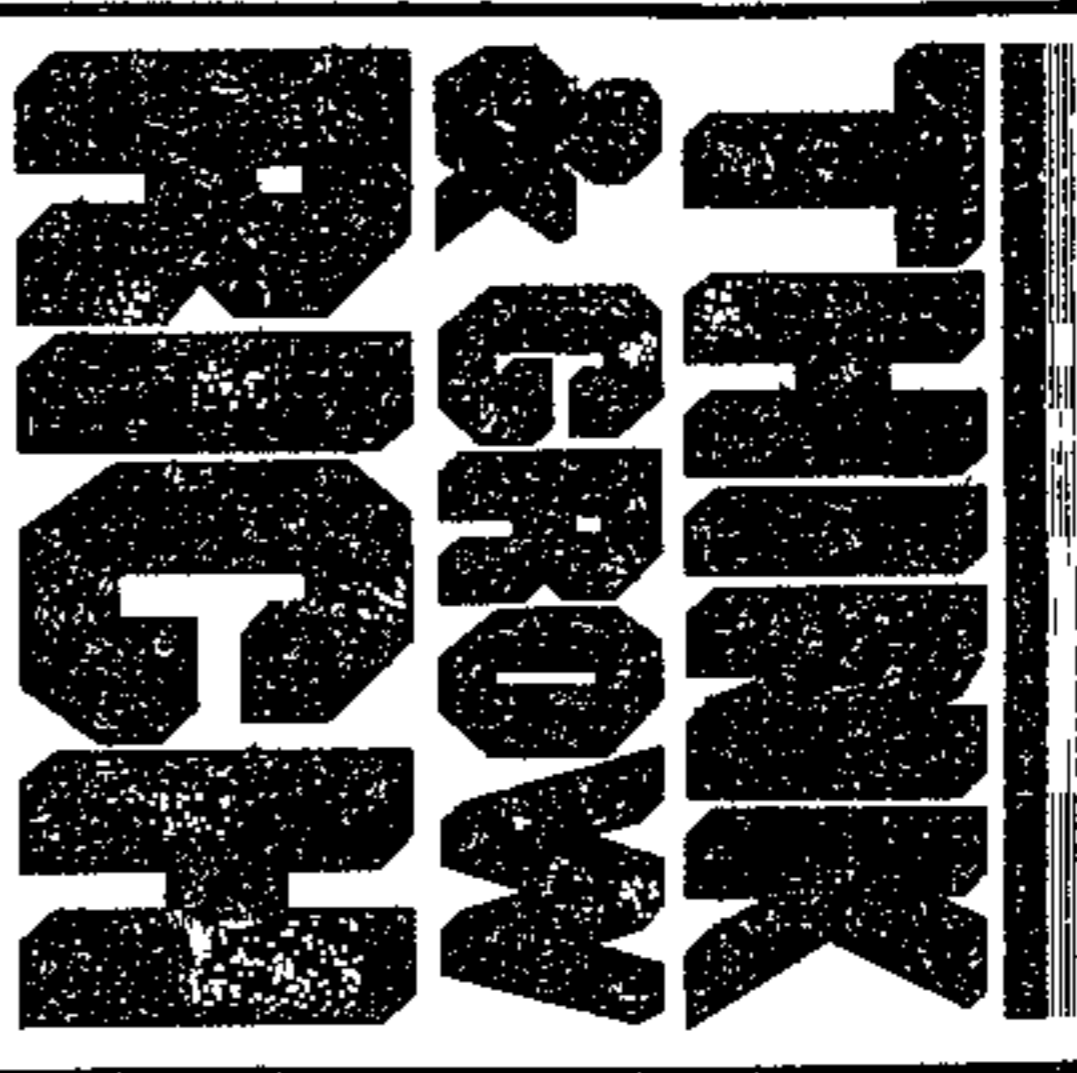
"This cannot be described as free enterprise by any stretch of the imagination"

A spokesman for Brickor, one of the country's brick giants, said the latest increase had been unavoidable because the cost of materials, labour and cement had risen

Three or four price increases in a relatively short space of time might seem a lot, but the big companies preferred to stagger increases in order not to hit the economy with one big increase

# EXPRESSSCOPE LOOKS AT GET-RICH RACKET

THIS BOOK COULD BE WORTH A MILLION DOLLARS TO YOU

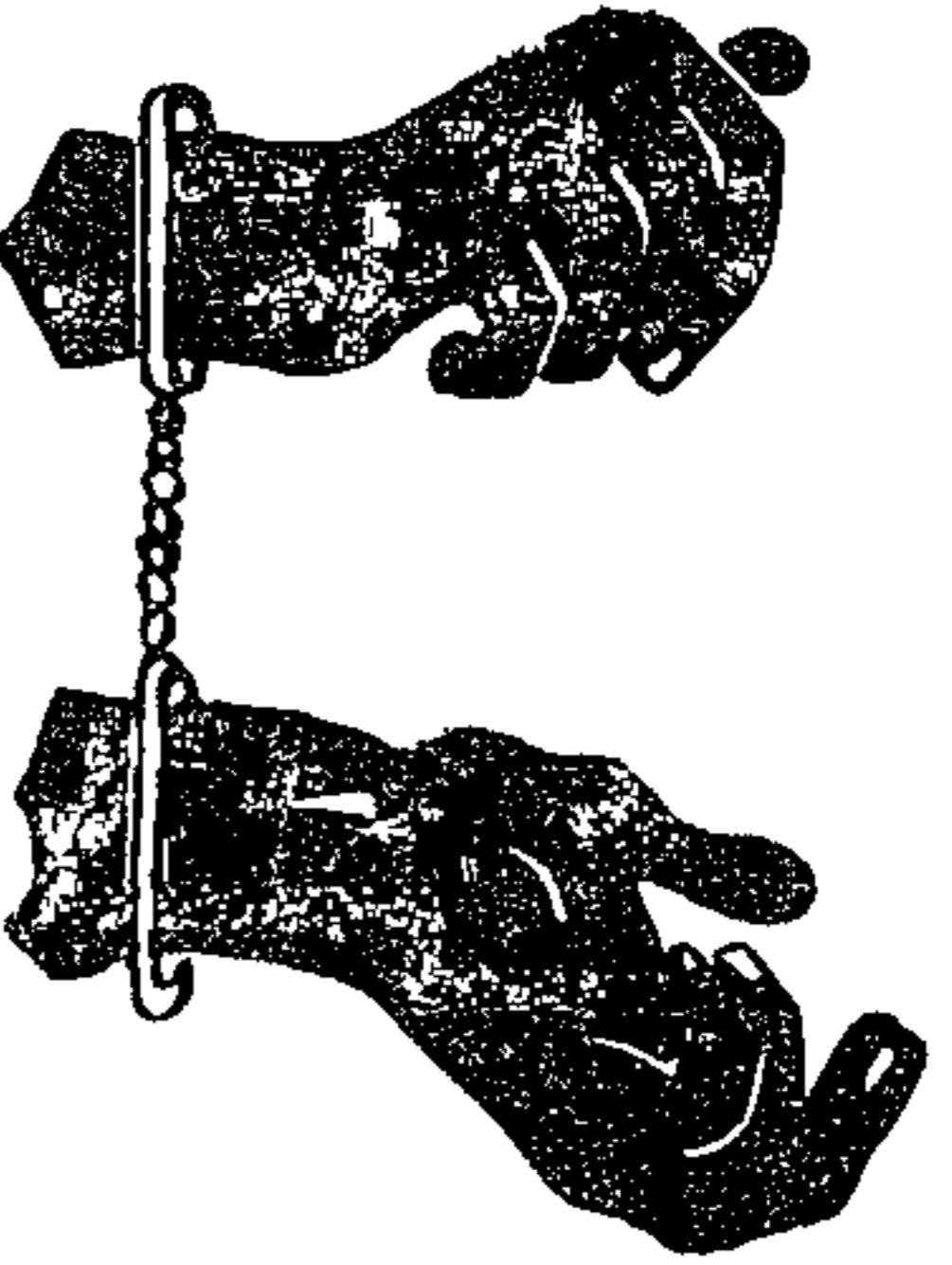


Mr van Biljon supplied each of his managers with a copy of Napoleon Hill's 'Think and Grow Rich', which claims on its cover 'This book could be worth a million dollars to you'. Mr van Biljon ordered his managers to delete the word 'could' and to write 'is' in its place. They were also told to underline certain 'success' passages.

*Handwritten notes:*  
246  
247

GOLDEN AID offered the closest thing to a poor black man's insurance against all the hazards of the big white world: the promise of help when you are arrested and need bail, or you are in arrears with the rent, or want to buy a secondhand car, or you want to be sure of a respectable burial.

All for R12 a month. A good investment, if promises of aid are kept, but a cruel confidence trick if they are not. MARTIN WELZ looks at the behind-the-scenes story of how one man saw his chance to make millions and how he went about it.



'You are arrested and require bail' — from the promotion material

# Three Golden Fellows

FOR years thousands of poor and illiterate blacks each paid R12 every month in 'membership fees' to Golden Aid, the 'Golden Institute of Management Consultants' that promised to assist and advise them in their time of need.

As quickly as each R12 was paid into any one of 16 branches of Golden Aid it was pocketed by Mr Sarel van Biljon, mastermind of the enterprise, and his managers in an amazing quest for riches pursued with constant prayer and religious zeal.

None of Mr van Biljon's managers had any training in consultancy. But Mr van Biljon did ensure that each one had put to paper a drawing of his dream mansion, the luxury motorcar he intended to own and the spectacular bank balance he was sure to have if enough of those R12s would keep rolling in.

"When it came to the advice and services we were offering our clients, it was a pretty hit-and-miss business. We were left entirely to our own devices.

"Let's face it, what help we were able to give, was simply because of our white

Mr Sarel van Biljon — quest for wealth

A history of payments made to Golden Aid

| Date       | Member | Amount | Date       | Member | Amount |
|------------|--------|--------|------------|--------|--------|
| 1979-01-01 | R12    | R12    | 1979-01-01 | R12    | R12    |
| 1979-02-01 | R12    | R12    | 1979-02-01 | R12    | R12    |
| 1979-03-01 | R12    | R12    | 1979-03-01 | R12    | R12    |
| 1979-04-01 | R12    | R12    | 1979-04-01 | R12    | R12    |
| 1979-05-01 | R12    | R12    | 1979-05-01 | R12    | R12    |
| 1979-06-01 | R12    | R12    | 1979-06-01 | R12    | R12    |
| 1979-07-01 | R12    | R12    | 1979-07-01 | R12    | R12    |
| 1979-08-01 | R12    | R12    | 1979-08-01 | R12    | R12    |
| 1979-09-01 | R12    | R12    | 1979-09-01 | R12    | R12    |
| 1979-10-01 | R12    | R12    | 1979-10-01 | R12    | R12    |
| 1979-11-01 | R12    | R12    | 1979-11-01 | R12    | R12    |
| 1979-12-01 | R12    | R12    | 1979-12-01 | R12    | R12    |

## 'Our advice services were hit and miss'

bership for months and even years in advance. Others used money paid in by clients as deposits on secondhand cars to pay the office rent.

As the clamour of disgruntled clients grew, the Press, police and Registrar of Financial Institutions began to take an interest.

Early in 1980 Mr van Biljon established a new company for each branch. He had just bought his dream house in Woodburn Road, Morningside.

When they arrived for their next "motivation" meeting in June that year, each manager found a 50-page agreement at his place at the table.

The agreement provided for each manager to become the sole director and owner of 51% of the shares in the company that now owned his branch. Golden

ager didn't mind.

Mr van Biljon would regularly summon his managers for a meeting in Johannesburg — to whip them up to new heights of fervour in pursuit of wealth and to check that they were paying his "cut" into the 16 savings accounts he controlled.

It was at one such meeting in 1979 that Mr van Biljon told his 12 managers each to draw a picture of their dream house.

At the same time Mr van Biljon proudly displayed a photograph of the house of his dreams, the Morningside mansion of housing magnate S M van Achterberg.

started with breakfast together at a five-star Johannesburg hotel and continued at Golden Aid's offices in Bible House.

After prayers Mr van Biljon would launch into a 45-minute lecture on the virtue of the pursuit of wealth. His texts came from the Bible and Napoleon Hill's "Think and Grow Rich".

Hill's book claims on its cover "This book could be worth a million dollars to you". Each manager was ordered to delete "could" and write "is" in its place.

They underlined passages such as "Success comes to those who are success con-

greatest asset is the ability to know that he will succeed".

"We were not allowed to discuss our business problems," a Golden Aid manager said.

"He said that would bring about a negative frame of mind, fatal to the pursuit of success."

Instead Mr van Biljon quoted to them from Romans chapter 8 verse 31: "If God is on our side, who is against us?" — and told them to repeat it 10 times.

"All he would ask us was 'How much money have you made?'" one of the managers

the amounts and we would clap for the man who had made the most."

Branches were expected to deposit 50% of their total daily takings in cash into a savings account nominated by Mr van Biljon. The manager was expected to take another 25% as his salary, while agents and office staff took the rest.

When some complained their takings were not large enough to pay Mr van Biljon and pay the rent, he sent them back to their Bibles to pay attention to Matthew on how faith can move mountains.

By the end of 1979 Mr van

R60 000-a month.

"He told us he was depositing some of it in a special reserve. We could tell prospective clients that if they remained members for 15 years they would get a refund of all their membership fees," Mr Gillhaam van der Spuy, a former chairman of the manager's meetings, told the Sunday Express. Other managers confirmed this.

But increasing numbers of clients were complaining or demanding their money back. In their eagerness to push up turnover some managers were persuading clients to pay their mem-

to trade as Golden Aid.

They were to pay R6,5-million for their share in the 16 former branches of Golden Aid.

They were not daunted by the price, as they were not required to pay Mr van Biljon anything at once. They were to continue paying a proportion of their daily takings into his savings accounts as before.

Mr van Biljon had agreed to a lower proportion 25% of daily takings, so that there was now a chance of putting the businesses on a sound financial footing.

"But the bad reputation earned in previous years was only now catching up on us, just when we were preparing to put our house in order," Mr van der Spuy claimed this week.

When the Golden Consultants gathered for their Christmas party in 1980 Mr van Biljon announced that he was handing them his 49% of the shares as a gift. They were delighted.

But by 1981 The Legal Resources Centre in Johannesburg was pressing a number

Golden Consultants' companies have been abandoned by their directors, many of them unable to meet debts.

Some of the companies are believed to have reverted to Mr van Biljon. Others have closed. Others still have declared their independence.

Now Mr Eddie Bekker, former director of Golden Consultants in Pretoria (now closed), has challenged the entire Golden Consultants deal in the Pretoria Supreme Court as a fraud perpetrated by Mr van Biljon.

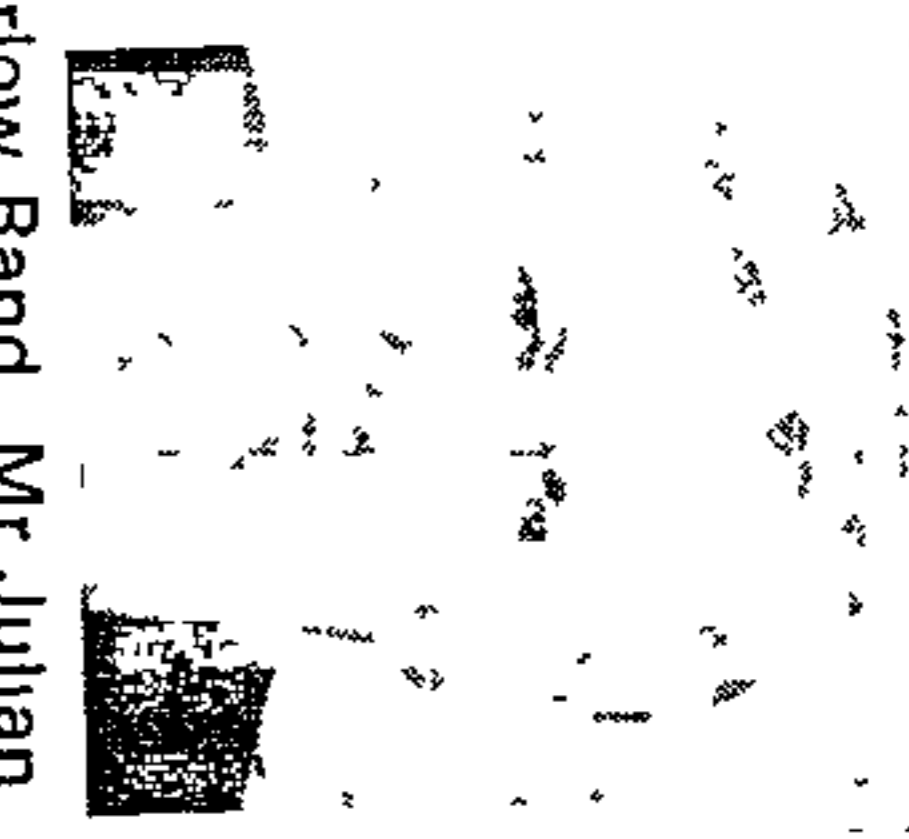
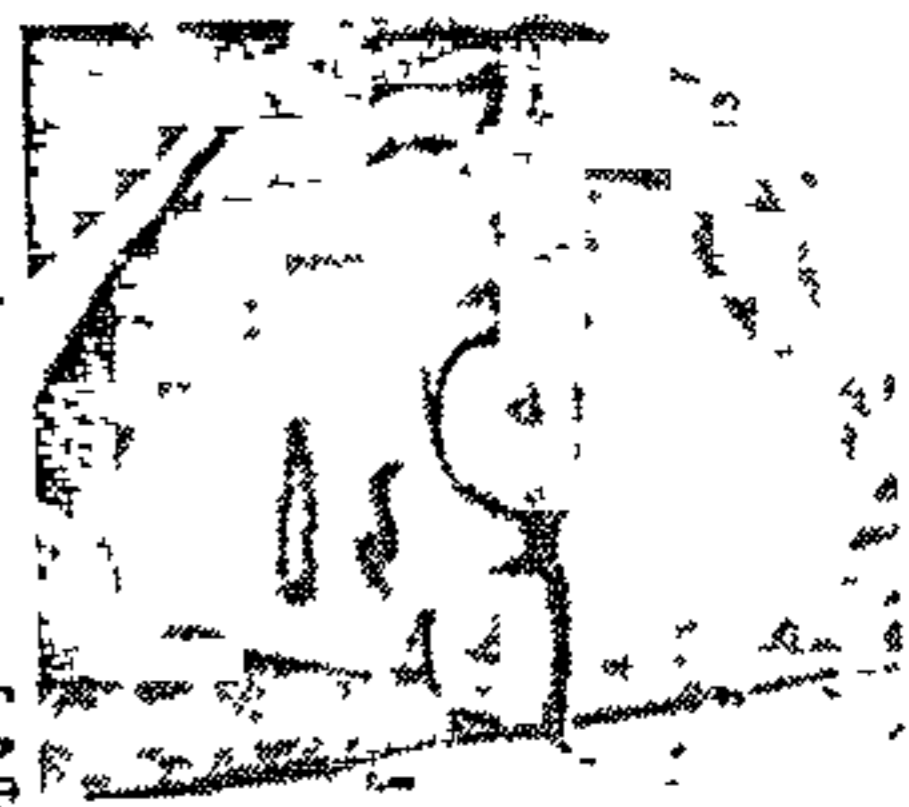
Mr van Biljon this week refused to comment on any of these developments.

At stake in the case (which is likely to come to trial later this year) is not only whether Mr Bekker, who bought Golden Consultants (Pretoria) in 1980, owes Mr van Biljon R414 000.

The case could also determine whether Mr van Biljon has, throughout, remained owner of all the Golden Consultants companies — and is therefore responsible for the conduct of its business.

# It may be tough at the top <sup>246</sup> but it's not half so crowded

CAPE TOWN'S



From left: Dr Frans Cronje, chairman of Nedbank, on board of Barlow Rand, Mr Julian Ogilvie Thomson, on boards of Anglo American and Barclays, Mr George McMillan, chief executive of the British company Rio Tinto Zinc, Dr Fred du Plessis, chairman of Fedvolks (Sanlam) and Trust Bank.

By PHILLIP VAN NIEKERK

FOUR years ago the Prime Minister had to hire the Carlton Centre to meet the leaders of industry. Today he could do it around a card table, Cape Town businessmen were told recently.

Since that speech, says Mr Robin McGregor, compiler of the publication Who Owns Whom, "I could not have hoped for more publicity if I had shot the Pope."

Mr McGregor's speech has aroused a storm of public concern over monopolies and the concentration of wealth and economic power in the hands of a small and ever-diminishing group of tycoons.

And in recent months the seven gigantic business empires who dominate the South African economy have been involved in a complex game of take-overs and mergers involving billions of rands, all of which has left the man in the street bewildered.

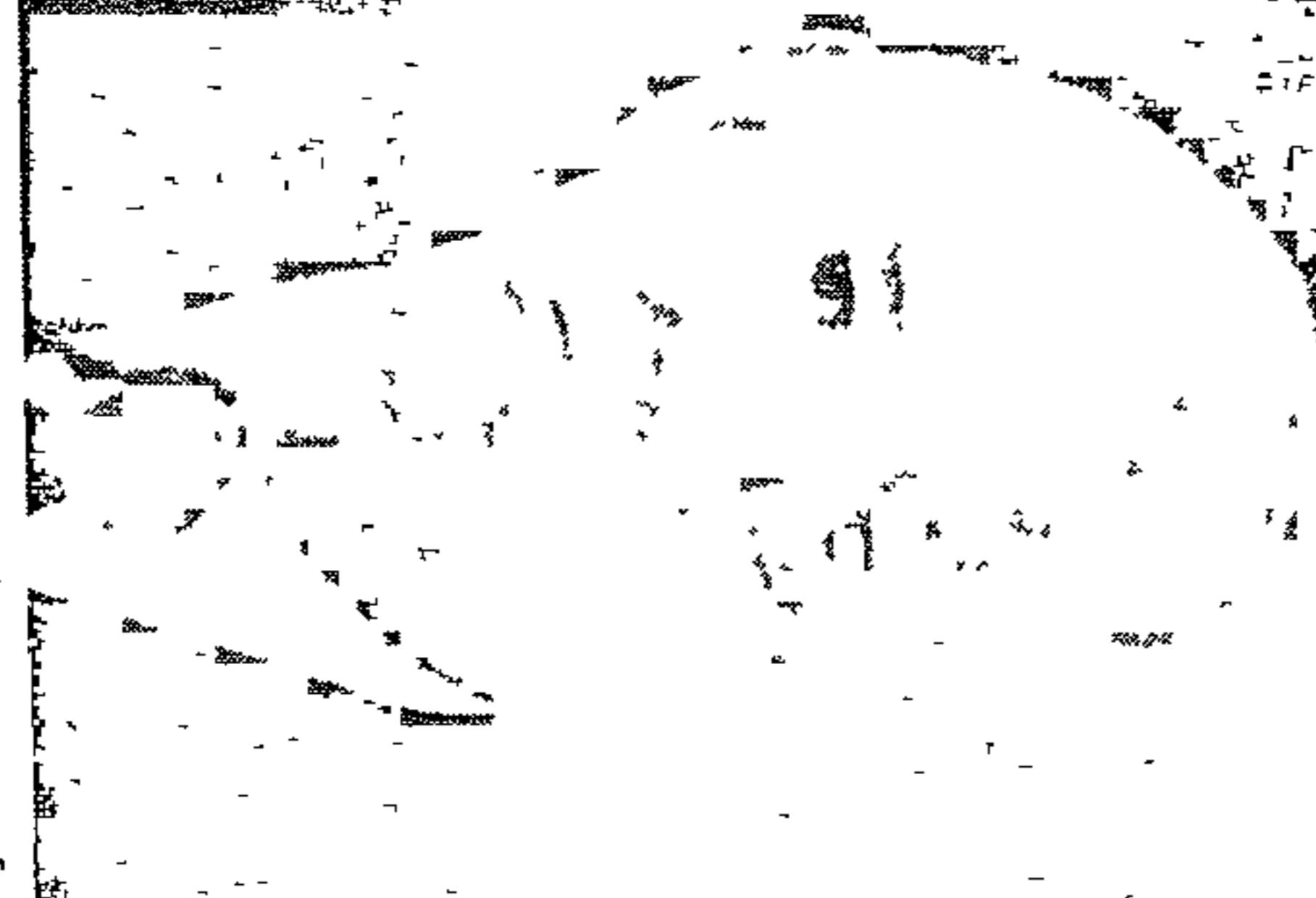
and Barlow Rand — control a massive 73 percent of shares on the JSE. The warning last year by a top insurance executive, Mr Donald Gordon, that six corporations would dominate the country by 1990 could soon be fulfilled.

Little more than a dozen powerful individuals are at the helm according to the Investment Analysts Journal, these men link the top corporations to one another by serving as directors on more than one of their boards. Every one of the top 20 industrial companies is connected by interlocking directorships.

### 'Unique society'

To add to this, there are the monopolistic state and semi-state corporations such as the SA Transport Services, Escom, Iscor, Sasol and the various Industrial Development Corporation projects.

As Mr McGregor says "We in South Africa must have a unique society with so much control in so few hands



Mr Harry Oppenheimer, chairman of De Beers

Mr Mike Rosholt, chairman of Barlow Rand.

Commission in 1975 and the setting up of the Competition Board in 1979 as signs of this concern.

But, he adds, many complex causes lie behind the development of

reinvest their profits inside the relatively small South African economy.

As a result, the big fish have gobbled up the small fish and are now gobbling up themselves. For instance, Anglo



ing interests, controls a wide range of companies stretching into food, newspapers, breweries, motor cars, insurance, chemicals, construction and so on.

While the government has made some recent attempts to stem the inevitable tide of monopoly capitalism, a University of Cape Town economist, Dr David Kaplan, believes that since coming to power it has done much to aid and little to combat the development of the big corporations.

### Legislation lack

"There has been no effective anti-monopoly legislation in South Africa, there has been protection for single firms dominating the market and most of the Industrial Development Corporation money has gone to the big corporations. The Nationalist government has on the whole been good for big business."

Since its inception in 1979, the Competition Board has claimed to have acted in the interests of the public to pre-

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### Control 80pc

According to Mr McGregor, the seven top companies — Anglo American, Sanlam, Barlow Rand, Rembrandt, Anglo Vaal, Liberty Holdings and SA Mutual — together control 80 percent of the shares on the Johannesburg Stock Exchange.

The biggest, Anglo American, controls 56 percent, and the top three — Anglo, Sanlam

executive, Mr Donald Gordon, that six corporations would dominate the country by 1990 could soon be fulfilled.

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As Mr McGregor says "We in South Africa must have a unique society with so much control in so few hands. Our own economic backyard has become a playground for conglomerates against all the principles of free enterprise."

Dr David Mouton, chairman of the Competition Board, says the government is concerned at the tendency of too much economic power being concentrated in too few hands. He points to the appointment of the Monopolies



Mr Harry Oppenheimer, chairman of De Beers.

Mr Mike Rosholt, chairman of Barlow Rand

Commission in 1975 and the setting up of the Competition Board in 1979 as signs of this concern.

But, he adds, many complex causes lie behind the development of this concentration. South Africa has a relatively small market and large-scale production is needed to produce at an "optimal level."

Exchange control — the restriction on money leaving the country — has meant the mining houses and financial institutions have had to

reinvest their profits inside the relatively small South African economy. As a result, the big fish have gobbled up the small fish and are now gobbling up themselves.

For instance, Anglo American largely stuck to mining till the early Sixties. Exchange control meant they could not invest most of their capital in mining outside the country so they moved into other industries inside South Africa.

Today Anglo, apart from its extensive min-



Dr J G van der Horst, chairman of Old Mutual. On boards of Nedbank, Sasol, Safmarine

### ● Tomorrow: How the big corporations affect the consumer

ance, chemicals, construction and so on.

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Since its inception in 1979, the Competition Board has claimed to have acted in the interests of the public to prevent mergers and monopolies. But, as Mr McGregor points out, the concentration of control by the few has accelerated during that period.

"If take-overs continue at the present rate, the Prime Minister won't need a card table to meet the leaders of industry — he will be able to do it in a love-seat."



FM 2/9/83  
 BLACK CONSUMERS 246  
**Louder voices**

Dissatisfied black consumers should soon have a new representative body dedicated to helping them win a better deal. To be known as the Black Consumer Movement (BCM), it plans to start operating early next year, according to president Eldridge Mathebula.

BCM's long-term objective is to open consumer centres in Soweto, Tembisa or Alexandra. This will be followed by outlets nationwide and free distribution of a monthly newsletter in English and an African language.

It plans to work closely with the National Association of Federated Chambers of Commerce (Nafcoc), which has offered BCM office space in its premises in Johannesburg's Kine Centre. Nafcoc has also promised financial backing and support, and details of the arrangement will be decided later this month.

Mathebula says a six-man executive and a 12-man advisory committee have been appointed. Several people have offered their services free and unhappy consumers are already sending him complaints.

A sales correspondent with the Frame group, Mathebula became interested in consumer affairs while studying at the Institute of Marketing Management. He says the furniture industry and the township food retailers will be the first to be scrutinised.

#### Ignorant of rights

Blacks, he adds, are often ignorant of their rights when buying on HP. And food in black urban areas is often "horrible and of a very low standard," he says, because shopkeepers typically sell food well after the expiry dates.

Critics say there are already enough consumer bodies in SA. But Mathebula contends that established organisations are ineffective and there is a need for new blood. He says the SA Co-ordinating Consumer Council has invited BCM to work with it, but BCM will decide on this later.

A Consumer Council spokesman says he welcomes the BCM. "It is tremendous to see consumers getting together and showing muscle." But, in his opinion, there is no need for another consumer body and funding will be a problem. The Consumer Council handles an average of 450 complaints monthly, many of them from blacks.

## FASHION

### New contender

Calvin Klein designer jeans and garments are to be made locally by Durban-based Kingsgate Clothing, one of the largest privately owned clothing manufacturers in SA.

Said to be top sellers in the US designer jeans market, they will do battle with other international names already established in SA such as Pierre Cardin, Yves St Laurent and Christian Dior.

The US company will supply the designs and monitor quality standards of the locally manufactured goods. It will also provide advertising material for TV, screen and radio.

And to give the new label an upmarket image, an exclusive Calvin Klein boutique, handling imported wear only, is to be opened in Johannesburg.

A Kingsgate spokesman says "We intend putting the range into all the right stores. We don't want it to become just another name and end up on the supermarket shelves. The image has to be retained."

Locally made Calvin Klein designer jeans selling at about R40 a pair should be on the market in January.

## PROTECTIONISM

### Counting the cost

The first interim report of the Bureau for Economic Policy and Analysis (BEPA) on the effect of protection of agriculture contains a major shock for consumers.

It discloses that protection of upstream industries inflated the cost of intermediate farm inputs by about R221m (6,9%) in 1982 — or by R145m (4,4%) if the import surcharge on dips and sprays and fuel levy contributions to Sasols 2 and 3 are discounted.

On the other hand, however, tariff protection of local crops handed farmers an

additional R916m in roughly the same period. In other words, they received nearly R1-billion more for their products than if they had been exposed to the full blast of international competition. This is the political premium domestic consumers have had to pay to give effect to government's determination to keep farmers on the land. BEPA calculates that in the year 1981/82 the total value of agricultural production was R7 139m.

The sectors which benefited most in 1981/82 were wheat (R111,4m), flue-cured tobacco (R24,2m), beef (R315,3m), mutton and lamb (R81,8m), dairy products (R57m), broilers (R116,3m) and sugar (R176m).

The average price difference between SA products and the landed cost of competitive offerings in that year was 28,1%. The report says that 75% of SA agricultural production (by value) is controlled by the control boards who regulate the volume of farm imports. Imports of products which they do not control are regulated by the Department of Agriculture.

The interim report on protection and agriculture has been produced urgently, in response to mounting protest from farmers that protection of locally produced inputs is fuelling inflation at home and pricing farm exports out of world markets. SA's 7 000 specialist maize-growers are in the vanguard of the protest movement.

Not unexpectedly, the BEPA study vindicates the gripes of mealie farmers — up to a point. The report says maize-growing, the most extensive in the farm sector, is most adversely affected by protection of domestic inputs. The biggest of these is fertiliser, which accounted for R384,9m of total intermediate input costs to maize-growers of R860,1m in 1982-1983.

Maize production accounted for 60,2% of total SA fertiliser consumption last year. Protection of the fertiliser industry raised growers' costs R45,4m or 11,8% of actual cost.

#### Exchange rate

By BEPA's estimate, the absence of protection would have pared growers' total input costs by R83,2m or 9,7% of the total.

The report says this figure is not realistic so far as input costs of farm implements and maintenance and repairs are concerned because it includes the effect of farmers' stockpiles of tractors with imported engines. Once growers are forced to take tractors with ADE engines, the cost of inputs will rise about 16%.

The basic problem, says BEPA, is a structural distortion. In normal circumstances, it would be reasonable to assume that a country's exchange rate would automatically compensate for differences between domestic and foreign rates of inflation — but only in economic sectors whose comparative advantage in international trade suffered no deterioration. In the case of agriculture, due to a profound shift in comparative advantage since the



Tobacco farming . . . behind the barriers

By Joe Openshaw and Jenni Tennant of Star Line

Since July, Star Line has had 54 documented complaints from car owners about profiteering in spare parts, overcharging, bad workmanship and cavalier treatment dished out by the motor industry

During this time three letters were received praising garages for satisfactory treatment

Complaints ranged from the excessive price of spare parts, the cost of repairs, cars damaged and written off while in for repairs, lack of supervision in garages, paying for services not rendered, problems with new cars and the cost and quality of panel beating

The complaints have been forwarded to the Southern Transvaal branch of the Motor Industries Federation which is doing a survey on spares and repairs in the industry

Some car owners were able to smile in their letters - like Mr I Luker of Glasgow Road, Westdene, who wrote "While buying spare parts from a Melville garage during the last eight years, I have

watched their mechanics spend a great deal of time doing what I was doing, waiting for their spare parts"

However most letters reflected anger, frustration and disappointment

Here are some of them

Mr J Rushton, divisional manager of Alfa-Laval, Isando, received a bill for R1900 for additional repairs after he sent a car in for a 120 000km service He asked a Kempton Park Garage to repair a front headlight, transmission oil leak and heater fan and fit new rear reflectors

Three days after the car was returned Mr Rushton found these defects the new front headlight did not work on dip; there was still a transmission oil leak, the radio did not work, and the carburettor jammed on acceleration

Mr B Thibedi of Mavimbela Street, Orlando East, took his Volkswagen Kombi to a Johannesburg garage for an engine repair and general tune-up and was charged

and was assured it would not affect the guarantee

When he did take it in, the garage refused to honour the guarantee

Mrs Iren Filgate of Macowan Street, Vanderbijlpark, bought a new car

Mr Stephen Drabble of Third Avenue, Florida Lake, took his Renault to a garage after the head gasket blew

It was repaired and he was

charged R211. The gasket blew again four days later It was repaired again and the garage charged him a tow-in charge

Four weeks later the gasket blew again "When my friend and I looked at the engine we found a rotten hose lead to the engine block."

Mr Drabble took his car back to the garage

# Car industry takes a battering from consumers



and was told his engine needed a complete overhaul which would cost him R1 000 He felt it was up to the garage to repair the car because they had fitted a rotten hose

He was told by the garage foreman "Now you can come and tow your car away we don't want to see it again You can complain to the papers and who the hell you want, we will not mend your car"

Mr Peter van Zwieten of Lea Glen, Florida, wrote a letter headed "Panel beating catastrophe" In it he says he took his car in for panel beating and was assured that his "baby" would be as good as new

When he arrived to pick up his car he found The bumper was skew and they had neglected to fit the number plates.

"When they baked the enamel in the oven they

baked the plastic hood-vent with it, so it looked like a wet 'koeksister'"

The overriders of the bumpers were skew and there was overspray

Mr van Zwieten had words with the panel beaters and took it back but all that was done to the car was "they cleaned it a little"

Mr Mike Tissong of Cedarberg Road, Eldorado Park, bought a fuse for his Toyota from a Toyota dealer for 75c The fuse blew and he went to a motor accessories store and bought five fuses, identical to the one he got from the dealer, for 45c

On the credit side, a letter was sent in by Mr C E T Ware, purchasing and distribution director of Wilson Rowntree, East London, saying he had trouble with his Alfetta during a visit to Johannesburg He took the car to a couple of garages where he was told repairs would cost about R300

"I took the car into Italian Cars Tune-up Centre, in Albert Street where the reception I received was excellent. The total bill, which included more work than the other garages quoted for, came to R35,65"

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# Motor firm code to protect consumers

By J MANUEL CORREIA

IN AN effort to render a better service to the consumer and to improve its image, the Motor Industries' Federation yesterday proposed a code of conduct to be adopted by all its members

Its adoption at the MIF and South African Motor Industries' Employers' Association congress in Johannesburg next week is a foregone conclusion

Details of the code were announced in Johannesburg yesterday at the first of an ongoing series of regular media briefings by the MIF

The code will bind members to provide spares and other vehicle requirements at a fair and reasonable price

It also binds members to honour guarantees accompanying the sale of MIF products and services

If a complaint cannot be settled at member management level the customer can seek redress from any of the

numerous MIF complaints committees

A new main agreement for the retail motor industry, which will include conditions of service and overtime, could also be finalised by next Friday

Mr J H van Huyssteen, executive director of the MIF, said he believed consumerism would assume important dimensions in years to come. It was, therefore, important to educate the consumer and to improve communication between the MIF and the consumer

He believed that nine out of 10 complaints arose from poor communication

Mr Van Huyssteen emphasised that the MIF was a voluntary organisation comprising several sectors of the trade

It had the power to expel members in extreme instances and impose fines of up to R2 000 on members. The MIF did not want to become involved in litigation between its members and aggrieved parties

Other points made were

● The MIF was against price fixing for

parts and had drawn up a comprehensive guide to prices. In the event of overcharging it acted on complaints immediately

● The Government had refused to regulate the industry by law as this was against the free enterprise system. The MIF believed the Government tended to overreact to complaints by voters and the industry believed, therefore, it had to regulate itself

● The MIF was concerned about and aware of alleged bribery and corruption in the panel-beating industry and there was still doubt whether the industry should be admitted as an autonomous constituent association of the MIF. There were signs, however, that the panel-beating industry was making strenuous efforts to get its house in order

● The MIF received about six complaints a day of shoddy workmanship, but given the size of the industry the number was not disproportionate

By PAT SIDLEY  
Consumer Mail

SINCE blacks in South Africa are politically disenfranchised, they have little choice but to use their collective economic power in the market place to express their political aspirations

This means that the market place and the industrial relations system are being called upon to bear a weight they are not designed to carry.

This is the view of Professor James Leatt, of the Graduate School of Business of the University of Cape Town, who was speaking in Sandton this week at a seminar on "Business Ethics and the Consumer"

Prof Leatt said textbook distinctions could not be made between the shopfloor and the market place or consumer issues when referring to the black person as worker and consumer

"He will continue to bring community-based issues onto the shopfloor, and take shopfloor issues into the community. His trade union leaders will continue to be concerned with wages and conditions of employment, but employers will increasingly find themselves confronted with community-based issues such as bus fares, housing and consumer boycotts of company products

(246) (201)  
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**Blacks are out to flex their muscle'**

**CONSUMER MAIL**

"The worker struggle for a place in the South African sun will be carried about on a broad front because the worker is also a citizen, consumer and a parent. And community based issues and market place concerns are grist for his mill," Prof Leatt said

This contention was illustrated by the following examples

- Worker/community pressure was allowing *de facto* new public holiday to develop — June 16, Soweto Day
- The Fattis and Monis dispute involving a consumer boycott almost halved profits of the company
- The racist remarks of an Old Mutual employee caused black salesman to refuse to go into the black communities to sell policies
- The current move at a Liberty Life union to boycott what it sees as a "racist"

firm. The union has called on the community not only to boycott Liberty Life but to watch for the interlocking directorships and boycott associated firms

They have drawn attention to the relationship, for instance with the United Building Society and Sales House, and are urging community boycotts of both

● The Constitution and the Orderly Movement of Black Persons' Bills have caused the birth of two community-based organisations the United Democratic Front and the National Forum "both of which boast support from a very broad base in the community"

"If the past history of black politics is anything to go by I believe civil and human rights issues are going to be in the spotlight in industrial relations and in the market place in the future and with greater sophistication and organisational support

"Industrial relations practitioners and people at the producer/retailer-consumer interface will bear the brunt

of growing black anger and frustration, especially as the effects of recession and drought are felt by the consumer," Prof Leatt said

Prof Leatt views as very significant for consumers and consumerism a shift towards "participatory democracy" Consumers are to economics what voters are to politics, he said

"Consumers have ceased looking to government to create even more regulations to protect their rights. Not the State, not institutions, but consumers themselves will find ways to protect their interests

"Corporations will need to accept participatory democracy is a model for consumer relations policy"

He quoted a study which said producers would have about 10 years to begin "including consumers in the corporate decision-making process" — or face a virulent strain of militant consumer action

The point at which producer and consumer met was at the point of purchase

# Challenge taken up for insurance ombudsman

## Mall Correspondent

CAPE TOWN — In an immediate response to a challenge thrown out in Johannesburg this week by Bob Molloy, the consumer columnist for the Cape Times, a first step has been taken towards setting up an ombudsman's office to deal with complaints against the insurance industry — with R5 000 donated by Mr Molloy as a starting point.

The R5 000 was the prize-money that went with the 1983 Checkers Award for Consumer Journalism won by Mr Molloy and presented to him on Thursday by Mrs Esther Peterson, a consumer affairs adviser to two former United States presidents, Mr Lyndon Johnson and Mr Jimmy Carter.

At the award-winning ceremony, Mr Molloy, stat-

ing that he believed in "putting my money where my mouth is", donated his R5 000 prize, for the best individual entry, towards the initial funding of an insurance-industry ombudsman's office.

In his acceptance speech, he said he intended publishing a picture of the R5 000 prize cheque every week in his Watchdog column in the Cape Times, as a standing challenge to the insurance industry to use this money to help set up the ombudsman's office for which Watchdog had been campaigning for years.

Mr Molloy's challenge was immediately taken up by Mr Natie Kirsh, chairman of the Checkers group as well as the AA Mutual insurance group.

In a spontaneous act, Mr Kirsh leapt on to the plat-

form where the award had just been made and stated his intention of giving Mr Molloy a personal cheque for R5 000.

Mr Kirsh said from his office in Johannesburg yesterday he thought it "a little unjust" that a member of a profession that "apparently is not all that well paid" should forego his prize-money.

"What I have in mind is that we will now, through a company in our group, AA Mutual Life Assurance, provide a cheque for R5 000 — representing Bob Molloy's prize money — with a view to the establishment of the type of office he has in mind."

"But I also wanted to make sure that as a very worthy winner of the Checkers Award, Mr Molloy has R5 000 to take home with him."

ARE South Africans the world's most uncomplaining customers?

After a recent statement to this effect on SABC radio, Weekend Post questioned prominent retailers, businessmen and consumer associations.

The director of the Consumer Council in Johannesburg, Mr Jan Cronje, said he couldn't agree more with the statement

"People are inclined to just buy, regardless of price and quality and I think there should definitely be more reaction to spiralling prices and the quality of merchandise

"Most customers are ashamed to take something back which is not right and I think our consumers must be educated to bargain and insist on the quality of the product they are buying

"It's their hard-earned money they are spending and there is too much complacency and apathy in the market place," he said

Sales manager of a furniture store in Port Elizabeth, Mr Brian van der Walt, said he wished more people who had complaints would come back because unless they did he could not help them

"A lot of retailers take chances because our customers are so complacent," he said. "Certain people, no matter what colour or creed, have it in their chemical make-up to take an issue up with the company and keep at it until it is put right, but others don't"

A spokesman for the Consumer Association in Port Elizabeth said she felt city customers did not complain because they didn't know where to go to lodge their complaints

"We had a meeting this week at which a lot of complaints were aired. One was that while in a store, one customer had a complaint, looked around and could find no one to help her. The only people in sight were packers, who could not help at all," she said

"Our consumers are not uncomplaining, but they don't know the right sources," she said.

Managing director Mr Raymond Ackerman said from Cape Town that the average consumer was very astute and intelligent

"It might have been true to say they were uncomplaining 10 years ago," he said, "but today we have very quality-conscious consumers who don't hesitate to return something which is not right

"I receive an average of 15 letters every day of my life, of which some are complaints and some appreciative. Our customers are by no means apathetic

"We have consumer panels in our stores where customers are invited to air their grievances, and they do

Discount king Tony Factor said in a telephone interview from Johannesburg that South Africans were "very enlightened consumers"

"I've been in business 25 years now and I've seen tremendous changes," he said. "Customers demand the best, they want value for money and I think retailers have realised that, with the limited population, they can't afford to give bad service

"Our consumers are not gluttons for punishment, they're not going to come back if you give them shoddy service. The average South African will return something which is faulty or not up to standard and by 'average' I mean right across colour and income groups," he said.

# Are SA buyers too easy going?

By LINDA GALLOWAY

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# Complaints: Motor

By John Tilston

THE motor trade, furniture trade and electrical-appliance industry are among those most likely to be ripping off the consumer, according to statistics from the SA Co-ordinating Consumer Council.

The council received 4 650 complaints in the year ended November, averaging nearly 400 a month.

The head of the complaints section of the council, Bill Morris, reports that the motor industry is one of the least co-operative in dealing with customer complaints.

About 11% of genuine complaints are directed at the industry, and many drag on for months before final resolution.

By comparison, the furniture industry, through the Furniture Manufacturers Association, tends to be sympathetic to consumer complaints and generally resolves them speedily.

Roughly 10% of complaints affected the furniture sector.

Electrical appliances were responsible for a further 10% of complaints, TVs and radios accounted for 9%, roofs, walls and swimming pools 6% and building and land-purchase complaints 4%.

Although the primary function of the council is the dis-



**BILL MORRIS**  
Some strange requests

semination of consumer information, complaints from the public are accepted and followed up by council staff if no other avenues are available to the consumer.

Mr Morris reckons that

# men slammed

around 95% of complaints received from consumers have a valid basis, though some strange ones are received.

One man complained that his daughter had been "impregnated" by a suitor who had failed to pay lobola, and requested the council to collect payment.

The council does not get involved in this type of problem, though it did write to the father explaining his legal position.

There are two problems facing the consumer in his battle for his rights, says Mr Morris.

First, the South African consumer is too docile. More often than not he accepts poor quality and service without complaint, preferring to shift his business to another supplier rather than complain. Mr Morris says this does not help his cause.

The customer a supplier loses on the swings he gains on the roundabouts, and the

overall quality of service is not improved.

Immigrants from Europe tended to be much more conscious of their rights as consumers and more vociferous in complaining.

The second problem, says Mr Morris, is the state of SA's legal system. "We have a very sophisticated economy, yet we are way behind the industrialised countries. We do not have a consumer orientated legal system to cope with the problems created by our economy."

In the US, for instance, motor manufacturers are subject to a law known as the "Lemon Law".

Under this law, any consumer in the first year of owning a new car is entitled to a new replacement if his car is in the garage for a month or more.

In addition, if a fault on a car is not remedied after four visits to a workshop, the con-

sumer is again entitled to a replacement vehicle.

Mr Morris hopes that the council will play a greater role in future in shaping legislation aimed at protecting the consumer.

By analysing trends in consumer complaints, it is possible clearly to identify areas where legislation is inadequate.

The major function of the council is to educate South Africa's 20-million consumers by collecting and disseminating relevant information.

But with a staff of just under 30 and a budget this year of R602 000, of which R45 000 is allocated for publicity, the council is fighting an uphill battle, says assistant director Bernard Heiberg.

Messrs Heiberg and Morris, who joined the council in June this year, are aiming to sharpen the council's teeth. It has maintained a relatively low profile in its 18-year existence. Both report strong

backing from council director Jan Cronje.

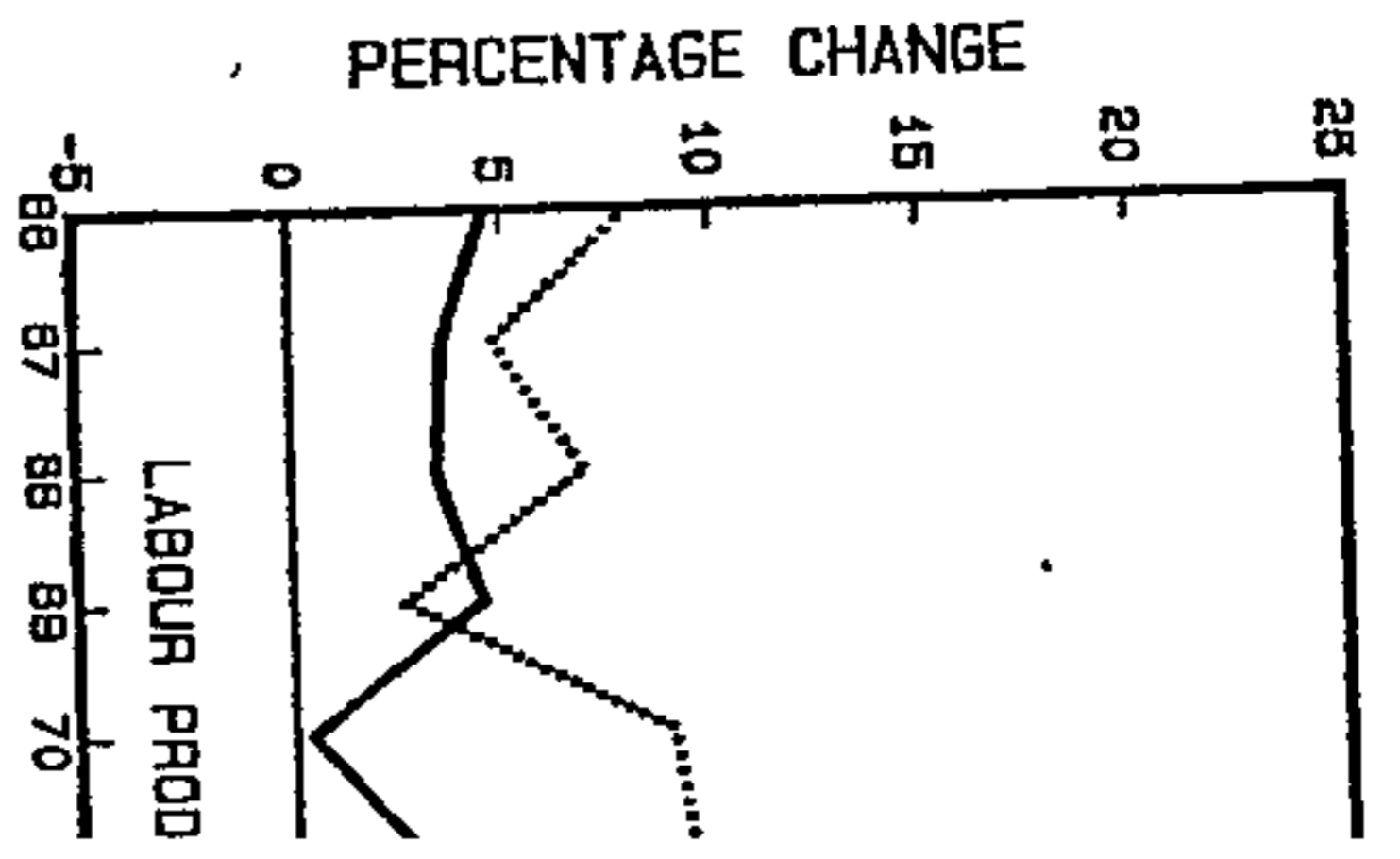
The council is a Government body, with Mr Cronje reporting directly to the Minister of Industries, Trade and Tourism, Dr Dawie de Villiers.

Dr de Villiers sees the council's role as that of "stimulating and encouraging participation (of consumers) at local level, thereby creating an effective network along which consumer information can be distributed."

However, a major rethink on policies and strategies is under way. A meeting of councilors and staff is planned for early January, when the future direction of the council will be discussed.

Mr Morris says he welcomes complaints from the public concerning illegal practices, unacceptable service or quality of products.

A larger number of complaints will greatly assist in the calculation of trends



By Amrit Manga

LABOUR productivity declined a further 2% during the second quarter of this year compared with the same period last year.

This negative trend emerged from the National Productivity Institute's (NPI) latest release on labour productivity trends as measured by the real gross domestic product a worker in the non-agricultural sectors.

The decline is the net result of fall in production (output) of 3.2% and 1.2% respectively for 1982 and 1983 periods under review.

During the same period, remuneration an employee increased by 16.2% in nominal terms, which, with the 2% decline in labour productivity, resulted in an increase of 18.2% in the unit labour costs, according to the NPI.

"If salary and wage rates continue to exceed the increase in labour productivity, the cost of labour a unit of output — and ultimately prices — will rise," says Koelf du Plooy, the NPI's economics project manager. He points out that the dis-



The Southern Life Association ("SLA")

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Joint announcement



BARCLAYS

Barclays National Bank Limited

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Easier CI

By Jim Stodes, Washing

# DON'T BE DUPED!

By LEN MASEKO

**WERE YOU once (or about to be) a victim of an unscrupulous dealer who sold you a 'lemon'?**

This article, extracted from a bulletin of the South African Consumer Council, may help you avoid those mishaps which have befallen thousands of unwary consumers over the years. And the person who will be advising you on how to negotiate for the best deal has been in the business for many years, and knows most of the tricks involved in the trade.

The advisor, an ex-car salesman (who prefers that his name should not be disclosed) has this to say:

"I have retired from the trade now. I could never be able to undo the harm but I can at least make some amends. Let me tell you about car salesmen. These people are hardened survivors who can deal with university professors and dustmen equally well, and what is more important, he projects an image that meets with the customers' approval.

"It is unfortunate that the soft, innocent people are usually the ones who get caught. However, bear in mind that if you have been sold a 'lemon', the car might

have been bought from the previous owner in good 'faith'. There are many ways of disguising faults, even from the professional.

"When possible, I would advise you to deal with a company that you know—and which has a low staff turnover. This probably indicates that it's a company with few customer comebacks. No salesman wants a showroom full of angry customers, because that would obviously affect the money he earns.

which is based on the number of cars he sells. His basic salary is quite low.

"Salesmen tend to move on if there are a lot of customer problems and if they don't, it's a good sign for you. A company with a good service department and a fair policy towards legitimate customer complaints keeps customers out of the salesman's hair—and enables him to get on with the job of selling cars.

not, it's usually towards the end of the third week. If it suits you in other ways, this is a good time to go in to make your deal because a lot of companies pay their salesmen a percentage of gross profit, after a certain figure. If the salesman is over that figure, or close to it, he will be that much keener to make a quick sale, before the end of his commission month.

"A final point. If a car is recommended to you by someone you don't know well, be wary. Some dealers pay what is known in the trade as a 'spotter's' commission — if a buying customer is brought in to them by a member of the public,

they pay a commission in the order of R30. One of my spotters used to bring me an average of three deals a month. Next week we will discuss more tricks in the game."



CONSUMER CORNER

## Dealers defend trade

By LEN MASEKO

**STRICT** roadworthy tests conducted on second-hand vehicles made it impossible for consumers to fall prey to fly-by-night traders, dealers told *Consumer Corner* when reacting to claims of a massive racket within the used-car industry.

A week ago, a Johannesburg Law Clinic lawyer caused a stir when he charged that some used-car dealers were selling vehicles with hidden defects. The lawyer, Mr Morris Zimmerman, added that most of these "lemons" (cars requiring repairs shortly after purchase) broke down on their first long-distance

trip. The whole matter became more alarming when Transvaal Provincial Administration (TPA) officials, who test cars for roadworthiness daily, said their examinations were restricted to external items in a vehicle. The parts tested were mainly those which have a bearing on the safe use of the vehicle on a public road.

Traders (these are not necessarily involved, they were picked at random) interviewed by *Consumer Corner* on the allegations reacted:

• Mr J van Straten, sales manager of Canadian Motors, said "I don't believe that such a thing exists in this trade, because used cars undergo thorough testing during roadworthy examinations."

• Dornat Motors' sales manager, Mr R André, said: "If a vehicle had hidden defects, TPA officials would discover this when testing it for roadworthiness. Personally, I don't think a dealer would sell a car with hidden defects."

• Dan Perkins' salesman, Mr Garry Britton, said his company did not deal in "cheaps" (car trade slang for cheap cars). "Before selling a second-hand car, it has to be checked by our workshop for any defects. Our workshop mechanics will then tell us whether it's worth putting on the market. If the car is hopeless, we don't sell it."

Mr Britton added that, to ensure a better deal for a client, his company issued a warranty — of 40 000 kilometres — against any vehicle bought from them. "Besides, we only deal in latest models," he said.

MR MORRIS ZIMMERMAN: "Buying a second-hand car is inheriting someone else's problems."



By Bill Levitt

Staw

## Consumer 7/3/84 groups say

# SA economy is crumbling

246 South Africans have no alternative but to stand by helplessly and watch prices and taxes rise steadily, say the country's leading consumer groups.

Consumers are beginning to pay for the sins of their forefathers, they experts say, who lived beyond their means, balked at reform and raised unrealistic expectations among successive generations.

"South Africa has reached the crossroads and we will all have to pay for the fact that the arrival has been put off for so long," said Mr Leon Weyers, chairman of the South African Co-ordinating Consumer Council, a government-funded umbrella group.

Political and economic factors, ranging from the costs of constitutional reform and border defences to high inflation and declining exports, have confronted the country at the same time, the groups agreed.

"People should have lowered their expectations and living standards long ago," said Mr Weyers, who is also dean of the University of South Africa's economic and management sciences department.

"It's a debt of the past."

Mrs Betty Hirzel, chairman of the South African National Consumers's Union, said: "It is no good getting militant and demanding that they don't put up taxes."

"There is no way we can carry on paying for constitutional reform, military operations in Angola and the horrendous drought without raising taxes."

Mrs Doreen Bender of the smaller National Kosher Consumers's Organisation warned that items consumers took for

granted, such as as butter, tinned meat, cigarettes and alcohol, might soon become luxury items

Describing consumers as desperate, Mr Weyers said that the spate of price increases since January was doubly disappointing because late last year inflation seemed to be on the decline.

"Now consumers feel they are being hammered into the ground and their expectations of economic recovery have been dashed," he said.

This comes amid rumours that personal income taxes and excise taxes on cigarettes, beer, wine and spirits will rise when the Government's Budget is tabled in Cape Town in two weeks.

The groups agreed that double digit inflation for much of 1984, coupled with low inflation rates abroad would decrease exports, causing plant shut-downs and massive layoffs.

Higher prices would trigger wage increases which would, in turn, fuel inflation and put pressure on interest rates and bond repayments.

The continued drought and the massive relief programme expected in the Budget would add to the economic dilemma, they said



This increasingly typical South African one-garage home is between 130 sq m and 140 sq m and re-

flects building costs at the end of 1983. To date there has been a little increase in these costs.

# Consumer Council launches

## 'Know your rights' campaign

By Russell Gault

Know your rights. That will be part of the theme of the Consumer Council's property campaign this year. Council legal adviser Mr W W Morris names points every tenant should know:

- Make a detailed list of every stain, crack and scratch when renting a flat.
- Make two copies, have the agent sign both and keep a copy yourself.
- Request, in writing, payment of interest on deposit and hand the request to the agent when you have taken possession of the flat.

- If you feel you are being wronged obtain a complaint form from the Consumer Council, PO Box 3800, Pretoria 0001 — don't telephone.
- Do not allow a landlord to show prospective new tenants around your flat unless you are at home or have agreed to it.
- Home buyers are given the following advice:
  - Before paying a deposit to an agent or seller, demand, in writing, payment of interest on that deposit until transfer is completed.
  - It may be preferable to leave the deposit money with a bank at a high interest rate and get a bank letter of guarantee for the seller.

### 'VOETSTOETS'

- When signing a contract containing the term "voetstoets", ensure you have a list of conditions attached or try to have the word struck out.
- Tell your house or pool builder or any other contractor you want a retention clause inserted which allows you to keep 15 percent of the cost until you are satisfied the job has been done properly.
- Mr Morris said the property lobby was one of the strongest in South Africa and tenants, home and flat buyers had to be strong to fight it.
- "The Consumer Council will give the public as much help as possible — so long as they are in the right — and if necessary we will pursue matters doggedly."

He said the council was particularly concerned about the Voetstoets clause in contracts because it was immoral and should no longer be used in business.

"Contractors use it to try to excuse themselves from being held responsible for their work. It is an appalling attitude. In these times, when builders are crying out for house construction work, the public should demand that "voetstoets" be dropped from a contract or consult another builder.

"This is the year to demand your rights," Mr Morris said that as part of Year of Property the council was inviting written complaints from the public to be completed on the official complaint form

"Our aim is to see an upheaval in the industry and a return to old-fashioned justice."

times. This means buying and selling equipment, tools, vehicles. It all takes time.

"That's why it is either feast or famine. You can either get a house built immediately or it can take a year."

In the trough period people lost their jobs, and studies showed that those with skills seldom returned to the industry. This meant more had to be trained. The Government is aware of the cyclical nature of the industry, but the trouble is that a fundamental change of thinking is required, by the Treasury before State money for con-

some cost increases in 1983. In 1984 cost increases will also be at a slower rate because of pressure brought to bear by Bifsa on the suppliers of primary building materials

But from next year builders will be looking for higher profits to make up for two lean years, and the report, addressing Bifsa members, says "you are on the verge of a vigorous boom in the building industry. I would like to use the biblical expression and urge you to see that your lamps are filled with oil and that you are ready when the bridegroom comes."

# Spotlight will shine on greed of landlords

By Russell Gault

Greed and misrepresentation in the property industry is to be tackled by the Consumer Council in a national campaign

"Buyers and tenants need far more protection than exists," says council attorney Mr W W Morris

"The greed and dishonesty runs from the single property landlord to the biggest estate agency and property firms"

The council has designated 1984 as the Year of Property

Mr Morris said that by far the majority of complaints received each year concerned property matters

He urged people with complaints to consult the Consumer Council instead of accepting a situation in which they were the losers

"Get in there and fight — don't let a landlord or agent convince you that what he says is right. In many cases they are distorting the truth"

Mr Morris, commenting on the huge reaction by the public to articles in The Star on tenants' grievances, said the law showed significantly more concern for the barons of property

"I think the fate of the draft of the Lease of Dwellings Bill, which was allegedly designed to give tenants a better deal, is a guide to the reality of things"

Last week it was forecast that the Bill would be held over until next year because of the 200 submissions against it by the property industry, and even the Association of Chambers of Commerce

Two of the most important aspects of the Bill included the establishment of special boards to hear disputes between landlords and tenants. These would mean an end to the expensive litigation facing aggrieved tenants

"In many instances tenants simply give up rather than face the prospect of having to pay out more cash for an attorney," said Mr Morris

## INTEREST

"Trying to get bonds back is a major problem. Many landlords and agents try to keep them without good and honest cause. In numerous cases the most blatant dishonesty comes from the biggest firms of agents"

The Bill would also have made it obligatory for agents and landlords to put deposits in special accounts at ruling interest rates. The interest would have been payable regularly to the tenant

## DEPOSITS

Today, unless a tenant requests the interest on his deposit in writing at the time of taking a flat, the landlord can retain it, and an estate agent will share it with the Estate Agents' Board

Even so, many tenants have reported to 24 Hours that firms have steadfastly refused to pay interest, regardless of a written request

"In those cases, come to us," said Mr Morris. "We will take the fight back to the firms and the landlords"

● See Page 6

# Black consumer union formed

Staff Reporter

THE Black Consumer Union, the first national black organization of this kind, was formed at the weekend in Johannesburg.

More than 200 delegates from various black organizations were present. Among those represented were the National Council of African Women, the Black Housewives' League, the Inkatha Women's Brigade, the Domestic Workers' Employment Project, the Zamani Sisters' Council, the South African Black Social Workers' Association and small black consumer movements.

Mrs Ellen Khuzwayo, a Johannesburg social worker, was elected

president and her two vice-presidents are Mrs Joyce Seroke and Mr Eldridge Mathebula.

Mrs Khuzwayo said the union was not yet considering affiliating to the existing Consumer Union headed by Mrs Betty Hirzel.

"Mrs Hirzel addressed us on Saturday morning, but that was the first contact we have had with the union," she said.

"We want our own union because our lives are different and our needs are different," she said "Yet we hope to cooperate with the Consumer Union."

The union is autonomous, non-profit-making and free of political affiliations, according to its press release.

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246

## Demands for new maize deal increase

March 1984

by  
Hannes Ferguson,  
Farming Correspondent

Black organisations are moving to the centre of the maize arena. According to industry sources, the Black Chamber of Commerce, Nafcoc, may soon join the Black Consumers Union and the white maize producers in demanding a new deal for the hard-pressed maize industry.

They want cost incentives for the S A maize production, a policy of stockpiling white maize against future droughts, the shifting of bread subsidies to maize products and the organised marketing of traditional sorghum meal to replace bad-tasting, "orange-coloured" meal.

At this stage black organisations are seen as ideally placed to influence Mr Greyling Wentzel, the Minister of Agriculture's views on the future of the maize industry.

Faced with a R6 000 million drought debt and an interest burden exceeding farm income, maize producers are asking for cuts in crippling, administratively determined costs.

Consumer bodies feel that if the Maize Board had been allowed to stockpile white maize in 1981 and 1982 instead of having to export at staggering losses, the State would not now be losing R86 a ton on low-grade imported maize.

says  
"THE RUN"

# Escom announces consumer forum

By Sol Makgabutlane

Regular meetings are to be held between the Electricity Supply Commission (Escom) and representatives of commerce and consumer bodies to improve communication between Escom and electricity users.

The establishment of a forum was announced last night by Escom's senior general manager, Mr Dave van der Walt, after a three-hour meeting with consumer and commerce representatives.

Mr van der Walt later said "The whole idea is to get closer to our consumers to discuss common problems. We believe our purpose is to serve them."

Mr van der Walt said Escom had in the past been able to project the growth of South Africa's energy requirements with a high degree of accuracy, basing its calculations on the experience of past decades. This method, however, no longer proved satis-

factory and Escom thought a more efficient, less intermittent communication with its main consumers would encourage a free flow of information.

"The forum is therefore seen as an important step in this direction. We consider it as a potentially powerful means of communication through which it can present the information on which its long-term programmes are based. Whereas in the past individual consumer bodies have met Escom on an ad-hoc basis, now main consumers will be briefed on current matters of concern and given the opportunity to express their views."

Mr Randolph Forbes, Escom's assistant general manager (finance), stressed the importance of information by electricity users on the expansion and the quality of supply required for their future growth. The new forum will meet four times a year.

# INSURAN

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CAPE TOWN — A fair number of Capetonians have been issued with potassium iodate tablets —

## 'Koeberg pills' are issued

● Picture by Sarel van den Berg  
monstrated.

Hard hats are one way of warding off blizzards and biting winds, as models (from top) Shirley Gains, Angela Bowman and Doyle Broderick demonstrated.

A feast of the colours, fabrics and designs we can expect this winter were presented at a fashion festival in Johannesburg last night.

Doranne Berry acted as referee to the 25 models who displayed about 200 garments.

## Fashion festival



people scramble to rebuild their destroyed gardens would benefit from an expected boom in sales when Mr Kirsten said the survivors of the drought in the Free State.

The drought-hit parts of the country are the ones where most nurseries were based. There were 1 218 in the Transvaal, 991 in the Cape, 407 in Natal and 105 in the Free State.

"The bigger ones are putting down their own boreholes and concentrating on landscaping and other earth works. But the coming winter will be the crunch. A couple of nurseries in the Magaliesberg area have only two weeks of water left."

He said nurserymen generally, especially the 400 bigger organisations which are members of the South African Nurserymen's Association, are "weathering the storm" — for the moment.

"We have advised members to diversify and concentrate on the most profitable markets," said Mr Kirsten. "People won't buy for their gardens because they have been destroyed. But more and more are buying for their flat or balcony gardens, or for inside the home."

Some firms have diversified to survive. Many are concentrating on pot plants, landscaping and other areas which are least affected by the drought.

## Least affected

Mr Kirsten said the workforce had been halved at the 350 biggest nurseries in the 17 000 sq km Rand Water Board area. They had contributed R100 million to the industry's R200 million turnover before the drought.

# Consumer Council calls for temporary freeze

By Jackie Unwin

The Consumer Council is calling for a temporary curb on price rises for consumer commodities such as food, fuel, clothing and rises in interest rates.

In a statement, the council said that although it realised that economy measures, as announced by the State President, had become imperative, the time had also come for maintaining an economic balance

The council's director, Mr Jan Cronje, said: "Cutting income temporarily now, without freezing prices and interest rates as well, would not make sense."

Mrs Joy Hurwitz, president of the Housewives' League, said the inflation rate had already cut incomes and people outside the civil service could not expect increases this year

"They will have to try to manage on existing wages and salaries or with minor increases

"The cutback in wages naturally is a calamity.

"Food prices have increased by 21,16 percent in a year. We are not



going to get anywhere near that to keep up with the food index alone.

"But I'm not sure whether one can expect a freezing of prices in the private sector.

"The Government has control only over the administered prices such as electricity and petrol and some basic food prices

"These are the areas where the Government can help To allow the maize and bread prices to go up would be calamity

"Basic food prices should be kept as they are or increased by the bare minimum

"We have already told the Maize Board that we cannot accept high increases of maize, which will affect the prices of chicken, meat and eggs "

"As far as the equilibrium of the economy is concerned, Government spending must be cut down, not necessarily in wages and salaries but on capital expenditure being utilised "

Mrs Hurwitz said businesses should cut costs so they could keep the prices the same or reduce them to give them a better market share

"At the moment my fear is that they are increasing their prices to make up for their market loss and their profit

"That, I think, is unfair in a recession," said Mrs Hurwitz

"Some important areas have had to cut prices, such as the furniture trade and the white goods trade because people are not buying This is the way it should be operating But I do not see any (bargain) sales in the food area "

She criticised the high increases in the petrol, rail tariff rates and electricity which had pushed the inflation rate "through the roof"

"The Government could always undo these increases," she added



Mercury 17/07/86

## Two chains to freeze food prices

### Mercury Reporter

TWO major supermarket chains have announced a six-month price freeze on most products sold under their house brand labels, starting today.

Pick 'n Pay and OK Bazaars announced yesterday that the freeze would be applied nation-wide until the end of this year.

Almost 60 house-brand basic commodities, mostly foodstuffs, will be affected in Pick 'n Pay stores nationally.

From today the prices displayed on the products will remain unchanged until the end of the year.

Mr Martin Rosen, general

manager of the Hypermarket in Durban said 'What you see marked on the tin or packet today is the price you will pay

'This "price hold" has been introduced in the hope that it will be a stabilising influence on other prices'

In the Pot o' Gold range sold by OK Bazaars, 121 products are affected, including tea, pasta, jam, oil, canned meat and vegetables.

The OK price freeze would end on January 16 and had been planned to help the consumer, who has been battered by a series of price increases, said Mr Gordon Hood, managing director of the company.

246 N/M 24/10/86

# Council warns of TV contract sharks

## Mercury Reporter

THE Consumer Council has expressed alarm over the number of Durban people who have suffered financially after taking out television and video repair contracts with 'fly by night' firms.

Mrs Rene Alberts, head of the Consumer Council in Natal, yesterday warned people considering signing repair contracts to check that the firm was a reputable one, ask for references and to read the fine print carefully.

She said a Durban man recently paid an annual premium of R288 to cover possible repairs to his television, video and hi-fi set only to find that the firm had gone into liquidation shortly afterwards.

'So far this month we have had at least 10 complaints from people who have lost out because of the contracts,' she said.

Most had paid about R120 a year for television repair contracts.

'Some of these people sign contracts and discover later that the company no longer exists, or that they have shut their doors and moved elsewhere.'

'And in other cases, the firms that have not closed their doors will not carry out their side of the bargain.'

'People either don't get their equipment back, pay large excesses, or they have to wait months and months for anything to get done.'

She said the council was investigating a number of cases which would soon be handed over to the police.

Mrs Alberts said the council was also concerned about people who 'signed away their rights' when buying second-hand cars.

She advised prospective buyers to carefully read the small print when signing hire-purchase or lay-by agreements.

'If they are in any doubt about what they are letting themselves in for, we will gladly advise them.'

People wishing to contact the Consumer Council can telephone (031) 3714523, call at their office on the second floor of Industries House, 1 Victoria Embankment, or write to them, at P O Box 3906, Durban 4000.

# High interest rates slashed

2/11/12/18  
246

Finance Editor

**IN A double-barrelled attack aimed at stimulating spending, the Reserve Bank dropped the bank rate from 10% to 9,5% from today, and hire purchase interest rate ceilings by between 2% and 3%.**

Savers do not escape the blast — interest rates are to drop as well.

The Reserve Bank has told building societies it expects they will drop the mortgage bond rate by 1% to 14%.

Most societies are in the process of dropping their bond rate to 15% while Standard slashed its rate at the weekend to 12,5%.

Commercial banks will follow by decreasing their lending rates by at least 0,5%, the Reserve Bank said.

The Standard Bank announced that it would reduce its prime lending rate from 13,5% to 12,5% with effect from December 30.

On the hire purchase front maximum lending rates for amounts up to R4 000 have been set 3% lower at 25% and for amounts from R4 000 to R70 000 they will be a maximum of 21% (previously 23%).

## First bank off the mark

The French Bank of South Africa was the first bank off the mark yesterday, dropping its prime overdraft rate a full 1% to 12,5% from January 1.

Barclays yesterday also announced it would cut its prime rate by 1,5% to 12% from December 24 and its mortgage rates on new loans by 2,5% to 12,5%, matching Standard's rate, with immediate effect on new loans and from March 24 on existing loans.

The Reserve Bank said building societies are to drop their tax-free interest rates from 9% to 7,5% and on partially tax-free indefinite period shares from 12% to 10%.

The Post Office Savings Bank has been approached, says the Reserve Bank, to reduce the interest rate on its tax-free savings bank certificates from 9% to 7,5%.

The policies of the Government and the Reserve Bank ignored the interests of savers, particularly of pensioners, the PFP spokesman on Finance, Mr Harry Schwarz, said in a statement reported by Sapa.

The Government and Reserve Bank's actions entirely ignore the high inflation rate against which no adequate action is being taken and which results in negative returns on virtually all fixed investment interests, Mr Schwarz said.

● See also Page 21

246 MB  
2/1/87  
TO ADV.

# Beware of guarantees says Consumer Council

Dispatch Reporter

EAST LONDON — Beware of guarantees — they can provide additional security but under some circumstances they might restrict your common law rights

This is the opinion of the chief media relations officer of the SA Co-ordinating Consumer Council, Mr Louw van der Merwe, who said it was vital for consumers to become more aware of their rights and obligations when entering into a sales contract

Mr Van der Merwe said that, in his opinion, common law still provided the best guarantee and he felt manufacturers who were confident of the quality of their products should issue no additional guarantee.

"Many people are unaware that guarantees sometimes exclude certain components of a product — motor vehicle

guarantees, for example, exclude the electrical system," he said "Common law, on the other hand, offers an unwritten guarantee which covers the entire article"

It was sometimes possible to claim compensation for unguaranteed components of an article under the latent defects clause, he said, but explained that in order to do so a consumer would have to prove that the defect had arisen before a reasonable time had elapsed

"Defining what constitutes a reasonable time can be difficult and it is also up to the purchaser to prove that the defect was not caused by abuse or neglect"

As an alternative, Mr Van der Merwe suggested approaching the small claims court for compensation but pointed out that these courts did not exist in smaller centres However, East London does have one.

"Where possible, dissatisfied consumers should appeal to these courts for claims amounting to less than R1 000," he said.

"Manufacturers are usually eager to compensate rather than have a case against them, as this results in bad publicity."

Mr Van der Merwe emphasised the necessity of educating consumers in order to avoid exploitation by sophisticated marketing strategies

"We have a first world marketing strategy in this country but consumers range from first to third world, which means that less sophisticated peoples are open to exploitation," he said. "We believe that it is our duty to warn them of possible pitfalls, and are committed to this goal."

The vice-president of the Housewife's League, Mrs J. Totham, agreed that guarantees sometimes excluded certain components but pointed out that resorting to common law for compensation was sometimes difficult

"It can become expensive and it is difficult to enforce one's rights," she said. "I would suggest approaching the small claims court for amounts under R1 000 as this would probably be the cheapest and easiest means of claiming compensation."

A lecturer at the law department of Rhodes University in East London, Mrs L. van Rooyen, said a purchaser should always read the fine print of a guarantee carefully before signing on the dotted line.

"Guarantees only exclude common law rights if they in effect require the purchaser to sign away his rights," she said "These include the right to recourse in the case of misrepresentation or fraud, goods of inferior quality and goods which do not serve the purpose for which they were bought"

# HP deal 'needs to be changed'

*Sanepan  
7/1/86*

*246*

## Consumer Reporter

SECTIONS dealing with repossessions in the Hire Purchase Agreement must be amended, Professor D J McQuoid-Mason, head of the department of Adjectival and Clinical Law at the University of Natal, told a seminar in Johannesburg yesterday.

Prof McQuoid-Mason said, as an example, where a credit grantor repossesses goods without a court order or the consent of the receiver, he or she is required to hold them for 30 days before reselling them to allow the consumer to pay the arrears.

"This can lead to abuse, particularly where unsophisticated and disadvantaged credit receivers are involved," Prof McQuoid-Mason said.

He said England had overcome the problem by introducing a section in the Consumer Credit Act which provided that where the purchaser had paid a third or more of the purchase price the seller could not repossess the goods without a court order.

## Offence

He said it also made it an offence to enter a person's premises to repossess goods subject to a credit agreement without a court order or the purchaser's consent.

"Apart from being an offence, conduct in contravention of the English Act will automatically terminate agreement, release the purchaser from all liability, and enable the person to refund all monies paid in terms of the agreement.

"The fact that such protection is provided to consumers in a country with a sophisticated and literate population would seem to indicate that it is even more necessary in a country like South Africa with a large, semi-literate consuming public," said Prof McQuoid-Mason.

246 B Libby 12/15/87

# Skin lighteners under fire

THE National Consumer Union yesterday announced its full support for the Black Consumer Association in its anti-skin lightening campaign

"We support them totally in asking that all skin lighteners be banned until manufacturers collectively embark on a safety programme warning consumers about the irreversible disfiguration caused by their excessive use," said Lilibeth Moolman, chairman of the Consumer Union

"Manufacturers claim that no damage occurs if skin lighteners

are used only twice a day, but most users are not aware of this, with tragic results," she said

Moolman said the Consumer Union was launching a campaign among all its members, including all major women's organisations in SA, to alert their black staff of the dangers of the overuse of lighteners

"We have a vast grass-roots organisation, which can get this message across We will also warn against the use of home preparations for skin lightening," she said  
Current warnings used for skin

lighteners were meaningless, she said

Moolman called on all sales outlets to banish lighteners from their shelves until blacks themselves were assured there would be no misuse

The Consumer Union action comes after the appeal to white consumers for help by Ellen Kuzwayo, president of the Black Consumer Association, at its 25th anniversary last year

"It is our information that hospitals and doctors see only a fraction of those affected," Moolman said  
— Sapa

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# Join the queue, if you have a complaint

WHEN your new roof springs a leak, the walls in your added-on room start cracking up or your new pool pops out of its hole, join the queue of complainers about home improvements

Up to 35% of all complaints to the Consumer Council are about home improvements, making it by far the most-complained-about category.

Council complaints department head Bill Morris attributes this to shoddy

## NORMAN SHEPHERD

workmanship by small companies which do not need repeat business

Slotting into second place with up to 14% of complaints are car repairs. The main problem in this category is pricing, which varies greatly from one garage or repair centre to another.

"Suppliers of spare parts are taking the public for a ride," says Morris. "Re-

pairs are a constant problem due to a gullible, unsuspecting public"

Most of the complaints relate to rattles, dust-proofing, major engine overhauls and gearbox repairs

The council has also received a number of complaints about fake mileages on second-hand cars.

Third most common problem is electrical repairs, which makes up 5% of complaints to the council

# The rising price of life

Statistics released by the Housewives' League show just how much deeper consumers have had to dig into their pockets over the last ten years.

But when you look at the prices of 50 years ago it's surprising we have survived at all.

One pound of Rangoon rice cost threepence between 1933 and 1934.

About a decade ago the same packet cost 34c.

Today it costs 53c — an increase of 57 percent.

But the increase in the price of rice is not the most staggering the Housewives' League has listed in its survey.

The price of peanut butter is the most dramatic riser. Over the last nine years the price has increased an incredible 417 percent.

The increase in the price of corn flakes also takes a little of the enjoyment out of breakfast.

It has risen 314 percent over the same period.

Other dramatic risers include corned meat which costs 335 percent more and cheese which rose 339 percent in price over the same period.

Your bread landing butter-side down also has more serious consequences compared with the effect it would have had in 1978. Butter now costs 171 percent more.

And just to think, back in 1933 the "best blue" soap cost three shillings for three bars, bacon and cheese cost one shilling a pound and flour cost six shillings and threepence for 25 pounds.

By the way, enjoy your supper.



Star  
16/2/78  
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## Housewives call on P.W. to set example

The Housewives' League, saying it appreciated the State President's call for South Africans to tighten their belts, said in a statement yesterday that "we must remind him the ball is in his court

"If the President is sincere in his appeal, we must have an assurance that there will be no increase of salaries, allowances and pensions in all Houses of Parliament

"Privileges of free travel, luxurious living and extravagant dinners must be cut back"

# Customers take *Star 7/3/88* 'tough-luck' dry *(246)* cleaners to court

By June Bearzi,  
Star Line

Consumers have often complained that they have been on the losing end when dry cleaners shrugged off responsibility or offered insufficient compensation after items entrusted to them were damaged or lost.

In the last year, however, this tough-luck attitude of certain cleaners, who claim the small print disclaimer for damage or loss on slips covers them, has been challenged successfully in the

small claims courts by customers

Many of them have been awarded adequate compensation by the courts, Star Line records show

The most recent spate of complaints to Star Line, which include the following, will be tested in the small claims courts and the judgments will be published

Miss G Prince of Germiston told Star Line one of her employees, Mr Moses Mokwena, handed a pair of trousers to J P Dry Cleaners' Oxford Street depot in Germiston at the beginning of January. When he went to collect them he was told they had been lost

Miss Prince said she went to the dry cleaner on Mr Mokwena's behalf and was treated rudely

"Finally, they agreed to give him an old, cheap pair of trousers although his were new and cost R110. He refused the offer," Miss Prince said

Mr P D Alexander of Waverley approached Star Line on behalf of an employee, Mr D Monama, after the trousers of his R275 suit were stolen in April 1986, when they were left with Waverley Dry Cleaners

Last month, after waiting for nearly two years, Mr Monama was offered R17,75 by the owner, Mr R Bamber

## Rumours of books *Star 7/3/88* prices hike denied

Education Reporter

Rumours that the price of hardcover novels is to be pushed through the R40 level from April 1 have been denied by the president of the Overseas Publishers' Representative Association (Opra), Ms Anita Wolfe-Coote

The present acceptable price range for the books is between R36,95 and R39,95

Ms Wolfe-Coote said there was no collusion among association members on prices

"Although it is the policy of Opra to try to keep prices as low as possible, they are set by each publisher, depending on the exchange rate, freight and other costs

"There has been a steady increase in the past six months in the exchange rate, but it has not worsened to the extent that we would consider increasing prices dramatically," Ms Wolfe-Coote said

She added that if the situation changed, her own company, Heinemann Publishers, would reconsider its prices

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# CONSUMER

# CREDIT AND THE CONSUMER

Sqwetan  
25/3/88

246

**C**REDIT is a form of buying which makes it possible to buy articles without having to pay cash

Credit is of value to both the consumer and the businessman. The consumer gains from credit in that it allows him to buy essential goods and services without having to have the necessary money available immediately. The businessman gains from credit either in the turnover of his stocks or in the sale of articles which the buyer would not normally be able to afford immediately.

Credit is *good* when the consumer.

- Appreciates it as a privilege,
- Plans his credit expenditure carefully,
- Keeps his credit purchases within his means, and
- Meets the responsibilities in respect of his credit purchases

Credit is *bad* when the consumer

- Abuses it for unnecessary purchases,
- Uses it haphazardly,
- Is indifferent to its inherent dangers; and
- Allows himself to be enticed and fleeced

Before you buy on credit ask yourself —

1. Do I really need the

**SY MAKARINGE** our consumer reporter, is on leave. His column, **Consumer Corner**, will reappear when he returns in four weeks. While he is away we will run articles from the SA Co-ordinating Consumer Council. In today's article we deal with credit.

article or am I buying it because I do not immediately have to pay for it?

2 Is the seller trying to rush me into buying the article or is he allowing me a reasonable period to decide whether I really need it?

3 What is the cash price?

4 How long will it take me to pay off the article?

5 What will it cost me every month?

6 What would another dealer charge me for the

same article?

7 What will the financing costs amount to?

8 What do my other debts and payments owing, add up to?

9 Is there no other way of financing the transaction?

10 Does my budget allow me to commit myself to regular payments over a long period?

11 Was my previous account settled without any problems?

12 Need I buy the article today or could it wait for a month or two?

13 Will the article still be in good condition when I make my final payment or will I have to buy a new one by the time this one is paid off?

There are various forms of credit. The common ones are:

- Loans by banks and building societies,
- Open accounts with commercial businesses and suppliers of professional services such as chemists, outfitters, doctors and dentists, and
- Credit instalment agreements (known as hire-purchase)

Monthly accounts are the most common form of credit. It is easily obtained, and for this reason, some people buy too much and have too many accounts.

All purchases on

instalments are not credit instalment transactions (i.e. hire purchase)

Many dealers allow consumers to buy on an open account.

This means that you immediately become the owner of the goods — not only after you have made the final payment as in the case of a credit instalment sale.

If you fall in arrears with your payments, the seller can obtain an emolument attachment order against your salary, but only after you have been summonsed for the debt and a court order has been obtained against you.

Similar legal action can be taken against a debtor for any debt. For this reason consumers should see invitations to "put it on account" in the right perspective and do not accept the invitation unless you *really need the article and can afford it*.

The seller could also go to court and get a writ for attachment and sell your property in execution to satisfy a judgment against you. It could therefore happen, and it has already happened, that a consumer lost his home in the process of debt collection and the accompanying legal costs.

### Responsibility of Consumers

1 Be absolutely sure that you can afford the amount of debt that you are offered.

2 Give honest and correct information when you apply for credit.

3 Pay regularly.

4 Look after the articles you have bought on credit. This is your responsibility both as a debtor and as a good consumer.

5 Advise your creditor immediately if you change your address. This eliminates a lot of unproductive administrative work and prevents disputes.

6 Your possessions should be insured. It is in your interest to do this, particularly if the goods have been bought on credit.

7 If you have a complaint that has not been attended to, do not complain to the salesman. Speak to the manager. In this way you prevent small complaints from becoming big problems.

In our next issue we will deal with another form of credit, the credit instalment sale or, as it was known before, the hire-purchase agreement.

**Predecessors: Natal National Baking Industry**

# Business backs consumerism

2/24/88

## But strings may be attached

### — Jet executive

CHRIS MOERDYK

2/26

Consumerism in South Africa is desperately in need of public support and money, says Jack Miller, consumer affairs manager of Jet Stores

And big business, he says, is willing to fund consumerism. He adds "But nothing comes without strings attached and big business can be fickle

"The South African Consumer Council is wholly dependent on government funding and everyone knows that government is cutting back

"The Black Consumer Union, a young organization, is struggling to free itself but is still funded by business and support from abroad.

#### Impassioned plea

"The Housewives League clings fiercely to its independence and watches its bank balance dropping"

At the Consumer Council's media awards recently the editor of *The One* magazine made an impassioned plea for a new sponsor, without which the magazine may close

Mr Miller recalls "Even worse was to come. When Carlen Pretorius was presented with an award for her consumer page on *Die Volksblad* she announced that the page had already been axed

"We would be happy to make a donation toward national consumerism, perhaps to a central trust fund, and many other businesses would too

But the future of consumerism must lie with the consumers themselves

"Consumerism in South Africa is in a bad way. It always has been"

PHOTO BY  
SILVANO

# Diesel price cut: Govt ready to act against retailers

D/D 15/4/88

there seems little chance that the reduction in the price of diesel fuel being passed on to consumers

CAPE TOWN — The government is prepared to take stern action against retailers who exploit customers by not passing on the reduction in the price of diesel

The Deputy Minister of Economic Affairs and Technology, Mr George Bartlett, said yesterday that proof of the government's determination to maintain fuel price levels and where possible to reduce them, resulted in the 5.5 per cent cut

With diesel's wholesale price reduced by 5.5 cents per litre (c/l), — or 7.2 per cent — at the coast and in the PWV area, and by up to 6c in some other areas, pump prices should have correspondingly been lowered throughout the country by 5c or 6c

The wholesale price of diesel is now 64 c/l at the coast

Mr Bartlett said that

the new revised price tables were sent to all retailers by the Motor Industries' Federation (MIF) on March 30 and that the oil companies have been requested to assist resellers where there were uncertainties as to what reductions should be made

However, feedback indicated that many retailers had not passed this reduction on to consumers, thus negating what Mr Bartlett called the government's well intended efforts

"This unjustified increase of profits by certain retailers is seen in a serious light and although price control should preferably not be extended to the retail price of diesel, the government will not hesitate to take action in order to safeguard consumers"

He appealed to retailers to adjust their prices and to the private sector to pass on the benefits of the cut to their customers, now that the cost of road transportation for

almost all goods had been lowered

This also applied to bus passenger transport, where fuel prices represented a major cost component in the calculation of tariffs

The private transport sector, he said, had a responsible role to fulfill in helping to combat inflation and the government hoped it could rely on this sector to fully cooperate

But judging by the response from passenger transport operators,

PE' City Tramways' deputy general manager said that he had not yet received details of the reduction, but there was no indication that fares would be reduced

Interkaap, which runs a regular passenger bus service between Port Elizabeth and Cape Town, will also not be lowering their fares

Interkaap's Mr Johan Ferreira said that he had been reducing fares to meet competition from Sats despite increases in the price of diesel fuel, which he had to absorb

The managing director of Greyhound inter-city lines, Mr Jim Fryer, said that he would not be reducing fares

DID 19/11/88

<sup>DID 19/11/88</sup>  
**CC asks why  
prices upped**

JOHANNESBURG —  
The Consumer Council has called for a complete breakdown and justification for the price increase on soft drinks, the director, Mr Jan Cronje, said yesterday.

If the price was justified, consumer confidence would be won and resistance reduced, he said.

"Consumers are aware of the state president's appeal to curb price increases in an effort to combat inflation."

"For that reason they want to be convinced that any price increase is absolutely vital before being announced," Mr Cronje said — Sapa

# More clout<sup>sowetan</sup> for consumer organisations<sup>22/4/88</sup>

SWEEPING new powers to protect consumers from harmful business practices are expected to be announced by President P W Botha

Sowetan  
Correspondent

Government sources yesterday confirmed that draft legislation had been drawn up to give the Minister of Economic Affairs and Technology the power to fix prices and declare various business practices unlawful.

Businesses could also be closed down in extreme cases, while penalties could range from maximum fines of R200 000 to five years imprisonment.

The legislation, to be called the Control of Harmful Business Practices Bill, will give effect to Mr Botha's earlier promise that consumer organisations are to be given teeth.

The Progressive Federal Party spokesman on consumer affairs, Mr Harry Schwarz, yesterday said that his party would support the principle of such protection for consumers because it had been asking for this sort of legislation over a period.

He could not say whether he would support the proposed Bill as he had not seen it yet.

According to reports the proposed legislation provides for a business practices committee which is empowered to investigate any harmful business practice and to make recommendations to the Minister.

A harmful business practice is defined as any agreement, trading method, advertising, act or omission or situation arising out of the activities of any person or group which has or is likely to injure relations between businesses and consumers, unreasonably prejudices any consumer, or deceives any consumer.

The Minister is to be given powers to fix a maximum price for any commodity.

JOHANNESBURG

Businesses which did not co-operate to improve the economic welfare of the country and which were set on exploiting consumers could now expect strict measures to be taken against them, the director of the Consumer Council, Mr Jan Cronje, said yesterday

Mr Cronje welcomed the new draft bill which would have the power to enforce control over "unscrupulous business ventures and fly-by-night businesses" which he said were harming the free market system

But, he said, any committee set up in terms of the Control of Harmful Business Practices Bill would have to co-ordinate closely with the Consumer Council to

DID 26/4/88  
Consumer chief warns  
unscrupulous traders

246  
identify main problem areas for consumers

Consumers had become much more aware of their consumer rights over the past few years

He said the council's four regional offices had had 12 000 complaints last year. The number had increased by around 95 per cent since the council's twice-weekly consumer spot on television was introduced earlier this year

The main problem areas identified by the council's complaints section included

● Standard contracts where people did not

know what they were signing

● Home improvements, where there was often no contract and even where a contract and guarantee existed, this might fall away if the business was a "fly-by-night" operation or went bankrupt

● The fixing of electrical appliances and motor vehicles, including prices paid for spares and/or the failure to put in spares where they were charged for

● Mail order schemes that carried no guarantees

● Soil conditions for buildings. The council

says none of the parties involved in building is prepared to take responsibility for conditions that render a building's foundations weak or inadequate

Mr Cronje said there was a certain degree of consumer protection incorporated in other legislation but this was often too specific to protect the average consumer

The council, formed in 1970, was looking to the act more to protect the daily consumer problems than to protect one-off or very specific situations

If the committee appointed under the act

was to work well, a properly administered infrastructure had to accompany it, he said, and the council, a government-subsidised body, had to be more decentralised to reach more people

Mr Cronje said they had been lobbying the government for many years for legislation to protect consumers which would give the operation "teeth" to take action or to conduct full investigations into problem areas

"The consumer is a very important link in the economy who so far has been left out of legislation," Mr Cronje said

In 1984, Bophuthatswana introduced the Consumer Affairs Act and, said Mr Cronje, there was much interest in the homelands in consumer protection



# Chain store to pass on <sup>Stev</sup> egg price cut <sup>2/19/88</sup>

Staff Reporter <sup>246</sup>

A major Transvaal egg producer is to reduce the price of eggs by eight cents a dozen from today — and at least one supermarket chain is to pass on the reduction to consumers.

The chain cut its wholesale price after the egg producer responded to the Government's appeal to the private sector to contain inflation.

Golden Lay Farms' price adjustment follows a similar announcement by the Maize Board and the National Marketing Board which reduced the wholesale price of yellow maize by six percent

Spar supermarkets' spokesman Mr Mike Dobson said he hoped egg producers would keep the price reduction permanently so the benefits could continue to be passed on to consumers.

Consumer Council director Mr Jan Cronje said: "The yellow maize price cut will, however, be of no use if it is not carried through to consumer goods."

"This product is an important component in agricultural feeds"

DID 4/5/88

**Water tariffs:**

**govt thanked**

(246)  
JOHANNESBURG —  
The Housewives League has thanked the government for clamping down on water tariff increases

In a telex to the Minister of Environmental Affairs, Mr G J Kotze, National President Miss Lyn Morris said, "On behalf of all consumers we would like to take this opportunity of thanking you for repealing the increase in water tariffs"

Govt curbs  
'imminent' as  
credit spree  
continues

Stev  
1/5/8  
246

By Michael Chester

Three million South Africans a year are seeking new credit facilities in a spending spree that has boosted retail sales to record levels, says Information Trust Corporation (ITC), which monitors the credit records of businesses and consumers.

But there is widespread speculation that new Government measures to curb credit buying may be imminent.

And it is accompanied by warnings that there has been a marked increase in the number of cheques that are bouncing.

Mr Paul Edwards, managing director of ITC, said yesterday that more than a million consumers now had black marks on their credit records — one in every four or five whose credit performance was tracked by computer.

He said that the rush to find new lines of credit that started before the Christmas shopping season was carrying on at speed and was 26 percent higher than a year ago.

Measures to curb the spending spree may have become necessary, Mr Edwards said, but he warned: "If the Government pulls the reins on spending too violently the whole economic recovery will be brought to a sudden standstill."

● See Page 8.

# Saan deal

By Shirley Wox  
Municipal Reg

Businessman Mr Joe Berardo's African Associated Newspaper a day after the Johannesburg government committee had told its property for use by the Traffic ment "extended beyond the b the commission of inquiry in fair" heard yesterday.

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# Consumers in the noose of debt traps

By Michael Chester

Consumers are confused by sudden Government orders to slam the brakes on their current spending spree — and why the signals flashed by the economic robots manning the cash tills have turned from “green” to “red”.

When they started to boost flagging retail sales a few months ago they were applauded for the display of renewed confidence in their spending habits. Now they are being told to cool it.

Warnings from the Government about an overheating in the economic revival, usually enmeshed in economic mumbo-jumbo that skims above their heads, adds to the confusion.

The reasons behind the concern centre on the phenomenal climb in the amount of buying on credit — rather than cash — and the ability of consumers to handle the debt load they have amassed in the spending spree.

## New credit

Mr Paul Edwards, managing director of the Information Trust Corporation (ITC), which monitors the credit record of no fewer than five million businesses and individual consumers, has noted that applications for new lines of credit — either by hire purchase deals, bank loans or borrowing on mortgages — are now running at unprecedented levels.

He is also concerned about sharp increases in the number of rubber cheques that bounce on retailers when they come to cash them at the banks or building societies.

The big debate now in progress is how the Government should handle the problem — and who's to blame if consumers find themselves in the noose of more debt traps.

Dr Azar Jammie, director of the Econometrix research unit, has no hesitation in pointing the finger at a main culprit: “Why have we landed in this mess? Because Government spending has stayed on a relentless upward curve and it has found no alternative to higher and higher taxation — a principal cause of the erosion in personal disposable incomes.”

## Heavier tax bill

“Whatever the concessions announced in the 1988 Budget, the total income tax bill is growing heavier — and so, too, the burden of general sales tax, which may worsen on many items when VAT comes in next year.”

“South Africans, trying to maintain their standard of living, have already dug deep into their savings. When the piggy-bank is empty, there is only one option — borrow.”

“It happened with the credit explosions we saw earlier in the 1980s — and it is happening again now.”

Dr Jammie points to the official statistics compiled by the SA Reserve Bank. They show that while salaries and wages soared from R28,6 billion in 1980 to R84 billion last year, actual private consumption expenditure raced ahead in a climb from R35,4 billion to over R95 billion.

Fortunately, actual pay packets were padded out by extra income from any property they owned, such as rent, and other oddments. But the close shave be-

# Spending spree has spun out of control

Stev 4/1/88

tween income and expenditure already caused personal savings to shrink from above R4,3 billion to under R2,7 billion a year.

Also to be taken into account, says Econometrix, is the population explosion. The overall growth in the gross national product has been modest even on its widest measurement. But when all the additional heads are counted, Reserve Bank figures concede that GNP, on a per capita basis, has actually shrunk — the acid test of trends in living standards.

It all makes Dr Jammie more and more fretful about the prospects of consumers eventually digging themselves out of the growing load of debts.

## Fuelling boom

“The current economic recovery is riding on the back of consumer spending. But a boom fuelled by demand for credit carries its own seeds of destruction.”

“The urgent need now is more self-discipline by the big financial institutions, the banks and building societies, which have been falling over themselves to extend credit to customers in the tussle to expand business.”

ITC's Mr Edwards also advocates more self-discipline — by consumers as well as the financial institutions.

What will happen to the ability of borrowers to keep up with debt repayments if interest rates start a rapid rise and mean bigger monthly repayments on home bonds and HP agreements?

Mr Edwards doubts that rates will soar to the 25 percent level they hit in the big clamp-down ordered by the Government in 1984. But he does forecast jumps in basic rates to around 16 percent in the next few months — perhaps enough to break the budget of many borrowers who have drawn a fine line.

“Consumers should think back and remember the lessons it was assumed they had had to learn the hard way.”

“That's not to say there is anything wrong with buying on credit. What's needed is a more responsible approach to credit.”

DID 45785 (245) 246

# Bureaucratic Bill to bash business

There is general agreement among politicians and businessmen that legislation providing consumer protection should be beefed up. But the draft Bill now doing the rounds for comment is virtually a blank cheque to enable the bureaucrats to rule business with an iron rod.

Just for a start, the definition of what constitutes "harmful business practice" is so wide as to be downright dangerous. A harmful practice, says the Bill, is any agreement, arrangement or understanding between two or more people, whether legally enforceable or not, any scheme, business practice or method of trading, including any method of marketing or distribution, any advertising, act or omission, or any situation arising out of the activities of any person or group, which, directly or indirectly, has or is likely to have the effect of injuring the relations between businesses and consumers, of unreasonably prejudicing any consumer or of deceiving any consumer.

The possibilities for malicious abuse are manifold. Is it not, for example, "injurious to relations between businesses and consumers" for a customer to buy a product from Store A only to find it is cheaper at Store B? And yet that is exactly the basis of free competition.

If the definitions are flawed, the mechanism the State proposed to control what it calls harmful practices is Machiavellian.

Its solution, unsurprisingly, is to create another bureaucracy — the "business practices committee." This con-

**The Control of Harmful Practices Bill, now in limited circulation for comment, has been attacked as an unsubtle attempt to impose bureaucratic controls over business. Neil Jacobsohn examines the provisions of the draft legislation**

sists of between four and six members appointed by the Minister of Economic Affairs because of their "special knowledge or experience in economics, industry, commerce, law or the conduct of public affairs," plus one member nominated by the Minister of Finance. The Bill does not bother to specify what qualifications this member should have, if any.

Not only does the Minister appoint them, he is also free to remove or replace them at any stage. There's no chance of falling into the SABO trap of limited political control.

The committee must investigate whatever it or the Minister thinks may be harmful business practices. In doing so, it is given sweeping powers.

It may summon any person to appear before the committee for, in the words of the Bill, "interrogation." It may further instruct any person to produce any book, document or object.

The "interrogation" is under oath, and the committee may choose, if it wishes, to retain any book, document or object, although the owner will be allowed "at his own expense and under

supervision of the investigating officer" to make copies or take extracts from such documentation. The committee may also instruct any person to provide in writing full details of any agreement, business activity or undertaking specified by the committee.

Failure to obey the committee, or to give false evidence, is an offence. And as to the question of privilege, the Bill proposes that the committee's hearings should have the same status as a provincial division of the Supreme Court.

But that's not all. The committee may also appoint any person it "considers suitable" as a paid "investigating officer." Armed with nothing more than a letter from the committee chairman, this individual would be empowered to enter premises at "any reasonable time" to "inspect or search such premises." Further, he may demand any information regarding his investigation from the owner or person in charge, may examine, copy or make extracts from any documents and, finally, may "demand from the owner or any person in charge" an explanation of any entry in such documentation.

And, of course, failure to comply is an offence.

The committee is free to investigate of its own volition any practice it considers may be harmful in terms of the Bill's definition. The Minister may also order an investigation — or prohibit one, if he deems it "not in the public interest."

Notice of any investigation must at least be Gazetted, which enables the intended subject to prepare written representations. But once the notice is published the Minister is free to take action against the concern to "ensure the discontinuance or prevention of any alleged harmful business practice" for any period, but not exceeding the three months allowed for an investigation.

This effectively enables the Minister to take action against a concern before it has been investigated, purely on the basis of his or the committee's suspicions. In other words, guilty until proven innocent. So much for the principles of common law.

Once the committee has decided a "harmful practice" is taking place,

it may attempt to negotiate a solution with the offender. If this fails, the Minister is free to act, and his options are plentiful.

He can instruct the Price Controller to fix prices or to prescribe the size of increases or discounts. He can declare practices he considers harmful unlawful, and can then take action "including steps for the dissolution of any body, corporate or unincorporate, or the severance of any connection or of any form of association between two or more persons."

He may also impose a fine up to R200 000, a jail sentence of up to five years, or both.

And there is no guarantee that the details of any investigation will be open to public or parliamentary scrutiny. The Bill specifies that reports must be tabled in Parliament only if they can "in the opinion of the Minister be made known without detriment to the public interest."

What of the right of appeal? Provision is made for a special court to be constituted "as the State President may consider necessary." It will consist of a Supreme Court judge and two members, one the holder of a degree in economics, the other a person who, in the State President's opinion, has wide experience of "industrial, commercial or financial matters."

This court may confirm or set aside findings, and award costs. Its decision, except on strict matters of law, shall be that of a majority — and shall not be subject to appeal or review by any court of law.

**T**HE urge to buy impulsively, and thus spend money unnecessarily, is so characteristic of most consumers, that it has been thoroughly researched and applied commercially. Supermarkets in particular exploit this human trait. It is your duty, as a consumer, to develop an awareness of these techniques and to build a resistance against them.

**Factors Influencing Impulsive Buying:**  
 (i) Price exerts the most direct control on impulse buying.

(ii) Self-service. Because so many items are readily available to the self-service shopper, there are increased opportunities for impulse buying.

(iii) Prominent Store Displays. This includes favourable shelf positions, special in-store promotions and distinctive packaging.

(iv) Small size or light weight. The impulse to buy may be curbed if the item is too heavy or too awkward to carry. On the other hand, small, light items present no such problems and are more likely to prompt the consumer into buying.

Four broad classifications of impulse buying can be identified.

(1) Pure impulse buying. In this instance, the purchase does not appear on the normal shopping list, but the consumer, seeing the item, acts impulsively and simply takes it from the shelf.

(2) Reminder impulse buying. In this case a shopper sees an item and remembers that the stock at home is exhausted or

# Watch impulsive buying

**THE South African Co-ordinating Consumer Council continues its series of articles on consumer-related issues. In this article, the council deals with impulsive buying and advises consumers on how to shop wisely.**

recalls an advertisement about the item and a previous decision to buy (3) Suggestion impulse buying. This occurs when a consumer sees a product for the first time and visualises a need for it, even though he has no previous knowledge of the item.

(4) Planned impulse buying. This occurs when the consumer enters the store with some specific substitute for the

shopping list (2) Compile a detailed shopping list. Do not jot down the basic necessities only. Goods in supermarkets are displayed to prompt you to buy additional articles.

(3) Prepare the shopping list as a provident housewife should do it — completely, thoroughly and with estimated prices (4) Do not let the shopkeeper plan your menu and housekeeping. This is your duty. Do it according to your taste and to suit your pocket (5) Before you go shopping, have a look at

the food cupboard and then look at the "bargains" of the former shopping expedition. How many of the last trip's "bargains" are still sitting there?

(6) Remember that 25 to 30 percent of the average budget is spent on food. This percentage is for the lower income group. For the higher income group the percentage would be less (7) Eliminate daily shopping. This demands extra time and transport, and leads to buying unnecessary goods.

At the Supermarket:  
 (1) Be wary of multiple

displays of one kind of article. Traders know that these displays encourage impulsive buying (2) Watch out for methods to slow you down or force you to make a detour. It has been proven that slower customers buy more (3) Be prepared to bend and stretch. The more expensive foods are usually at eye-level (4) Watch for the supermarket's own brand. Such articles are usually lower-priced (5) Know your metric tables. If the price of a litre bottle of oil is a third

more than that of the 750 ml bottle, it is no bargain (6) Read the labels on new products or new sizes carefully (7) Make sure that you get the right quality at the right price (8) Instant foods may save time, but they are more expensive (9) Compare prices. New stock can be more expensive than the previous consignment and you may find both on the same shelf. Remember the advice of the trade consultant to owners of supermarkets: "There is a tendency to make less use of the shopping list. Multiple displays help the buyer to buy what is wanted, what is only half-wanted and even what is quarter-wanted."

## Soweto woman battles to build her home

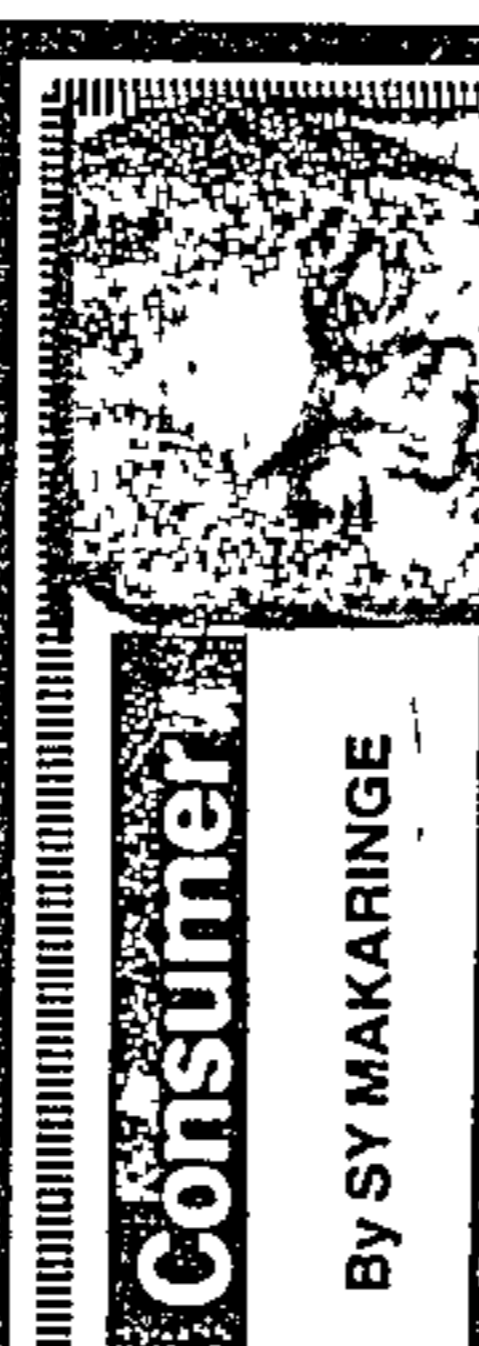
**A** SOWETO woman is at loggerheads with a building construction firm over a site on which she intends building a house after the company had failed on two occasions to secure her a housing loan. Miss Ina Ndlela, of Mofolo Village, is trying to recover R5000 she paid Mashaba Paradise Homes as a deposit for a house worth about R45000. The house, which was supposed to have been ready for occupation in February this year, has not yet been built and Miss Ndlela feels the company has wasted her time. She is presently negotiating with other contractors who not give me a lot of worth about R5800 hassles."

Mr Alton Mashaba, managing director of the company, said he was prepared to refund Miss Ndlela her R5000 on condition that she de-registered the ownership of the site as he had acquired it from the Diepmeadow Council on her behalf. He said it would be unfair on his company if Miss Ndlela was to be refunded while at the same time she retained the ownership of the site. "We entered into a contract with Miss Ndlela on the understanding we'll build her a house on the site we acquired. It will be a breach of that contract if she gets other people to build on that site. "What we are saying to her is that she must hand over the site to us

and we'll give her her money back," Mr Mashaba said. He said his company was entitled to make "a bit of a profit on the site in dispute. "We don't make money by selling sites to individuals. We only make a profit when we build on those sites. It will be a rip-off if she gets both the money and the site," he said.

He, however, did not dispute Miss Ndlela's allegations that his company had only paid R7 for the site. Miss Ndlela said she approached Mashaba Paradise Homes in September last year. She said she was told to pay an amount of R5050 as a deposit for the house she wanted to build. She said after paying

the deposit, the company made two attempts of applying for a housing loan, but failed. The reason given was that she did not qualify as she was earning about R800 a month. "The applications failed because they did not ask me if I had a guarantor or not. What they did was that they gave the building societies the name of someone I had never met as my guarantor. "I could have already moved into my house if they had asked me that question because I have a brother who earns about R2000 a month. He could have been my guarantor," Miss Ndlela said.



**Consumer Corner**  
 By SY MAKARINGE

Mr Mashaba said when Miss Ndlela approached him, she told him that she did not think of anybody who could be her guarantor. "So we decided to use the name of someone here in the office. This shows how we went out of our way trying to help Miss Ndlela. I don't see any problems now that she wants her brother to be her guarantor. We are prepared to build for her," he said. However, Miss Ndlela has refused to do business with Mashaba Paradise Homes again. "I'm through with them. I'll get another contractor who will not give me any hassles," she said.

# Credit curbs and interest rates increased to dampen spending

Star 575788  
246

By Sven Luinsche  
The Government yesterday slammed the breaks on a further upsurge in credit demand by announcing a comprehensive package of monetary and fiscal measures

In two separate announcements the Governor of the Reserve Bank, Dr Gerhard de Kock, and Finance Minister, Barend du Plessis, presented far-reaching policies which are likely to dampen the staggering growth in consumer demand over the last seven months.

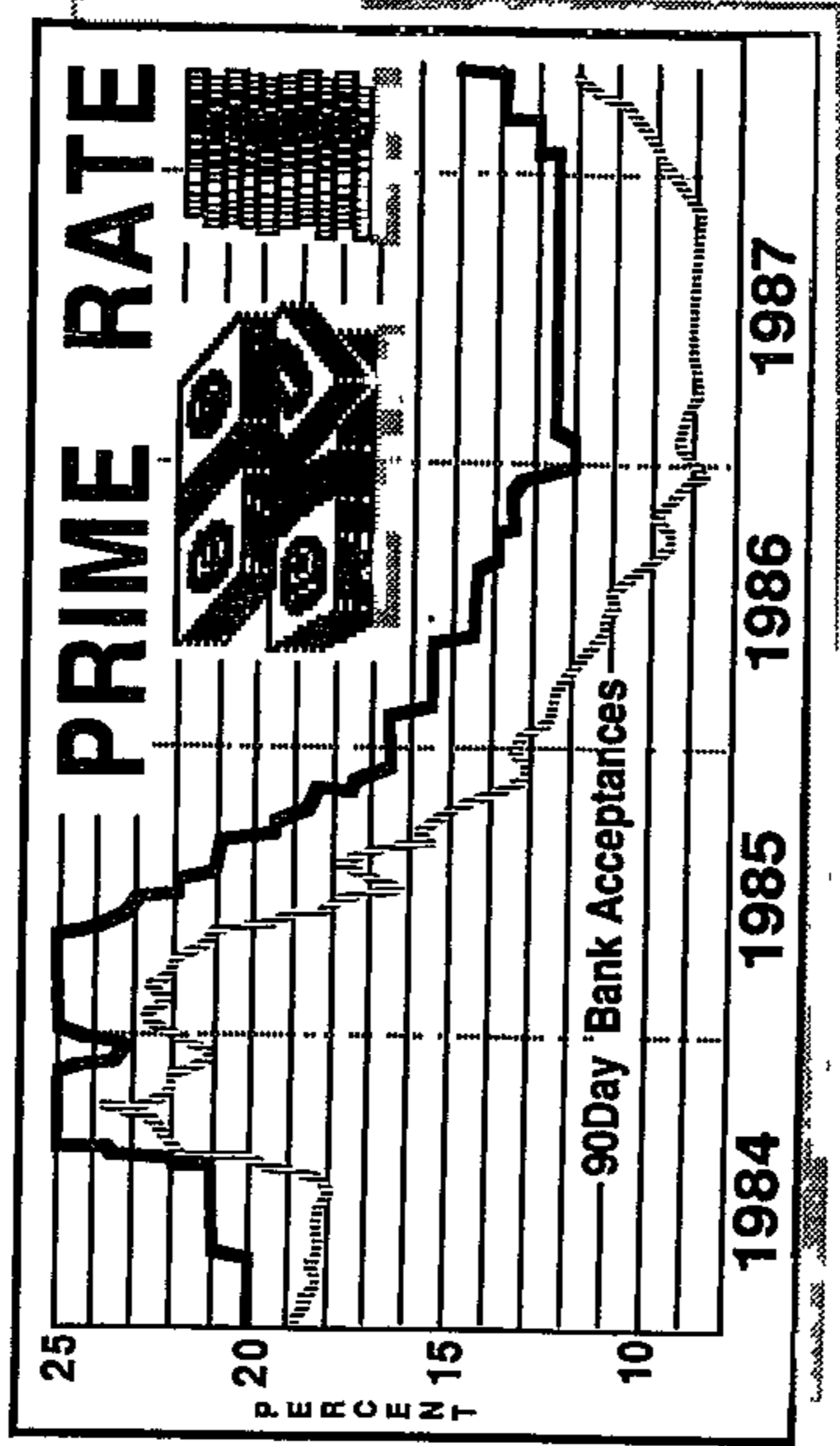
The decision, which was reached after extensive meetings with the banks and building societies, follows on a marked improvement in domestic spending since October 1987

According to Dr de Kock, domestic expenditure during the first quarter of 1988 alone surged by 10 percent compared with the first three months of last year, which saw total credit extended to the private sector by the financial institutions rise by 26 percent over the same period

The package includes a rise in the bank rate by one percent to 11.5 percent as well as stricter requirements for hire-purchase loans on durable goods, the sector which has experienced the largest growth during the spending boom.

Standard Bank immediately followed the rise in the bank rate by increasing its prime rate by one percent to 15 percent and other banks are expected to follow. Some mortgage bond rates may also be raised within the next few days

The Reserve Bank has also requested banks and building societies to slow down the rate at which they are expanding their credit to the private sector



The following figures emphasise the dramatic growth in consumer spending evident in the first quarter of this year over the same quarter in 1987:

- Gross domestic expenditure was up by about 10%.
- Total credit to the private sector increased by an annual rate of 26%.
- Wholesale and retail sales, in constant prices, rose by 15% and 4% respectively
- New car sales rose by 35%.
- Manufacturing production was up a seasonally adjusted 18% from the first quarter to the fourth quarter of 1987.
- Broad money supply rose by 24%.
- Both the volume of merchandise imports and the value of building plans passed rose sharply in constant prices.

end and other seasonal fluctuations in the money market.

Accommodation through the discount window will only be provided by rediscounting or extending overnight loans against the security of liquid assets. Only in exceptional circumstances will overnight loans be extended against the security of non-liquid assets

The Reserve Bank's rate on overnight loans to discount houses will be increased by one percent.

Dr de Kock also took a swipe at Standard Bank's recently announced Access Bond product. "Care should be taken not to encourage the financing of consumption spending by means of home mortgage loans"

Reacting to the economic restraint measures industry sources and economists said that while these steps were expected they should nevertheless suc-

Dr de Kock said. "While the upsurge in demand imparted further momentum in real output and income, it showed signs of imparting undue pressure on both domestic resources and imports, at a time when exports were declining.

"If not curbed timeously, the rise in spending might therefore result in new demand inflation, balance of payment difficulties and downward pressure on the exchange rate of the rand"

Dr de Kock said that the main effects of the measures would be bring money supply closer to its intended targets, while maintaining growth in the region of two to three percent this year.

Apart from the increase in the bank rate the Reserve Bank also intends to reduce its lending facilities to the private sector and will only use its accommodation facilities to smooth out large month

ceed in dampening the surge in expenditure and more particular in hire purchase credit demand

"It will take a little time before these measures take effect and while there might be further increases in interest rates soon, the package should slow down credit demand," said John Lloyd, deputy general manager Treasury at Standard Bank

Adds Nedbank's economist Edward Osborn "The policies will have some effect in curbing credit demand on household purchases and should reduce the frightening growth in the money supply figures"

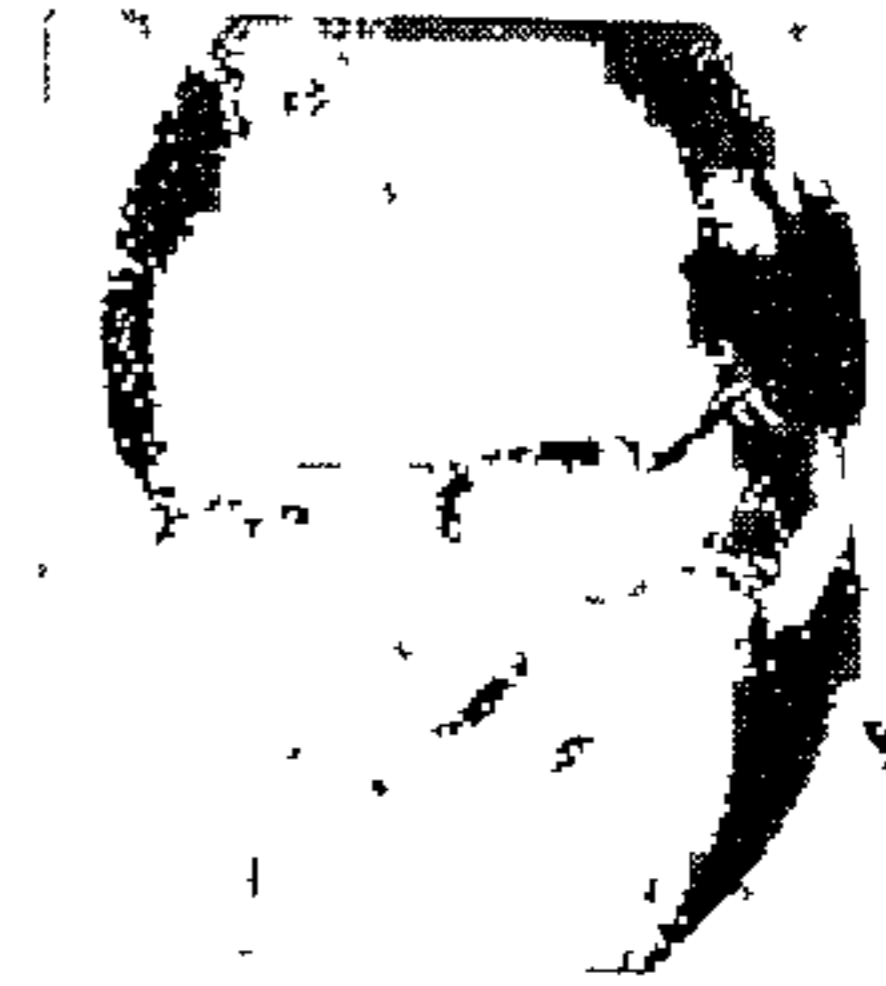
Comments Volkskas economist Adam Jacobs "The curbs on hire purchase credit are relatively modest, and the authorities could soon consider other options, including selective restrictions on imports of consumable goods"

# Vehicles, home bonds hit

# New Govt clamp on consumer spending

Star 5/5/88

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Mr du Plessis



Dr de Kock

### Staff Reporters

The Government put the brakes on a consumer spending spree with a credit squeeze yesterday which will severely affect hire-purchase contracts, car purchases and bond-holders.

And the Governor of the Reserve Bank, Dr Gerhard de Kock, announced that the Bank Rate — the basic guideline to all interest patterns — will be increased today from 10,5 percent to 11,5 percent.

Standard Bank reacted immediately and raised its prime rate by 1 percent to 15

Mortgage bond rates at most institutions will be increased only in the long run because most banks and building societies have already announced rises and committed their rates until June-July

### Curb on HP credit demands

With the Bank Rate rise, the Minister of Finance, Mr Barend du Plessis, announced a comprehensive package to curb HP credit demands

To the consumer, the credit squeeze will mean

- Minimum deposit on all HP contracts will rise by a fifth — for example, deposits for goods will increase from 10 percent to 12 percent

- Rental agreements will now be subject to the minimum deposit restrictions currently applicable to HP transactions

This will severely affect the popular car-rental agreements.

- The value of company cars for fringe benefit tax purposes will be increased by about 15 percent from June 1.

- The phasing out of the 50 percent sales tax debtors' allowance, whereby vendors pay only half the GST on credit sales immediately and the balance when the debt is collected.

Mr du Plessis said the allowance for any tax period beginning before July 1 would be reduced by 5 percent and another 5 percent each month until it was phased out by next April 1

Legislation would be submitted to Parliament this month to effect the changes

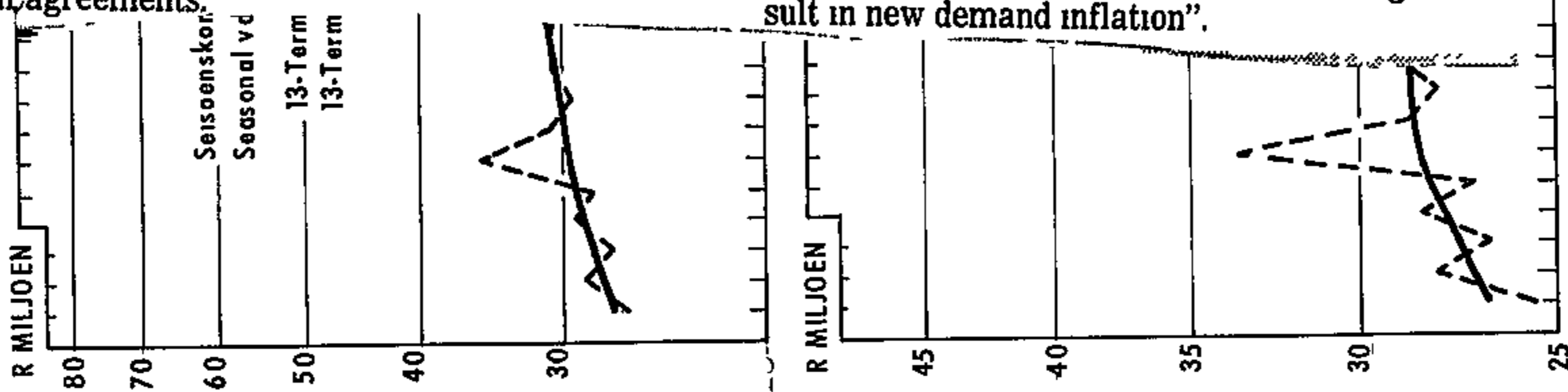
In a swipe at Standard Bank's recent Access Bond product, Mr du Plessis called on banks to stop the "unsound practice" of giving house loans through overdraft account facilities with the house as security

Mr du Plessis said the total package had been introduced to avoid too rapid an expansion in total spending, which could cut short the economic upswing

Dr de Kock appealed to banks and building societies to slow down the rate of credit flows to the private sector, and curb consumer credit and mortgage loans for the financing of luxury private homes

The recent stampede into credit had been confirmed earlier by the Information Trust Corporation, which monitors spending patterns.

Dr de Kock said the upsurge in consumer demand had added momentum to the current economic upswing, but "if not curbed might result in new demand inflation".



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# Govt announces Star 575788 (246) measures to curb buying on credit

By Sven Lunsche  
and Inga Molzen

Credit customers will pay more for a wide range of goods from today.

This is a result of the Government's policy to substantially reduce the growth in consumer spending on credit, which has led to a surge in durable goods sales like furniture, motor cars and appliances.

The Minister of Finance, Mr Barend du Plessis announced a comprehensive package of measures in Parliament yesterday. These affect hire purchase and money market rates.

However, conditions on hire purchase credits are the main focus of yesterday's package.

The following measures were announced:

- The required initial deposit on goods will be increased by one-fifth from today — which means that where formerly a required deposit was 10 percent it would be increased to 12 percent.

For an item purchased for R10 000 a deposit of R1 000, calculated on 10 percent of value, had been increased to 12 percent requiring an initial deposit of R1 200.

This, said Westbank managing director, Mr Peter Thompson, would "have little effect on stemming demand on credit"

In the case of household furniture, for example, the deposit would increase from 15 to 18 percent of the initial value.

- The maximum limit on transactions subject to the Usury Act, which prescribes conditions for the loans on hire purchase, would be increased from R70 000 to R500 000 and the Credit Agreements Act from R100 000 to R500 000

## MAXIMUM LIMIT INCREASES

"Few customers buy goods above R70 000," said Mr Peter Thompson. The increase of the maximum limit on these transactions would affect wealthier people, "the high networks individual buying luxury vehicles".

At the same time, the limit for smaller sums prescribed under the Usury Act would be raised from R4 000 to R6 000.

- There would be no change in the maximum repayment period.
- An increase in the bank rate by one percentage point to 11,5 percent would have a "marginal effect on the consumer".

Mr Thompson explained "The consumer is more interested in the available cash flow than interest rates. The bank rate increase will mean an increase of 50c for every R1 000. On a R10 000 loan, the increase will mean a further R5".

- The Usury Act and the Credit Agreements Act would be amended to cover rental agreements with periods of more than three months and will become effective from May 9.

Bringing the rent agreements within the ambit of these Acts, said Mr Thompson "will have a significant effect on car sales".

Interest rates on hire purchased goods were already raised on April 1 for goods under R4 000 (as from today this limit was increased to R6 000) the interest rates were increased from 23 to 26 percent. For goods over R4 000 (now R6 000) the interest was increased from 20 to 22 percent.

## 20 pc increase in deposits likely to depress car sales

246 By Inga Molzen and Tim Cohen ~~SA 5/5/88~~ The Government announcement yesterday that rental agreements will fall within the ambit of the Credit Agreements Act will cause a drop of at least 20 percent in the sale of private passenger vehicles, motor industry experts said last night.

The 20 percent increase in minimum deposits required on all hire purchase contracts will also depress the entire car sales market, they said.

The Minister of Finance, Mr Barend du Plessis during debate on his budget vote yesterday said that the Usury Act and the Credit Agreements Act would be amended to cover rental agreements with periods of more than three months, effective from May 9.

The maximum limit on transactions subject to the Usury Act would be increased from R70 000 to R500 000 and the Credit Agreements Act from R100 000 to R500 000, he said.

The increase in the minimum deposits means if a 20 percent deposit was required, this would now be increased by 20 percent to 24 percent.

The deposit now required on a car worth R20 000 will therefore increase from R4 000 to R4 800.

Mr Brand Pretorius, corporate marketing director for Toyota said last night the increase would definitely dampen the market but that the implications would be more psychological than real.

The macro-economic reasons for the increases —

tightening the money supply and decreasing imports — were understandable, he said.

He said the proposed amendment to the legislation would have a definite negative impact on the sale of private passenger cars. But, he added that the industry was underpinned by fleet sales which would not be affected by the amendment.

He said a significant portion of cars sold to the private sector had in the recent past been sold in terms of private rental agreements "introduced a few months ago by some financial institutions".

The inclusion of rental agreements within the Credit Agreements Act would now bring these transactions to an end, he said.

# Bill hits businessmen — Abramjee

Stv 6/5/88  
The Harmful Business Practices Bill made a mockery of the contention that South Africa had a free economy, Mr Boetie Abramjee (NPP Laudium) said in the House of Delegates. He said in debate on

the finance and audit vote that the Government was not making things any easier for businessmen, who already had to overcome pressures in the form of sanctions. Replying, Finance Minister Barend du Ples-

sis said the Bill was not intended to control prices, as legislation already existed for that. The Government was trying to give "teeth" to the Consumer Council and Competition Board to aid the consumer.

Banks must be more selective, warns Minister

# Easy credit is out, says tough Du Plessis

Star 6/5/88

(246)

The new clamps on consumer spending could be described as a mild mopping-up operation against easy credit, Finance Minister Barend du Plessis said in the House of Delegates yes-

terday. Replying to debate on the finance and audit vote, he said the authorities were not relying on the rise in interest rates alone to curb private consumption expenditure.

The package had been designed not only to get the message to consumers through the higher cost of money but to make banks realise they had to be more selective in granting credit.

The Reserve Bank had set limits on financial assistance to banks, and those that overstepped this mark would pay a punitive interest rate that would increase every day.

It was also important that the public realised that credit buying was out of season, not merely because of its high cost.

Its very acceptability had to be discounted.

A person who wanted to buy durable goods should save more towards a deposit.

Mr du Plessis said he had no message to a person with cash except to go ahead and buy.

To the credit buyer he wanted to say that, unless credit spending were curbed, the growth rate would continue at its present high curve — and the fall would be soon and terrible.

If the measures were too effective the Government was in a position to make them milder — Sapa

# Spending curbs will take time to filter through

By Sven Lunsche

It will take a few months to assess whether measures to curb domestic expenditure have succeeded, but economists feel consumer spending has not yet hit a ceiling.

The fiscal and monetary package, built around a one-percent rise in Bank rate and stricter HP credit finance conditions, achieved initial success when some financial institutions yesterday raised mortgage rates to 15 percent.

As a matter of course, all commercial banks upped prime rate from 14 to 15 percent.

But the major target of the measures was to curb spending on durable goods via hire-purchase finance. Spending on items such as cars, appliances and furniture had reached such proportions that credit extended by banks to the private sector increased at an annual rate of 26 percent in the first quarter of this year.

Real gross domestic expenditure as a whole was ten percent up over the same period and the broad money supply (M3) soared by 24 percent over the quarter.

"It is difficult to put exact figures on growth rates, but I see consumer spending on durables outperforming the other sectors by a wide margin," an economist at a major stockbroking firm said yesterday.

## Spending on durables

He estimated that spending on durables would increase by eight percent this year over last year's figure of R6,151 billion, with private consumption expenditure as a whole rising by 2,8 percent.

Nedbank economist Edward Osborne said. "While the measures could have some effect in curbing spending on consumer durables, much of the growth in credit demand is derived from equipment purchases by professional people and they are un-

likely to decrease their spending at a similar rate."

When announcing the package on Wednesday, both the Reserve Bank and the Ministry of Finance emphasised that a lot of pressure would be on financial institutions to slow down the rate at which they were expanding credit to the private sector.

Most banks have said they will do everything in their power to heed the call, but that this alone might not be enough.

"The measures will take a little while before they are effective and, in the meantime, the monetary authorities might have to accept another increase in interest rates," said John Lloyd, deputy general manager, Treasury, at Standard Bank, who described the restrictions as a mild adjustment.

Volkscas economist Adam Jacobs felt the measures might not be enough. "The measures regarding HP were modest, so that they would not kill economic growth at this stage, but other steps might have to be taken to supplement the package." He mentioned selective import restrictions on consumer goods as one possibility.

Reserve Bank Governor Dr de Kock emphasised he was still looking at economic growth rates of two to three percent this year and expected the main effects of the steps being taken would be to bring M3 money supply growth closer to its target range.

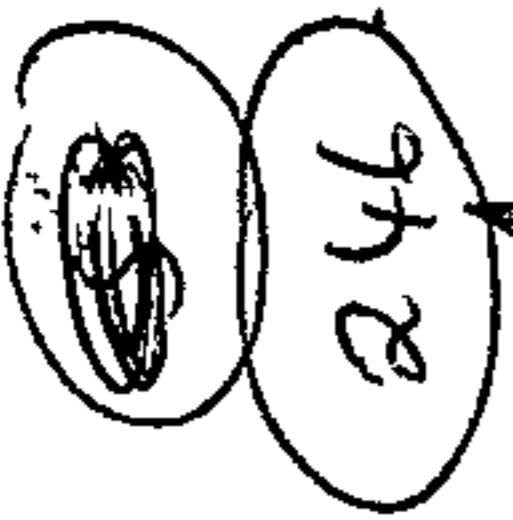
It could be difficult to achieve the target range of 12 to 16 percent in M3 if one believes some analysts who argue that the size of the informal sector is generally underestimated.

The differential in the percentage growth rate of annual wholesale (15 percent) and retail sales (four percent) in the first quarter and other indicators tend to support these critics. If nothing else, the success of the Government's measures should provide some insight into the size of the informal economy.

## First National, UBS increase mortgage bond rate

# Credit squeeze hits home-owners' pockets

Star 6/5/88



The first shocks of the Government's credit squeeze were felt yesterday when First National Bank and the United Building Society announced increases in their bond rates to 15 percent.

Spokesmen for the SA Perm and the Natal Building Society said their rates would not be raised in the immediate future, but it is expected that other banks and building societies will increase their rates in June and July. Rates for existing bondholders are still under consideration by the UBS.

The major commercial banks have also announced a rise in their prime rate from 14 to 15 percent with immediate effect in reaction

to the increase in the Bank rate from 10,5 to 11,5 percent as from yesterday.

Credit customers will pay higher deposits for a wide range of goods, as the required initial payment will be increased by one-fifth — from 10 percent to 12 percent.

### Increased deposits

For household furniture, the deposit will increase from 15 to 18 percent of the initial value.

At the same time, the limit for smaller sums prescribed under the Usury Act will be raised from R4 000 to R6 000 — which makes

interest payments on these goods more expensive. There will be no change in the maximum repayment period.

The Bank rate increase is part of a Government package to slowdown a consumer spending spree with a credit squeeze which will severely affect hire-purchase contracts, car purchases and bondholders.

The rise in the bank rate also saw increases in the prime overdraft rate from 14 to 15 percent by Standard Bank, First National, Volkskas and Nedbank. Trust Bank is likely to follow later.

As part of the package which was announced on Wednesday, Finance Minister Barend du Plessis also published measures to curb credit demand.

The package, announced by the Minister during debate on his budget vote in Parliament, will substantially reduce the growth in consumer spending on credit, which has led to a surge in sales of durable goods.

### Rental agreements

A third measure to hit the consumer is that rental agreements will now be subject to the minimum-deposit restrictions, severely affecting car-rental agreements.

This could cause a drop of at least 20 percent in the sale of private passenger vehicles, motor industry experts say.

The increase in the minimum deposits also means that if a 20 percent deposit had been required, this would now be increased to 24 percent.

The deposit now required on a car worth R20 000 will therefore increase from R4 000 to R4 800.

In a tilt at Standard Bank's recent Access Bond scheme, Mr du Plessis called on banks to stop the "unsound practice" of giving house loans through overdraft account facilities, with the house as security.

He said the overall package had been introduced to avoid too rapid an expansion in total spending, which could cut short the economic upswing.

# Curbs: car sale slump predicted

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JOHANNESBURG — A dramatic drop in new car sales is expected as a result of the announcement that rental agreements will now fall under the Credit Agreements Act and the Usury Act.

Rental agreements, which have obviated the necessity for deposits and greatly reduced GST on the acquisition of vehicles, have been growing more than 1 000 per cent a year and have increased car sales by at least 20 per cent, by making them substantially more affordable.

The 20 per cent increase in minimum deposits required on all hire purchase contracts will also hit sales, according to motor industry spokesmen.

Corporate marketing director for Toyota, Mr Brand Pretorius, says the proposed amendment will definitely hurt sales of private passenger cars. He adds, however, that the industry is underpinned by fleet sales which will not be affected.

Toyota feels sales of commercials and vehicles for fleets may be slightly affected by the psychological impact of the new measures. But Mr Pretorius points out many fleet buyers have held off for so long they now have little option but to replace vehicles.

Wesbank and Stannic, which together finance more car purchases than any other financing institution, are not so sure that fleets sales will escape the worst on the new cold winds.

Stannic senior gen-

eral manager, Mr Ron Newman, says his company is currently seeking clarification from the Registrar of Financial Institutions in Pretoria.

As things stand, he says, it is unclear whether the maximum limits on transactions subject to the Usury and Credit Agreement Acts, which have been lifted from R70 000 to R500 000 and from R100 000 to R500 000 respectively, are to be applied on an individual or cumulative basis.

If the cumulative basis applies, fleet vehicle purchases could be hit along with private purchases.

A Wesbank spokesman said his company's chief executive, Mr Peter Thompson, was in Pretoria seeking clarification on such issues.

He notes, however, that there seems little doubt that deposits of at least 12 per cent will now have to be paid if

the rental route is chosen. Previously the notional deposit stood at 10 per cent but in many cases deposits were waived altogether.

This change results from the 20 per cent increase in minimum deposits required.

Thus if 10 per cent was previously the minimum, this will now rise to 12 per cent, 20 per cent will become 24 per cent, and so on.

He notes that the increased interest rate on HP and rental repayments will also dampen buyers' enthusiasm.

On one matter there is general agreement. If Pretoria intends that rental arrangements should now fall in line with instalment sales, the recent recovery in new car sales to private buyers will be stopped in its tracks, and there could even be a fall-off in sales.

# Consumers must be wary when joining buying clubs

Star 915788  
By June Bearzi

Star Line

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Several new home-owners in black residential areas lost their savings when a Johannesburg buying club, the Afro Furniture Club, failed to deliver appliances and furniture they had paid for.

Budget-conscious clients believed the R35 membership fee for joining a pool of buyers would provide an opportunity to buy cut-price furniture with their limited savings. But they

say their hopes of furnishing their homes have been dashed.

One such person is Mrs Winnie Kekana, a Soweto teacher, who joined the Jeppe Street buying club in November.

"I gave the Afro Furniture Club R875 as they said I would save on a lounge suite for my new house. I have had nothing but problems and I cannot get my lounge suite or my money back. I cannot afford to save that sum of money again for another suite," she says.

Mrs Lynn Morris of the Housewife's League advises consumers to establish what benefits the buying club offers and, if so, what genuine discounts are offered.

"Consumers could find that they might be able to buy the items directly from firms at less than prices charged by buying clubs. Agents for the buying clubs are often very persuasive and promise all sorts of benefits that do not materialise," says Mrs Morris.



Star 10/5/58  
Settle out of  
court, says  
Consumer Council chief

By Caroline Mehliiss  
Disputes between consumers and the business sector should, where possible, be settled out of court.

To achieve this, businesses should strive for improved and stricter self-regulation, says Mr Jan Cronje, director of the Consumer Council.

In the latest issue of the *SA Consumer* magazine, Mr Cronje says litigation is a costly, involved, and lengthy process. Even cases for the Small Claims Court usually take more than two months to come before the court.

The best way to settle disputes is by responsible negotiation and discussion between consumers and self-regulating bodies in the business sector. These bodies "must prove their integrity and credibility in order to win the trust of the consumer," he says.

# Car industry confident credit squeeze won't hurt too much

By Stan Kennedy

The curbs put on the economy by the government last week will not have a major effect on the vehicle manufacturing industry in the short term, says Mr Nic Vermeulen, director, National Association of Automobile Manufacturers of SA (NAAMSA).

"Demand is so strong and there are substantial orders on hand. The restraints will have a dampening effect but there will not be a vicious downturn in the industry and employment levels are not likely to be affected. There will be only a modest decline in the sale of vehicles."

He says the private rental agreement system between dealers and individuals, which was so popular, has been stopped in its tracks. It was an attractive proposition for individuals, who did not have to pay general sales tax up front. The GST was included in the monthly rental.

"This form of sale was gaining great momentum as financial institutions had found a way around the legislation governing credit extension. Government has now closed the loophole, making it a hire purchase transaction and removing the incentive for this kind of sale," Mr Vermeulen says.

On the subject of an increase in vehicle prices reported on Monday by Toyota, Mr Vermeulen says this is nothing out of the ordinary. It is normal for manufacturers to adjust prices every quarter, particularly if the rand rate of exchange is having a deleterious effect.

Increases vary from company to company, depending on the trend set by the market leaders, he says, and it is common practice for others to follow suit.

Volkswagen is looking at the last week of this month to raise prices. No date has been fixed but the increase is expected to be about four percent, says Mr Nick

Kruger, general manager, public affairs.

The government controls on rental agreements are not expected to affect the company in the medium term as about 70 percent of these kind of sales are made to fleet-owners. They could, however, makes their presence felt in the longer term as they work through the economy.

"While national sales in April were down 14,6 percent on March, I believe this is more a seasonal fluctuation. On top of that, March was extraordinarily high and we are still 24 percent up on the first four months of the year compared with the same period last year."

"As to a fall-off in demand, we will have to wait and evaluate the trend. Our first reaction is that the restrictions on private rentals is a warning to arrest the demand for credit rather than an attempt to stop this kind of sale," Mr Kruger says.

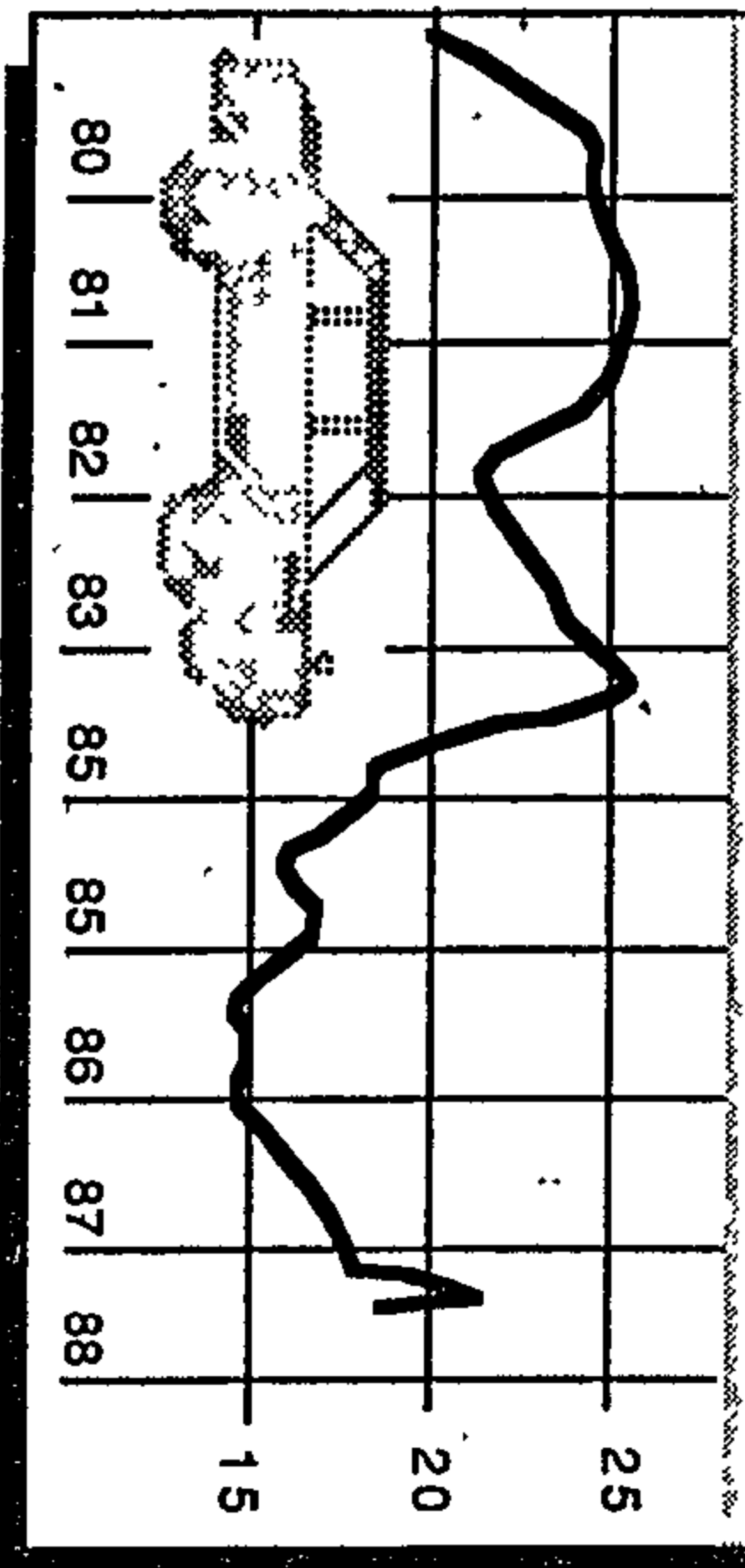
Mr Spencer Sterling, group managing director, Samcor, says: "It is difficult to quantify the effect of the government's restraints on credit.

"It is inevitable there will be some reduction of private buyers and a return to the ratio of what sales used to be — 70 percent fleet-owners and 30 percent private individuals. Under the rental agreement the ratio was 60 percent fleet-owners and 40 percent private buyers.

"There were massive vehicle price increases in 1984, 1985 and 1986 but last year the industry was able to constrain increases to about 12 percent.

"This year we hoped for a fairly stable rand against the yen but this is down from 72 yen to 55 yen. This is a substantial drop and we are looking for a total increase for the year of 18 to 20 percent," Mr Spence said.

## NEW CAR SALES



## The four 'lost' holidays

By Sven Lumsche  
Car sales in April took a steep dive of almost 15 percent over March, but were still 15,8 percent up on the figures for April last year.

The decline of 14,6 percent was due largely to four "lost" holidays during the month, according to Naamsa.

The fewer selling days saw total sales down to 18 822 compared with 22 032 in March.

However the improved sales on the year ago figures is a clear indication that the market is still on an upward surge. For the first four

months of this year, sales at 77 192 were 23,8 percent up on the same period in 1987.

Sales of light commercial vehicles declined by 13 percent and those of heavy vehicles by five percent.

Apart from the holidays, other factors influencing the market were stock shortages, now being sharply felt by virtually all manufacturers; said Toyota vice-

chairman Bert Wessels.

"Despite the slight seasonal decline, the industry as a whole is still unable to meet the demand for vehicles", added

Peter Searle, MD of Volkswagen (SA).

The vehicle market, regarded as the most accurate barometer of the state of the economy, still faces further buffeting, however, and Mr Wessels said that the continued weakening of the rand against the yen, the US dollar could also affect sales and prices.

Toyota was the top seller for the month, selling 4 343 vehicles, closely followed by Volkswagen with 4 288. Toyota also led the total industry sales league with 8 113 units.

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# Usage of maize must go up for cost to go down

By Caroline Mehrliss

Consumers may not benefit from the discounted price of yellow maize, spokesmen for the animal feeds and poultry industry have warned.

The discounted price, which is between six and 11 percent lower than last year's price, applies only if buyers purchase more yellow maize than they did last year.

If they do not better last year's usage, an increase of R7 a ton will be applicable.

A spokesman for the Animal Feed Manufacturers Association says unless consumers of animal feed are themselves in a high growth phase it is unlikely that manufacturers will be able to increase usage of yellow maize to qualify for the discount.

Mr Zach Coetzee, secretary of the SA Poultry Association, says it is unlikely that a demand for animal feed in the poultry industry will increase.

Because of genetic research, chickens become progressively more efficient at converting food to body weight.

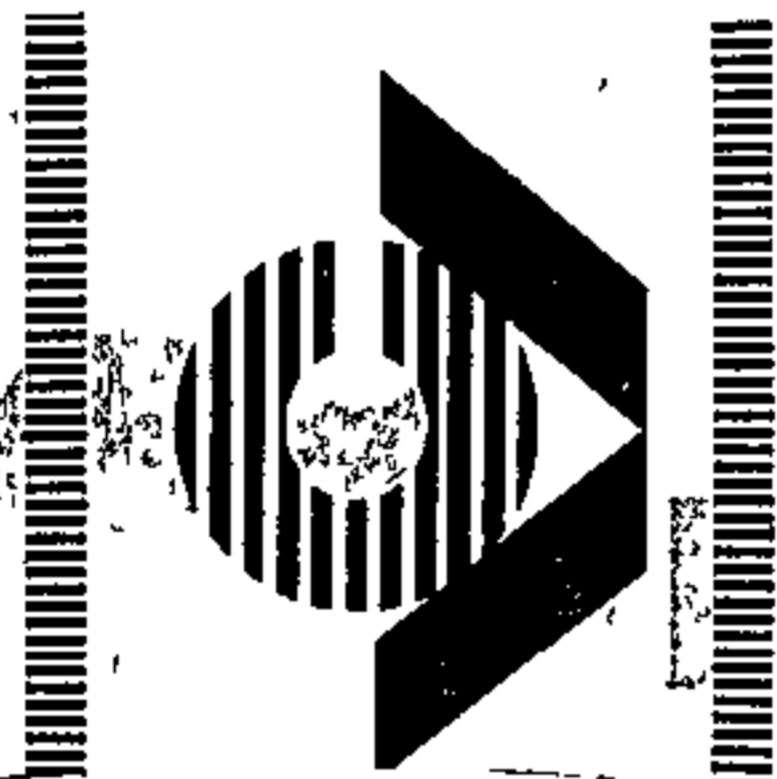
The importation of cheaper French chickens had caused an expansion phase to be shelved, he said.

Sowetan 16/5/68

246

# Plan family spending carefully

The South African Co-ordinating Consumer Council continues its series of articles on consumer-related issues. In this article, the council deals with how to draw up a budget and points to consider when drawing it up.



**K**NOWLEDGE-ABLE personal money management has become essential. It is absolutely necessary for every family to budget because, just as in the case of a government or business concern, the family cannot stay solvent in the long run if income and expenditure do not balance

It is most important that every member of the family should be involved.

The main categories in the budget

- (1) Housing rent, accommodation costs, repayments on a bond
- (2) Insurance all types of insurance, except pension and medical fund contributions
- (3) Credit instalments all forms of repayment except on bonds

- (4) Food all foodstuffs and beverages, except alcoholic beverages

- (5) Household operations such as running costs of a household, domestic worker's wages, fuel and electricity, water, sewerage costs, land and property tax, cleaning materials, dry cleaning fees and telephone accounts
- (6) Transport all costs pertaining to the purchase and maintenance of vehicles, like petrol, repairs, parking fees as well as bus and train fares Licence fees on a monthly basis
- (7) Medical care personal contributions to doctors, hospital and other medical accounts

as well as medicine, i.e. everything not covered by a medical scheme

- (8) Clothing and personal care including clothes, footwear, hairdresser fees and make-up

- (9) Furniture and appliances including replacement or additions to furniture, electrical appliances, crockery, cutlery and linen

- (10) Education school, college and university fees, books and stationery needed for studying, creche, nursery school and after-school care centre fees
- (11) Recreation such as entertainment, sport and holidays
- (12) Reading matter. such as newspapers and magazines

- (13) Sundries such as donations, presents, pocket money, cigarettes and alcoholic beverages
- (14) Emergency or unforeseen expenses. such as repairs and replacement of essential items and accidental expenses

Draw up a table reflecting your budget with the above items.

# Catering body in call for ~~meatless~~ meatless days

Star 16/5/88  
246

About 35 000 restaurants, tea-rooms and catering organisations countrywide have been asked not to sell red meat on one day a week as part of an effort to bring down the "unrealistically high cost" of meat.

The call has been made by the Catering, Restaurant and Tearoom Association (Catra) in its May newsletter.

Catra says it has enlisted the support of the Housewives League, and sent messages to Government departments telling of its intention to support the State President's call to reduce the runaway inflation rate by instituting "meatless days" in its members' restaurants.

Catra claims red meat rose by 38-48 percent during a recent one-year period, while average menu prices went up by a mere 10 percent. This ever-increasing cost of red meat has caused "great concern" to all caterers.

Authorities have blamed the runaway cost of red meat on the fact that demand outstrips supply. Therefore "a logical solution" would be to reduce the high demand, and prices should decrease once supply and demand move more into line.

Catra adds that meatless days would give caterers a chance to introduce different and more profitable items onto menus.

# Consumer Star 19/5/88 groups hail legislation 246

Consumer organisations have responded vigorously in favour of the planned legislation regarding harmful business practice, according to consumer protection organisations

The SA Co-ordinating Consumer Council, SA National Consumer Union, the Housewives League and the Consumer Foundation unanimously agreed that President Botha should be congratulated for the planned legislation, and that resistance against it was unfair, the Consumer Council says in a statement.

The council says the efficiency of the legislation would be largely determined by effective participation of consumers, and especially by utilising their consumer organisations.

It has become most essential that consumers be protected against schemes such as television repairmen exercising suspect trade practices by which consumers are blatantly exploited.

The organisations see the draft legislation as a balanced system with safety measures to restrict consumer exploitation

"Any organisation opposing the planned legislation, probably does not have a good grasp of its true intent"

# Assocom accepts Bill conditionally

ST-V 19/57/58

246  
By Zenaide Vendeiro

Assocom would only support the proposed consumer protection legislation if it contained certain fundamental safeguards to ensure that the activities of legitimate operators were not hindered, the association said yesterday.

Speaking at a press conference following the mid-year meeting of the Assocom executive council, Assocom's legal adviser Mr K F Warren, said Assocom had accepted the fact that existing laws were inadequate to stop questionable practices such as the recent milk culture schemes, and that more effective consumer protection legislation was necessary.

For this reason, Assocom would support the Draft Bill on Control of Harmful Business Practices if checks were built into it. These included:

- A clearer definition of what was meant by a harmful business practice.
- No action to be taken unless recommended by the proposed Harmful Business Practices Committee after a thorough investigation.
- A right to appeal to an independent special appeal court.

Several consumer organisations have expressed support for the Bill.

# Price wars harm shoppers' interests

Star 20/5/88 (246)  
Finance Staff

DURBAN — Clive Weil says organised resistance by consumers to price rises will grow and be a force to be reckoned with by the end of the century

And he believes bread-and-butter issues will be raised increasingly in Parliament, with executives of retail chains and food-producing companies put on the defensive over price issues - rather than the current position where they are regarded as the champions and spokes-

men of the out-of-pocket man in the street

"When they are seeking explanation of an unjustified price rise, the media invariably come to people like me and we are portayed as crusaders for the cause of consumerism," the burly chief of the Checkers supermarket chain said in Durban yesterday

"To me, this is almost akin to the wolf looking after the sheep"

In a wide-ranging talk to the congress of the Southern Afri-

can Institute of Chartered Secretaries and Administrators, he said price wars harmed the interests of shoppers. Frequently, they were so severe they resulted in manufacturers putting themselves out of business or being obliged to merge with bigger concerns

The loss of competition then led to unchecked higher prices. And disinvestment merely exacerbated the concentration of power among fewer producers

Asked to justify the record financial results being notched up

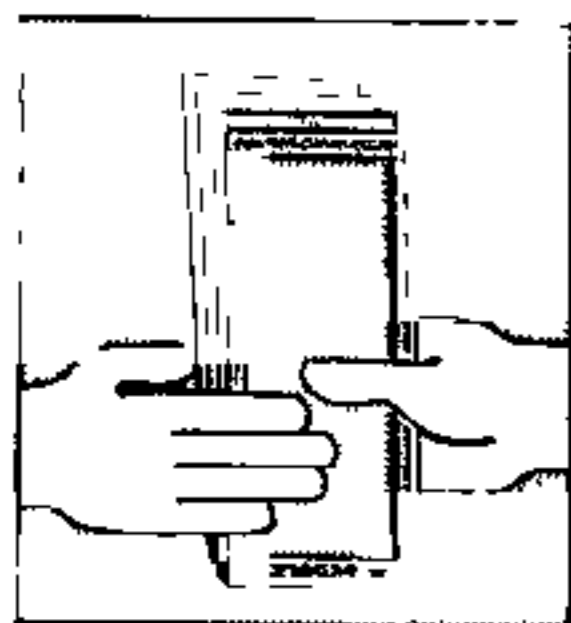
by retail and manufacturing companies nowadays, Mr Weil said they had to be seen in proportion. Checkers hoped to double after-tax profit this year to R12 million, but this would be achieved on turnover of more than R2 billion

"The country's most efficient retailer, Pick 'n Pay, has profits before tax equal to three percent of turnover, 10 percent on assets employed and 30 percent on shareholders' funds; by world standards those are very efficient figures"



# Information or deprivation

246



**Might versus right** — that is the popular perception in SA of business and the consumer. Purchasers across the education and income spectrums very clearly see a *Them and Us* situa-

tion in which it is big business which rides roughshod over the helpless consumer

That perception has had real effects. Together with hundreds of documented instances of bad business practices and a new militancy among consumers in this country — which is fair enough — it has prompted the recent drafting of the controversial Harmful Business Practices (HBP) Bill, touted by government as SA's answer to consumer protection

But as always, real life is not quite that simple. It never is

Consumerism is a complex and emotional issue in which debate usually generates more heat than light. It is also a growing issue worldwide. March 15 has even been declared World Consumers' Day

The concept of consumer protection has been developing steadily since the end of World War 2, when inflationary pressures threatened economies around the globe and governments patronisingly started talking about looking after "the little man"

Japan was the first country to launch an actual movement — the Housewives' Association — in 1955. Since then the idea has spread to other Eastern and most Western countries, helped along by an understanding among politicians that it can't do them any harm to be seen as guardians of the nation's housewives and families

US President John F Kennedy raised consumerism to new heights in 1962 when he issued a special message outlining four basic consumer rights: to seek safety, know reality, be able to select, and be allowed to present an opinion. The more than two decades since have seen a blossoming of consumer protection internationally, both legislated and organised — until there is scarcely a democratic country without some consumer statute or lobby. The results have been dubious

In rapidly growing economies, where jobs

**Most people think that business is ripping them off with unjustified price hikes. Sometimes they are correct. But that doesn't mean that Pretoria has to step in with draconian laws to command and control. Buyers need more information about existing redress for consumers — and this is where the Consumer Council could find its proper role.**

are plentiful, there is little or no consumer regulation. And in some of those countries that have the longest history of this type of law, it is being seriously re-thought, if not scrapped

Now, belatedly, SA has got into the act, but not without bluster, confusion and confrontation. Even before passing into law, the HBP Bill has set businessmen at the throats of both government and consumer bodies; government against the private sector, and consumer associations against free enterprise

All three claim strong cases

Consumers themselves, both black and white, are adamant that they are ripped off by business. A random survey by the FM of 200 shoppers in central Johannesburg produced unanimity on the subject

A selection of quotes: "Every time I go to the supermarket, even if it's only two or three days in between, prices on the shelves have gone up. There's no excuse for that"

"The last time I was dissatisfied with a service, the man told me to sue him and then he laughed because he knew I couldn't afford it"

"I've complained about bad products or bad service before now, but it's only the minority of stores that take any notice. Most of them don't bother because they know they don't have to. They've got the consumer over a barrel."

"Businessmen talk on the TV and in the papers about rising costs. They don't bother to explain them — they just expect us to believe them. I don't"

And the litany of complaints goes on

Consumer associations back up that feeling. There is a plethora of such associations, most of

them voluntary and most of them under the umbrella of the SA Co-ordinating Consumer Council

The council receives a small amount of money annually from government, enough to maintain four offices and 30 fulltime staff (including a director) but not enough to check or test product claims or to fight test cases in court

Says a council spokesman "We are basically a complaints office, and we've got our hands full just coping with that. But we have no real teeth."

"When we encounter real horror stories — and there are plenty of them around, believe me — there's often little or nothing we can do about them"

"This Bill is 15 years overdue. Business in SA has been asking for it for a long time because of the shoddy way consumers have been treated"

In the council's financial year to end-March it dealt with more than 15 000 complaints at its head office in Pretoria and its regional offices in Bellville, Bloemfontein and Durban. The four biggest areas of complaint during the 1987-1988 year, in descending order, were repairs of household electrical goods, used cars, home improvements, and houses built on unstable ground

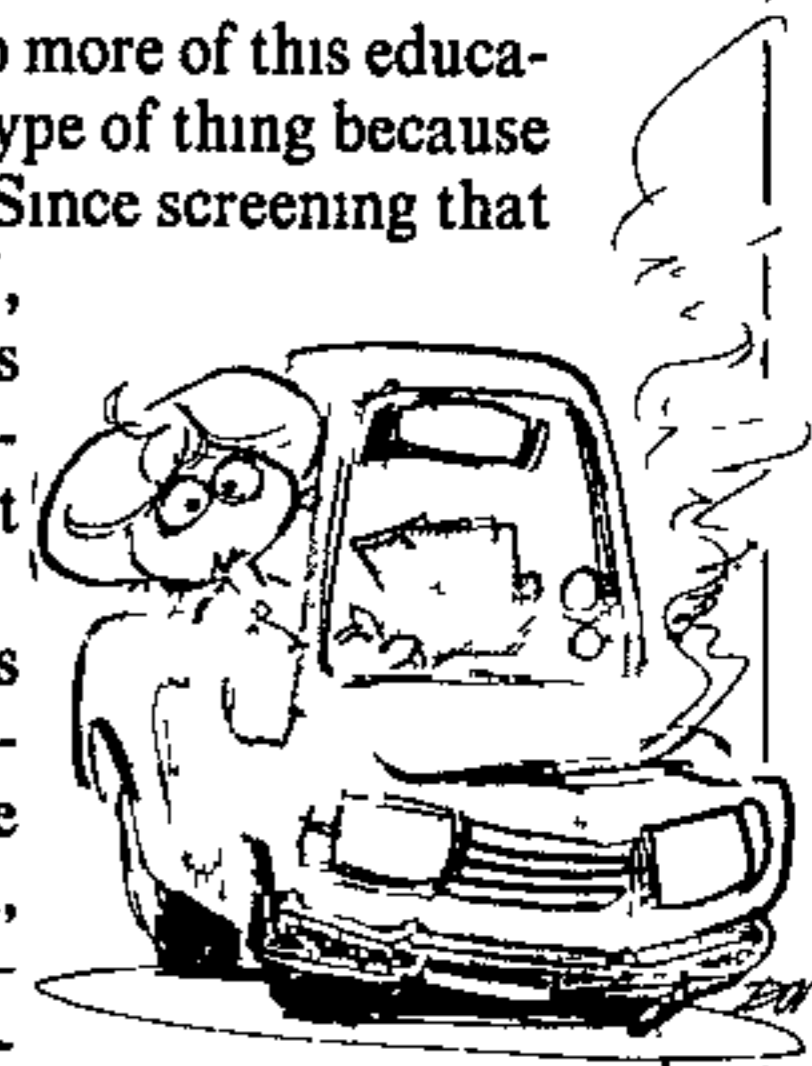
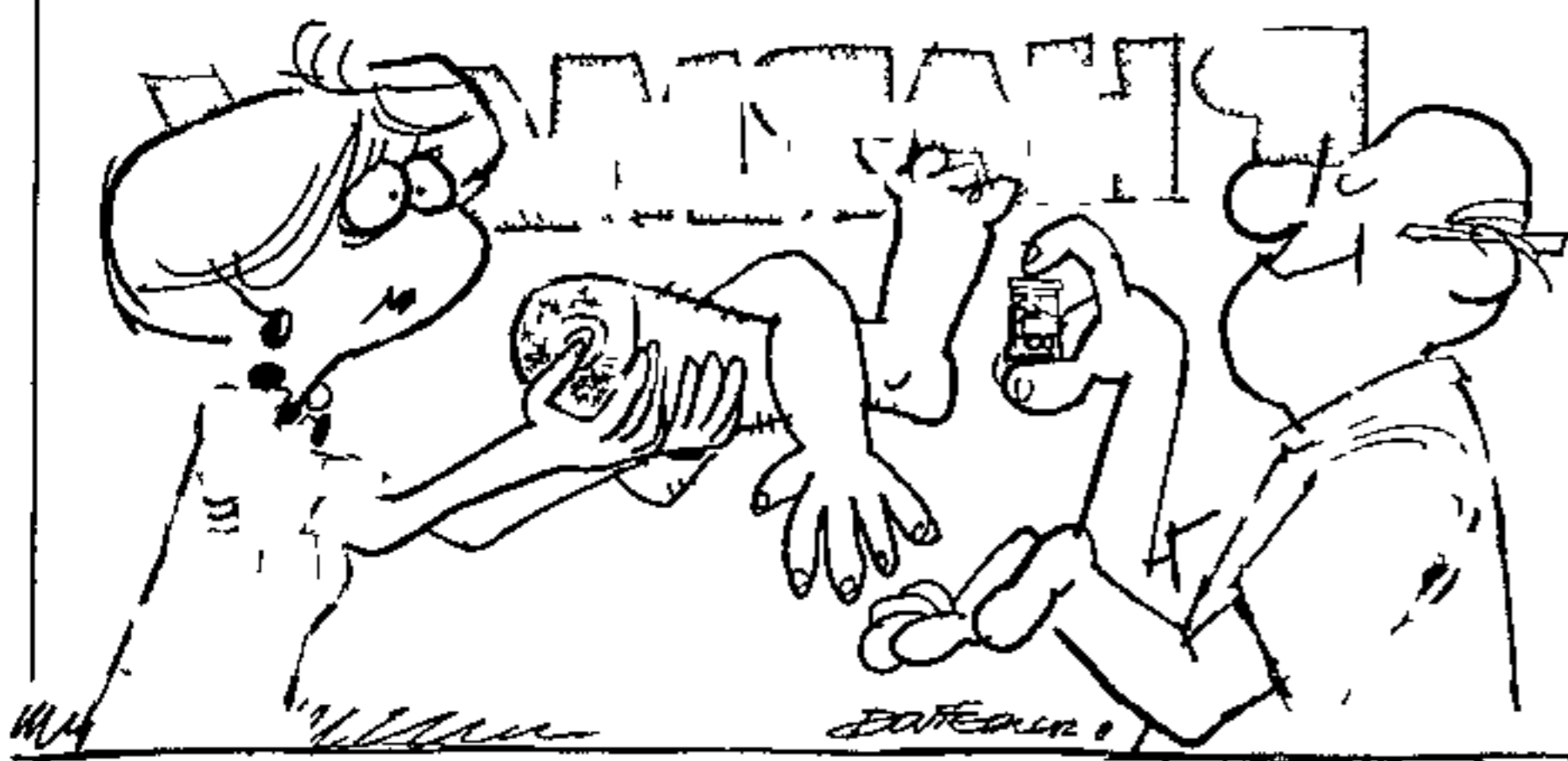
Says the spokesman, "People don't complain too much about prices. They generally complain about services and workmanship and quality, and usually only when they are driven to it by frustration"

"But they're beginning to wake up to prices now"

"We would like to do much more than we do, but we simply don't have the money. We've been screening that little television series recently, but we had to go out and beg for sponsors because we couldn't do it on our own. Then we had to fight for a decent time slot on TV"

"We'd like to do more of this educational awareness type of thing because it pays dividends. Since screening that programme on TV, our complaints have almost doubled. But we can't afford it"

The council was consulted by government on the drafting of the Bill, and under the provisions of the legis-



lation will certainly play a major role in enforcing it

But it is not particularly highly regarded in the business community, and less so by the *FM*. Most businessmen regard it as "self-serving," "petty" and "bogged down by do-gooders who know nothing about business but have enough spare time on their hands to interfere with it."

They see the involvement of such people in the watchdog committee mooted by the HBP Bill as one of its main drawbacks

Of 50 businessmen polled by the *FM*, only four gave qualified support to the Bill — and even they pointed out that "it needs extensive redrafting"

Said one. "The idea is good enough, but the execution is dismal. The thing is wide open to abuse by competitors who want to have a go at bigger businesses, it is wide open for the minister to have a bash at any businessman who displeases him, and I don't think it's going to do much good in a court of law because it is so vague. I also resent the fact that there is no provision for business representation on the committee."

He was one of the few even prepared to consider that the consumer might have a case for protection. The overwhelming majority said there was "more than enough" existing legislation.

Nor did the businessmen approached — who covered all sectors from manufacturing to supply, distribution, retail and the provision of services — consider that there was a case to answer on prices

Said a manufacturer: "I set my prices according to the materials supplied to me and my labour and production costs. I do not make exorbitant profits. In fact, I have very tight margins."

Said a supplier: "I make a fair profit, and that's it. I'm not unreasonable. My prices are set according to my overheads, most of which are labour and transportation, and I've got nothing to do with it when those rocket. That's the unions and the government."

Said a distributor: "We're always getting the blame for pushing up prices and ripping off the consumer. That's nonsense. We operate on very tight margins and we're very competitive or we wouldn't survive."

A retailer: "People see the prices and blame us for arbitrarily setting them at high levels. We're not responsible for the costs all the way down the line. Because of the competition we've got, we actually operate on very small margins of profit."

Government has made its position very clear, both in parliament and through the Department of Trade and Industry (DTI). Nationalist MP Brian Edwards (Pietermaritzburg South) was voicing these feelings in the House of Assembly earlier this month

during the Budget debate: "Some change in legislation had to be considered, for there are many who are fuelling inflation through excessive profit-taking and, behind the scenes, cartels are operating to the detriment of consumers."

That sort of statement belies a profound ignorance of how a market economy functions

New DTI Director General Stef Naudé goes further: "There is evidence of unacceptable exploitation of particularly those whose bargaining powers or practical access to legal remedies — if they exist — is almost non-existent."

"It is not the State's function to prevent people from making fools of themselves. The State cannot prevent all exploitation and shape a perfect world. But it has an obligation to provide an effective, but responsible and balanced, system for consumer protection."

The result is the unbalanced HBP Bill — which, according to government sources, is destined to be pushed through parliament in its existing form

The truth about consumerism in SA is more prosaic than the picture painted by any of the protagonists. It is that for too long, this country has had a quiescent consumer society which, through ignorance or apathy, has allowed its *common law* rights to slide into disuse. This is something the enthusiastic advocates of the new Bill would do well to remember.

What government *could* have done — since it was obviously intent on making political capital out of rising consumer dissatisfaction — was to have followed the lead of countries like Britain where those common law rights have been consolidated into a simple, usable statute. That has been followed up with easily understandable booklets for public information

Instead, SA has produced yet another blunderbuss which scatters its shots far and wide. The HBP Bill lumps investors together with consumers, it provides almost limitless powers to the minister; it complicates rather than simplifies (the Americans would call it "bureaucratising"), it regulates further at a time when the State President is espousing

deregulation, and it presents yet another disincentive to both small and large businessmen already hamstrung by rules and taxes

There is something else that could have been done for consumerism in SA without any legislation at all: the existing infrastructure of the Consumer Council could have been used to produce a worthwhile body with its own teeth in existing law

And so it must be asked: why can't the council not reorganise itself into a properly functioning body, relying on *voluntary* fees from both individuals and other associations?

That would give it the money it so badly needs to provide expert support to the ill-educated consumer

With money behind it — and the backing virtually guaranteed by anyone prepared to pay a fee for membership — it could have hired professionals who know the consumer game, and started playing it the way it's done in places like the UK and the US — implementing quality checks, exposing dishonesty and organising effective lobbies and campaigns

All of this would have given the undoubtedly hard-pressed consumer a better deal than he currently has under common law or through the Small Claims courts (which are, anyway, still limited to the major centres)

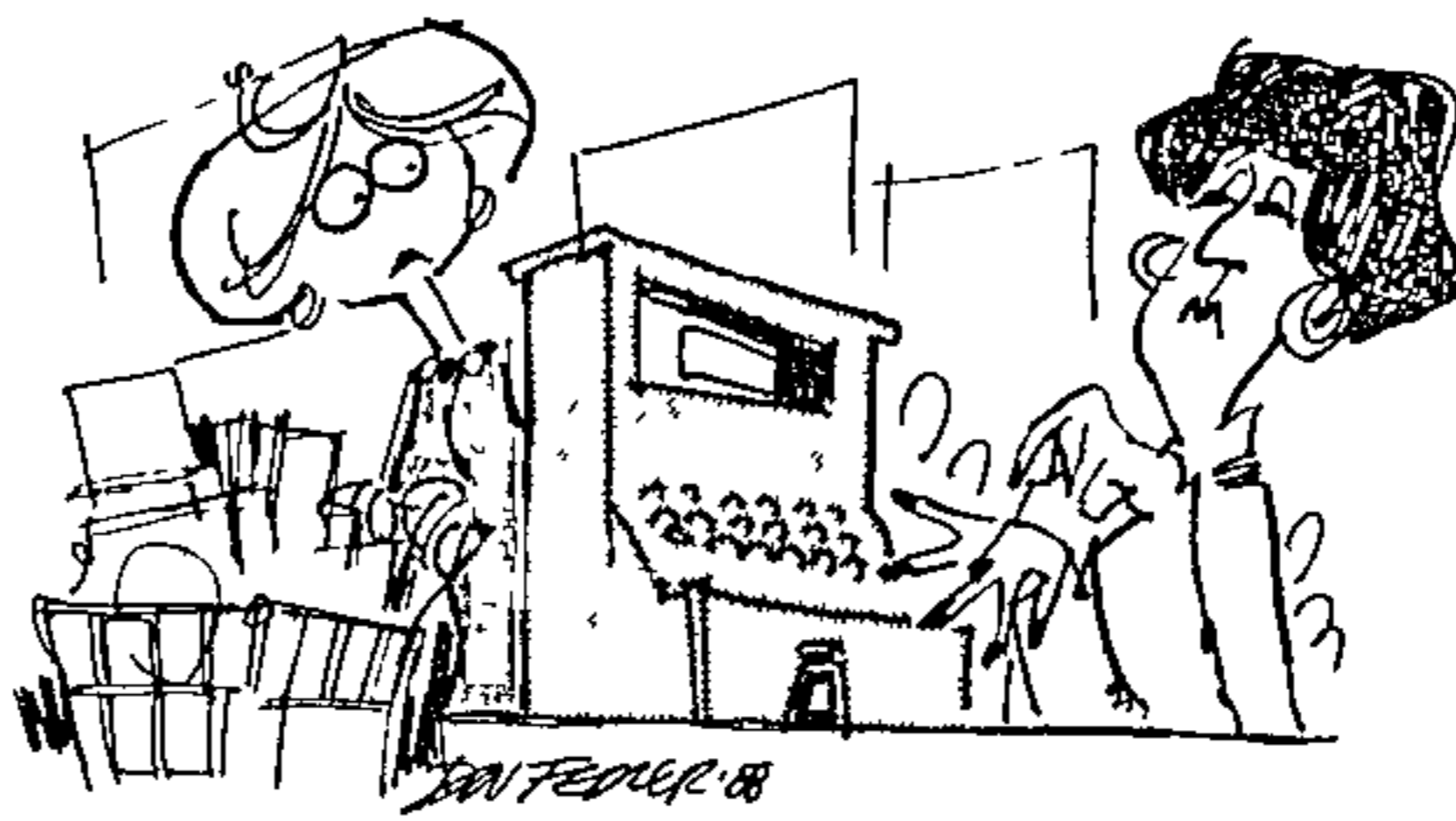
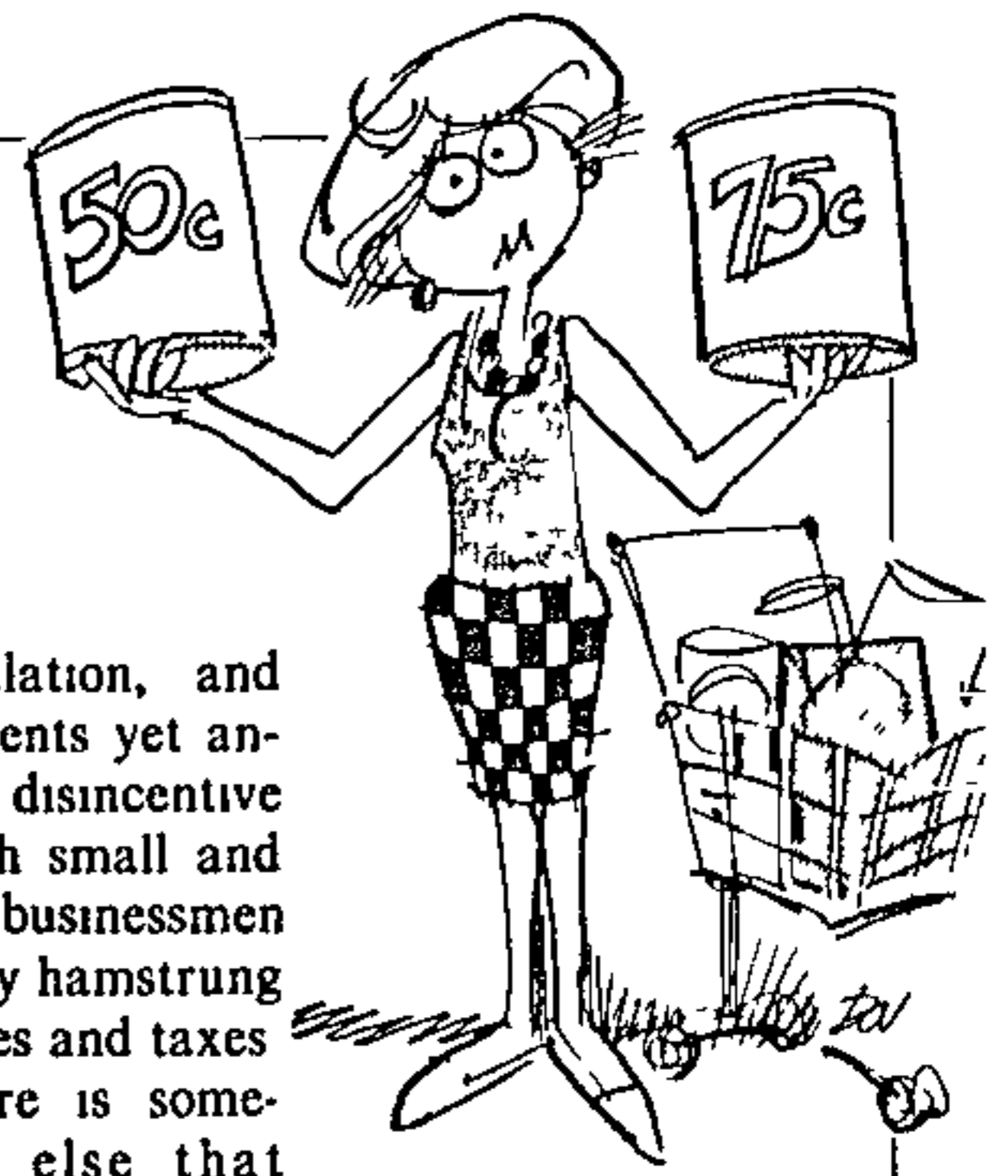
It would also have served notice to those businessmen who are indulging in sharp practice that they are likely to be exposed

And it could all have been achieved without the hostility generated so far by the Harmful Business Practices Bill, the extent and vacuity of which could result in clandestine price controls

But the biggest mistake of all was government's deliberate attempts to link consumer protection to an anti-inflationary policy and thereby attempt erroneously to shift the blame for rising prices from itself to business

Inflation is caused by too much money chasing too few goods and services. And the quantity of money in circulation is entirely at the behest of government. It has nothing to do with business

Monopolies and cartels have a once-off impact on prices and make markets less efficient. They change consumption patterns as some commodities become more expensive — the de-



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|--|---|---|--|--|---|---|---|---|
| <p>WITH OTHER MAJOR COMPANIES YOU FORM A CARTEL TO CORNER THE BREAD MARKET</p>                             | <p>YOU BECOME A MEMBER OF THE BREAD BOARD CONGRATULATIONS</p>   | <p>THE BREAD BOARD RECOMMENDS A HUGE INCREASE IN THE PRICE OF BREAD... COLLECT R25m</p> | <p>YOUR PRICES ARE WELL AHEAD OF THE INFLATION RATE. ADVANCE TO GO</p> | <p>YOU BUY THE BANANA BOARD. ADVANCE ONE SPACE</p> | <p>YOU BUY A BANANA FARM. COLLECT R6m</p>                         | <p>GO TO YOUR STOCKBROKER</p>   |   |   |
| <p>EASY STREET</p>   | <p>DICE-LOADED AGAINST THE CONSUMER.</p> <h1 style="margin: 0;">MONOPOLIES</h1> <p style="margin: 0;">A GAME FOR SURE FIRE PROFITS.</p> |   |  |  | <p>LUXURY LANE</p>  | <p>YOU FIX PRICES WITH A MAJOR COMPETITOR ADVANCE TO YOUR STOCKBROKER</p>                     |   |   |
| <p>THE PUBLIC ASKS QUESTIONS ABOUT EXORBITANT PRICES. YOU CONFOUND THEM WITH FIGURES ADVANCE 5th SPACE</p> |   |   |  |  | <p>YOU BUY OUT ALL SMALLER COMPETITORS COLLECT R55m</p>           | <p>YOU MAKE A MAJOR SPEECH ABOUT THE BENEFITS OF FREE ENTERPRISE - ADVANCE TO EASY STREET</p> |   |   |
| <p>YOU PUT THE PRICE OF YOUR PRODUCT UP THREE TIMES IN TWO WEEKS COLLECT R7,000,000</p>                    |   |   |  |  | <p>YOUR FIRM STARTS A PRICE WAR AND SINKS SMALLER COMPETITORS</p> | <p>AT YOUR STOCKBROKER COLLECT R2,000,000</p>   | <p>THE COMPETITION'S BOARD INVESTIGATES YOUR MONOPOLY BUT DECLINES TO PROSECUTE ADVANCE TO GO COLLECT R5m</p> | <p>YOU BECOME A MEMBER OF THE DAIRY BOARD</p> |
| <p>JUST VISITING</p>   | <p><i>Courtesy of the Cape Times</i></p>  |   |  |  |   |   |   |   |

At best it will bottle up price rises, as has happened wherever price controls have been tried

If it is used to curb "excess" profits or "profiteering" (whatever that might be) there will be further declines in investments and therefore in supply. The vast majority of profits generated by business undertakings do not go to shareholders — they get a competitive return on their capital — but are reinvested to provide more capacity for growth or, through technological advance, more productive means of growth

As this Bill fails to get to grips with consumerism — and woefully underestimates the sophistication and intelligence of all consumers — it won't eradicate sharp practice, either

It is not excessive regulation but the free flow of information, and the ability to have their interest heard, that is the consumer's best defence against what he believes to

cline in red meat consumption and increase in demand for chicken is a case in point. They do not and cannot cause a sustained increase in a wide spectrum of prices.

If anything this Bill will encourage inflation. By enabling bureaucrats to misallocate resources it will further restrict the supply of goods and services

be exploitation

Consumerism is not a choice between prosperity and honesty. It's between knowledge or deprivation

VENUE: A Ship to 16 Foundry Rd

## Consumer spending up 23 percent, say figures

2315788 Finance Staff 246  
Consumers increased their credit spending by a staggering R2,9 billion or 23 percent in the 12 months to end-March this year, Reserve Bank figures show.

The figures, which are compiled from the bank's BA9 returns and were analysed by Nedfin Bank, show that in the lease area alone the annual increase was 27 percent, pushing the value of lease agreements to R5,1 billion. Instalment sales climbed by 21,7 percent to R10,1 billion.

Mr Ron Rundle, managing director of Nedfin, said: "The figures confirm the fact that the economy is in a recovery phase, but the extent of the credit off-take is worrying."

● See Page 14.

PUBLIC ALIQUOT

# Powers of Bill there to deal with the 'bad guys'

Star 26/5/54  
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CAPE TOWN — Sweeping powers to fix prices, break up cartels and even dissolve businesses to protect the consumer are aimed at the "bad guys" and not business in general

This is the opinion of Mr Harry Schwarz MP, Progressive Federal Party finance spokesman.

In an interview, Mr Schwarz said the claims about the effects on the free

market system of the new legislation were "exaggerated" Any undue interference in the free market would be toned down when the Bill went before a joint committee of Parliament.

The Bill was there "to deal with the bad guys, not business in general. The consumer needs protection. We have got to have the Bill" Mr Schwarz said

# Demand for durables is easing off

Star 7/6/88 (49)

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By Sven Lunsche

The demand for durables will decline towards the end of the year, as consumer demand from the black community is tapering off, writes the Bureau of Economic Research at Stellenbosch University (BER)

In its latest poll conducted among black consumers, BER finds that on average blacks are still anticipating a growing economy, but it was clear, however, that they have, since the middle of last year, began to lose faith in the economy's vigour.

"Black consumers are on balance still expecting their financial position to ease over the next 12 months, but they now also expect their finances to be in a much tighter position than anticipated a mere six months ago," BER writes

Economists generally point out that black consumers are currently responsible for over 60 percent of the retail food and grocery sales and that this trend will continue in the coming years

And while increased disposable income is usually spent on luxury goods in the durable and semi-durable sectors, a gradual move to non-durables is evident at times when incomes decline

"With the worsening of attitudes described above it is not surprising to find that the net balance of blacks regard the current situation inappropriate for the purchasing of furniture or domestic appliances," BER says

"A lack of confidence together with relatively high interest rates and slower growth in income point towards less keen demand for credit.

# Furniture industry hit by credit squeeze

17/6/88 By Sven Linsehe

The increase in interest rates and the introduction of higher deposits by the government in May, to contain the soaring rate of credit financing, is already having a marked effect on the furniture and motor industry.

Last week the National Association of Automobile Manufacturer's attributed a slight decline in car sales from April to May partially on the credit squeeze by the authorities.

And yesterday the Furniture Traders Association (FTA) said some members had reported a sales growth in May of only 15 percent over the same month last year, "which means either a zero or negative growth in real terms," according to FTA executive director Frans Jordaan.

The FTA represents more than 90 percent of the country's furniture retailers

"Feedback for June so far indicates a slight improvement but it is too early to quantify," said Mr Jordaan

"When the curbs were first introduced they did not seem too severe, but they have had a definite impact. Even before the introduction of the new measures there was already a slight levelling off," he added.

He added, however, that most furniture retailers were still envisaging overall real growth of about five to six percent this year.

On the other hand Mr Jordaan said that labour problems and strikes in both the manufacturing and the retail sectors could inhibit growth.

"The current unfavourable exchange rate could also lead to price increases in imported products and components," he said



**BLACK MARKET MUSCLE:** With more credit accounts being opened by urban blacks in South Africa, hopefully dad won't have to flex his muscles when mother and daughter overstep the family credit limit.

# More black families are credit users

Star 18/6/88

246

**CHRIS MOERDYK**

THE black market is flexing its muscles, with a recent survey showing 600 000 black adults in metropolitan areas now have one or more credit accounts.

According to Market Research Africa, 110 000 households have credit accounts with furniture stores, but pharmacies in these areas run only 3 000 accounts

In the black A-income group, where household incomes top R1 200 a month, more than one in three blacks have credit accounts

In the B-income group (R700 - R1 199) one in four have accounts. Even in the D-income group, where blacks earn less than R300 a month, 6 percent have accounts

The survey shows the incidence of black accounts is highest in areas where there is a high proportion of Afrikaans speakers

More women have clothing accounts

than men and accounts are particularly popular with the 25-34 age group

Other interesting black market data to emerge is that there is now an average of 1,8 wage earners per family, but in A-income group households this rises to 2,8

In one home in 50 there was no wage earner. MRA believes this to be a sign of serious unemployment among urban blacks

In one home in 20, however, there was some form of income, with extra money being derived from street vending, selling home-brew, renting to tenants and dress making

Other sources of income were pension and unemployment funds, taxi services, spiritual healing, babysitting, odd jobs and photography — all suggesting a lot of enterprise in the face of unemployment



Estimates show surge in retail sales to R4 billion

# Spending spree persists in face of credit squeeze

By Michael Chester

Consumers have pressed on with their spending spree despite the credit squeeze that has increased interest rates on home bonds and bank loans and tightened hire purchase terms

New estimates by the Central Statistical Service show that retail sales in June are expected to surge above R4 billion to show an increase of more than R800 million over the total recorded for June last year

Even with inflation stripped away in viewing sales in 1985 money terms, the leap in monthly spending shows that the volume of goods sold is running more than 10,5 percent higher than a year ago

The spending jump is projected in spite of warning signals flashed by Finance Minister Mr Barend du Plessis and Reserve Bank Governor Dr Gerhard de Kock with their announcements of a new credit squeeze on May 4

The moves were intended to cool the rate of consumer spending to avert overheating in the economy and protect the balance of payments by curbing the number of imported goods going into shopping baskets

Mr Paul Edwards, chairman and managing director of Information Trust Corporation, which monitors nation-wide trends, said the impact on spending was far less than first predicted in the wake of the May 4 measures — but the new levels held little danger of causing economic headaches

## FEAR OF RISING COSTS

The high rate of spending, he said, was mainly due to consumer eagerness not to delay the replacement of aging durables such as cars, household appliances and furniture if there were threats of higher prices in the pipeline from inflation and a weaker rand exchange rate

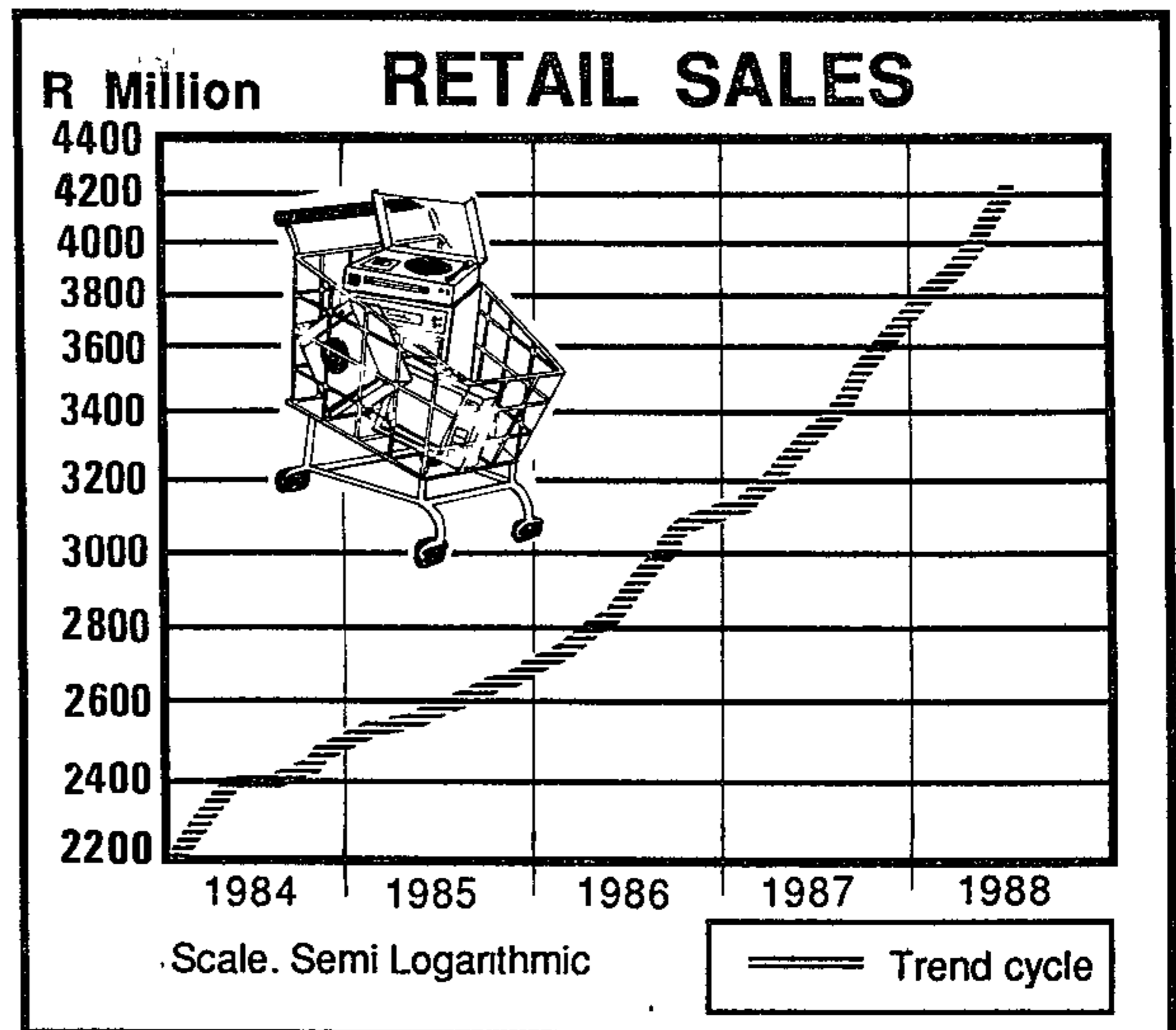
Commenting on speculation that the government may consider harsher measures to curb spending if the May 4 package had not been effective, he said: "As long as the balance of payments maintains a reasonable surplus, there is no reason to believe the present consumer-led upswing cannot continue into 1989 without further interference"

"There's no need for a tighter squeeze. There is scope for consumer demand to increase further without straining resources and production capacity."

Mr Tony Twine, of the Econometrix research unit, agreed that stricter curbs on spending at the moment would be premature

Though retail sales showed dramatic increases compared with a year ago, it had to be remembered that spending was at a particularly low ebb 12 months ago.

Mr Richard Ferrer, chairman of the Domestic Appliance Manufacturers' Association, said sales of appliances in recent months had been running more than 30 percent higher than a year ago



The graph shows how consumers have persisted in their spending spree in spite of a significant credit squeeze that has increased interest rates.

'Thousands paying too much interest'

# Consumers warned about high rates

Stev 21/6/88

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By Paula Fray

Thousands of people, particularly those with hire-purchase agreements, may be paying too much interest, says the chairman of the South African Co-ordinating Consumer Council, Professor Leon Weyers

According to Professor Weyers, interest rates higher than those stipulated in the Usury Act were still being charged.

While the maximum rates stipulated by the Act have dropped sharply since August 1984, some people are reportedly paying up to 10 percent more than they should be.

The present maximum rate for money-lending is 22 percent for amounts over R6 000

Professor Weyers said that the Act stipulated a maximum interest rate. When the maximum Usury Act rates were dropped, institutions had to lower their interest rate

● Finance Minister Mr Barend du Plessis is giving urgent attention to a Cape Supreme Court ruling that interest on fixed-rate contracts be lowered when the maximum Usury Act rates were dropped

Mr Justice Berman of the Cape Supreme Court found in the Lendalease vs Gitelson case that the date of the contract was not relevant.

## Penalty

● A clause in the Usury Amendment Bill tabled in Parliament on Friday lays down that where an individual or institution charges more on a transaction than is laid down in the Act, the registrar may impose a penalty amounting to not more than five times the amount involved

Sowetan 28/6/88

# Anger over cream ruling

THE Black Consumer Union is angry that the ban on skin lightening creams has been postponed to January 1991.

The ban was supposed to be effective from Friday, July 1.

Researchers argue that the ingredient hydroquinone present in skin lighteners causes severe and irreversible skin damage. At present the law limits the quantity of hydroquinone to two percent.

The Minister of National Health and Population Develop-

By NTHABI MOREOSELE

ment, Dr Willie van Niekerk, released a statement saying that the reprieve was due to legal, economic and health implications.

"The somersault by the Department of Health and Population Development, in granting a further 2 1/2 years to the manufacturers of skin lighteners after it had been gazetted that these products are no longer to be marketed, is disgusting to say the

least," a spokesman for the Black Consumer Union said.

"By this gesture, we are convinced that the Government is insensitive to the welfare of consumers, particularly black consumers as these products directly affect us.

"Two weeks ago we wrote a strong and urgent letter to the Minister, Dr van Niekerk, requesting a meeting with him to know the reason for granting the manufac-

● To Page 2

Sowetan 28/6/88

# Anger over ruling

● From Page 1

manufacturers further time to sell these products. He has not responded. He does not reply to us but readily accepted to meet the

246  
"We feel there is a conspiracy between government and business, and it is time that black consumers fight strongly against the

exploitation".  
A spokeswoman for the National Consumer Association said the association felt there was a large section of the black population who were sufficiently sophisticated enough to use skin lighteners with discretion. She said most creams came with clear instructions.

Star 28/6/88

# Imports to rise sharply in price shortly

By Caroline Mehliiss

Suppliers predict strong consumer resistance to imported goods which are set to rise sharply in price in the next few weeks.

Mr Roy Fitzsimmons, sales director of a wholesale group, said until now consumers had been cushioned from the full effects of the falling rand as suppliers had bought large amounts of imports while the exchange rate was more favourable.

"These stocks are now coming to an end and new supplies are being bought at the current exchange rate, which sees the rand at a 21-month low against the dollar. Within the next few weeks, consumers will notice a marked increase in the price of imports."

With higher interest rates and inflation making inroads into people's pockets, consumers have less disposable income, and the first item to come off the shopping list "will be pricey imported goods", Mr Fitzsimmons predicts.

"There will be a swing to local substitutes for imported goods wherever possible."

## SUBSTITUTES

"We are supplementing our imported ranges with local products wherever possible. There are, of course, some areas where we have no choice but to import, such as for capers, black cherries, sardines, peppercorns and other products not available in South Africa, but if there is a local substitute, we support and promote it."

"In this way, the entire South African economy is benefitting."

"We are also buying imported goods from neighbouring states which have recently been granted licences from overseas countries. One range of soup, for example, which we used to buy from England, is now available from Zimbabwe and is 50 percent cheaper," he says.

Mr Richard Cohen, director of a major supermarket chain, says the price increases for imported goods are to be expected as "everything rockets when the rand falls."

"What is surprising is that no one dropped prices when the rand recovered from 33 cents to 52 cents last year. This is symptomatic of the constant rip-off of the consumer," he says.

# New credit watchdog will curb debt

By Michael Chester

South Africans have committed themselves to a record amount of debt in the course of a multi-million rand spending spree that has pushed retail sales to new peaks.

The rush for credit means that more than 5 million consumers will have to pass the usual tests designed to assess their ability to make payments on HP accounts and bank loans and to establish the existence of previous summonses for debt.

However, now they will also be faced with a new test based on a points-scoring system that will map out a full profile of the applicant to measure the shakiness or soundness of the request for more money.

Mr Paul Edwards, chairman and managing director of Information Trust Corporation (ITC), says the radical new computer system has been introduced in a bid to protect both consumers and retailers. "The objective is to provide safeguards for businessmen

against the risk of defaults by customers and safeguards for consumers against the temptation of over-extending their budgets in debt commitments," he said.

"But it's not only intended to shake out the riskier deals. "On the positive side, it may also save retailers from missing the chance of credit deals with customers with the most impeccable credentials," he said.

The launch of the scheme coincides with the release of surveys by the South African Reserve Bank showing that the amount of credit handed out to the private sector rose by a staggering R5,9 billion in the first three months of 1988 — more than four times the increase recorded a year ago.

Economists are growing more and more fretful about the risks of a repeat of the startling rise in debt summonses that followed in the wake of the spending binge sparked by the 1980/81 gold boom and which, in turn, swept liquidations and insolvencies to record

levels.

Central Statistical Services has already noticed an upward trend in the number of summonses for debt — more than 209 000 between February and March, which is an increase of 6,9 percent compared with the preceding three months.

This is where the new nationwide computer checks come into the picture.

The amount of credit extended to individual consumers applying for financial assistance will now depend on how many points they score according to a credit-rating formula.

The introduction of the system is being handled in a joint venture launched by ITC, formerly the South African wing of the US-based Dun and Bradstreet credit company, and the British firm Infotink.

ITC is drawing on a database covering well over 5 million South African consumers and is working in co-operation with financial institutions and large retail chains to prepare profiles of consumers applying for credit.

Mr Edwards says the accuracy of the point-scoring method may influence millions of rand-worth of business transactions.

The system will interface with existing ITC track records of consumers concerning their reliability in meeting payments on their credit accounts and their use of cheque books.

"The latest technologies and methodologies have been combined to form a system that is flexible and eminently suitable to the South African environment," says Mr Edwards.

The system took numerous factors into account in drawing profiles of credit applicants, aside from histories of payment habits, when credit worthiness was rated on specific deals, he says.

"Everyone should benefit in the end. Retailers will be saved from bad debts and consumers from the agony of over-commitments on their shopping rounds.

"We want to keep it that way."

# Outrage over delay on skin cream ban

Star 1/7/85

2-fl

The skin lightening industry controversy stretches back to when women's organisations and medical experts first called for these products to be banned more than a decade ago.

Reports in medical journals warned that extended use of the preparations could cause severe and irreversible damage to the skin

After an initial bleaching effect, lasting two to three months, the skin darkens. It becomes coarse, with small raised bumps which eventually join together to form larger raised areas.

These changes are permanent and irreversible, says a report by leading University of the Witwatersrand dermatologist Dr Hilary Carman.

An ingredient called hydroquinone is the culprit agent in the creams

In 1982, South Africa limited the concentration of hydroquinone in cosmetics to two percent. But, says Dr Carman, there is strong evidence that, even at a concentration of two percent, hydroquinone continues to cause damage

After relentless

South Africa's multimillion-rand skin lightening industry has been granted a three-year reprieve. A Government ban on skin lightening products, which was to have come into effect today has been postponed to 1991, despite strong opposition from consumer organisations and the medical profession. *Toni Younghusband, The Star's Medical Reporter, looks at the issue.*

pressure by consumer groups and medical researchers, the Department of National Health and Population Development announced that, on July 1, all products containing hydroquinone would be banned

But, only months later, this decision was reversed and the ban postponed to 1991.

## Campaign

The Minister of Health, Dr Willie van Niekerk, said there were legal, financial and health considerations to take into account. He said the postponement would allow manufacturers a "phasing-out" period

The Black Consumers' Union (BCU) has accused the Government of insensitivity and said that, if the product had been for white consumers, the issue would not have been allowed to go so far

The BCU is to launch a campaign against skin lighteners later this month

Medical experts have also expressed their disgust at the Government's turn-about

Dr James Phillips, of the South African Institute for Medical Research, said there was not a "shred of medical evidence" to show that skin lighteners were not harmful.

"These lotions should be banned now. But they are not and the onus lies with the manufacturer to prove these products are safe," Dr Phillips said

He said he believed it was not loss of production which the manufacturers feared most but rather a risk of litigation.

"If these products are banned it would be easy for someone to take a test case to court and win. Then you'd have

thousands of people who had suffered with these creams doing the same and this would put the manufacturers out of business," he said

A memorandum submitted to staff at one manufacturing plant said that after representations had been made to the Minister of Health it had been decided that skin lightening creams would be re-classified to fall under the Medicines Act. They are now registered as cosmetics.

## Millions

Pharmacists have protested angrily. The Natal Wholesale Chemists Group has refused to stock the products and two major supermarket chains will not sell them.

The skin-lightening industry is believed to be worth about R80 million a year and employs thousands of people. Leading South African corporations have shares in the companies which manufacture the lotions

The financial implications of a ban and the loss of employment are obvious. So, says the medical profession, is the evidence of irreversible disfigurement these creams cause

# New watchdog for the consumer

Steyn  
1/1/88  
Pretoria Correspondent (246)

The newly established Business Practices Committee (BPC) has been set up to look after the interests of consumers, says the organisation's chairman, Professor Louise Tager.

She told a press conference at the Department of Trade and Industry offices in Pretoria yesterday that avenues which consumers could use to seek redress for their complaints were inadequate.

South Africa had been lagging in this area, Professor Tager said. "A precedent has been set by other countries which have legislations aimed at looking after the interests of consumers," she said.

Professor Tager added that consumer organisations received an average

of 2 000 complaints from consumers every month.

The seven-member Business Practices Committee, set up in terms of the Harmful Business Practices Act, 1988 (Act 71 of 1988), which was published in the Government Gazette on June 24, came into operation on July 1.

It is an independent statutory committee and held its first meeting yesterday.

The committee has to advise the Minister of Economic Affairs and Technology, Mr Danie Steyn, on action to be taken against harmful business practices.

The Act repeals the Trade Practices Act, 1976. Consequently, the Trade Practices Advisory Committee established in terms of the 1976 Act ceased to function on June 30 this year.

Standard, First National adopt 'wait and see' policy

**New bank's rates are not likely to start price war** <sup>SJ-V 19/7/88</sup> <sup>(246)</sup>

**By Derek Tommey**  
United Bank's bid to capture consumer banking business with cut-price rates is unlikely to trigger a price war in the banking industry, leading bankers said yesterday.

The United Bank is spearheading the United Building Society's move into banking and hopes to attract 32 000 current account holders and 60 000 credit card holders by next March.

To induce people to switch their accounts, the United Bank says it is offering lower service charges and more extensive credit facilities at lower costs than the other banks.

Mr Bill Mansfield, head of the Standard

Bank's personal banking division, said he would be watching the situation closely.

Some of the rates mentioned by the United Bank were vague and he was trying to establish what they were.

First National Bank is also just watching the position, said the senior general manager, Mr Jimmy Mackenzie.

The bank had no plans to alter its charges as these were already extremely competitive.

He said the personal relationship was important in banking. If a client was happy with the service he was getting, he was unlikely to move.

Mr Mackenzie said the United Bank had in-

currered considerable costs starting up and it appeared to be trying to buy market share to get the volume needed to cover those costs.

Mr Nallie Bosman, general manager of the United Bank, said the re-

sponse to the bank's rates had been strong and he expected more than 32 000 current account clients by next March. That was not a large figure as there were 1.5 million current accounts in South Africa.

He said the United's

charges were 10 percent, 20 percent and, in some instances, even 50 percent below those of the other banks.

While the other banks charged up to 21 percent for overdrafts, the United Bank's top rate would be 18.5 percent to 19 percent.

**Bank move welcomed**

**By Sue Olswang**

Consumer bodies have welcomed United Bank's introduction of cheaper cheque accounts and credit facilities, but advise consumers to take a cautious look before making changes.

A spokesman for the South African Co-ordinating Consumer Council

said they welcome moves by any concern which cuts prices because "moves like these are obviously to the advantage of the consumer".

"We advise consumers to seriously consider using such services, but at the same time we caution them to take a careful look before making

their decisions".

Mrs Lyn Morris, president of the Housewives League, said it will be interesting to observe how far the United's move proliferates.

Mrs Morris echoed the Consumer Council's urge for caution and stressed the need for consumers to do their homework.

"Perhaps the best policy to adopt is a 'wait and see' attitude to determine the reaction from other building societies and commercial banks.

**COMPARISON**

"Consumers should not make hasty changes but should compare the United's facilities with those of their own banks or building societies before deciding".

Mrs Morris was responding to the United's introduction of its cheque and credit card facilities in a loss-leading move which may force other commercial banks into a price war.

From this week, United Bank cheque accounts will be the cheapest in the country and its credit facilities will be more extensive and cheaper than most offered by commercial banks. These cheaper costs have been guaranteed for 12 months.

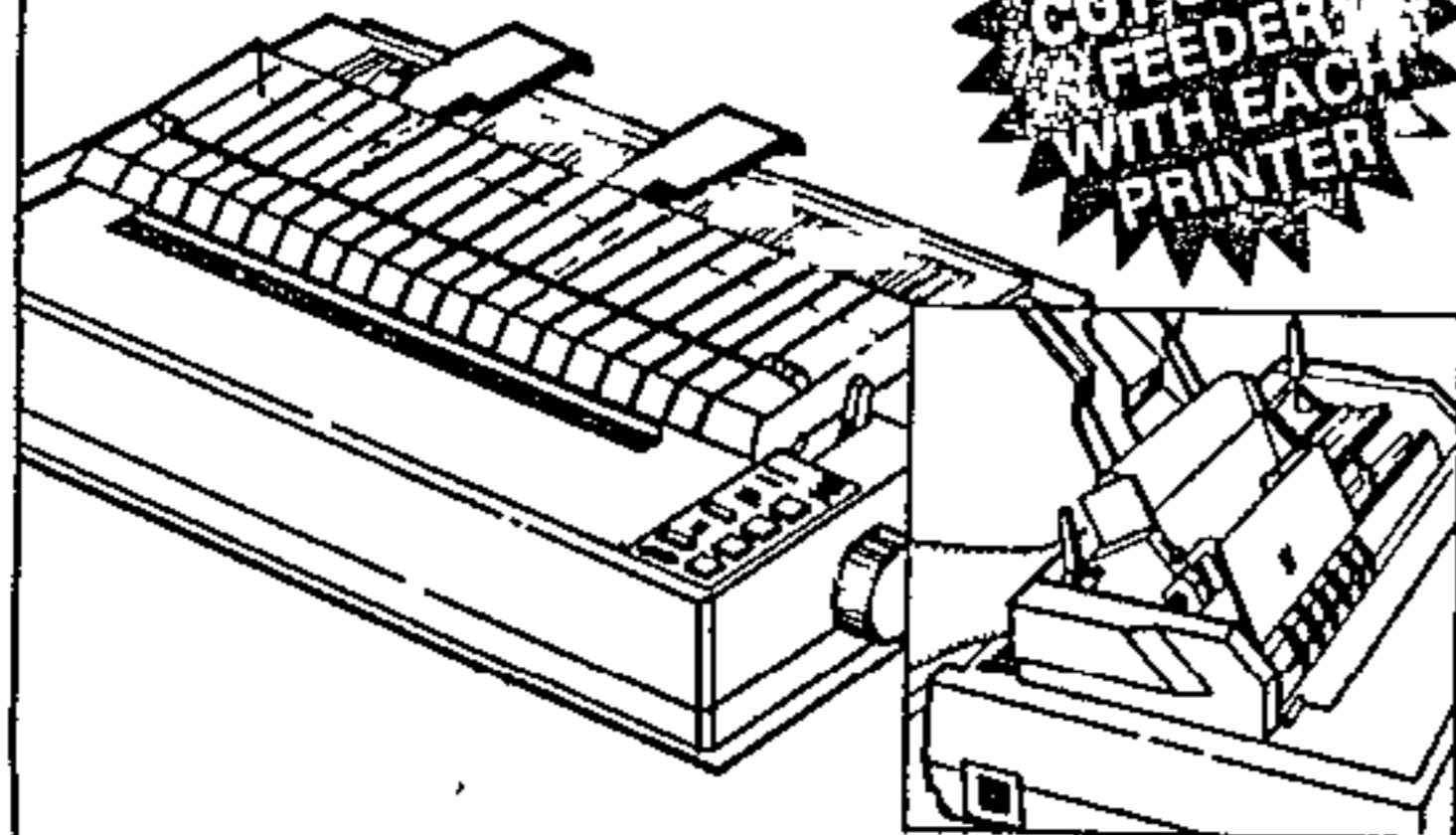
Their overdraft rates have been set at an interest rate of up to 2 percent less than at other banks, with a minimum prime overdraft rate.

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**HEWLETT PACKARD**

sure you can talk But can you communicate?



# Pressure to buy policies deplored

By Sue Olswang

The Housewives' League of SA is disturbed by reports of insurance salesmen who pressure young men into buying policies while they are serving in the defence or police forces.

According to the league's *July Rands and Sense* newsletter, the consumer body has had reports of this happening in the Transvaal but cannot take action because no one is willing to let his name be used.

The league said it seems as if policies are sold in one of two ways - either by insurance salesmen who go into camps or by members of the Permanent Force acting as salesmen.

Allegations of sales by members of the Permanent Force acting as salesmen is particularly worrying, the League said.

## PERSUASIVE

"Not only does the boy have to deal with a persuasive sales pitch but he also has to withstand pressure from someone who could be his direct superior. 'Let's see how you feel about insurance after you've run up that mountain'."

However, the director of public relations for the South African Defence Force said it is SADF policy to refuse permission to representatives of outside organisations who have no part in Defence Force matters from entering military areas for the purpose of drawing up contracts or agreements with personnel unless prior approval has been obtained.

"The SADF recognises the advantages of subscribing to life assurance at a young age and therefore grants permission, under strict and specific conditions, to representatives from insurance companies and insurance brokers to enter military premises.

## PREFERENCE

"The control ensures, among other things, that no pressure is exerted upon individuals to enter into agreements and that no specific insurance company is given preference. Under no circumstances may a member of the Permanent Force exert pressure on an individual to buy insurance policies or to act as a representative of any company or broker."

In February, *Rands and Sense* reported that the SADF had banned salesmen in camps but because the police force does not fall under the Defence Force, the league has now had to write to the police to enquire whether they have the same ruling.

246

Consumer bodies slate bank move

# Higher interest rate 'will boost inflation'

246  
1

Star 28/7/88

By Melanie Gosling

The SA Consumer Council has expressed its concern about a possible increase in bank lending rates and has warned the public to be very cautious when signing finance agreements.

According to reports, large amounts of money have been lent to the private sector at relatively low rates. Banks are now looking to increase interest rates to enable them to show favourable profits.

"The council would like to know if it is justifiable for consumers to pay when banks have not been discerning enough when lending money," Mr Paul Roos, media officer of the council, said yesterday.

He said increased rates would have a negative effect on the inflation rate, consumers would have less money to spend and the economy would undoubtedly suffer.

"The council is aware of talks to be held between the Reserve Bank and commercial banks tomorrow and appeals to these organisations to keep in mind

the precarious state of the economy and the State President's appeal earlier this year that everyone should co-operate to combat inflation," Mr Roos said.

The National President of the Housewives League, Mrs Lyn Morris, said if the banks had not been discerning in lending money, it was wrong to get back money from the small man.

"Already we have an imbalance in the tax system where the small man is contributing more than the big companies," Mrs Morris said.

She said the league had warned people when the interest rate dropped to around 12,5 percent last year that people buying houses should realise the rate would go up and calculate if they could afford it.

Home loan rates, which dropped in the war between banks and building societies last year, have been rising ever since. In May this year First National increased its bond rate by 1,5 percent to 15 percent. Allied Building Society increased this year from 13 to 14,5 to 15,2 percent.

Mr Kobus Jooste, president of the South African Agricultural Union, said a further increase in interest rates would seriously hamper the economic recovery of a large percentage of farmers and to a great extent "neutralise Government assistance to farmers".

In a statement issued to Sapa in Pretoria, Mr Jooste said a rise in interest rates to raise the banks' profit margins was totally unacceptable to his union.

"With a debt load of approximately R14 billion, interest payments still constitute the greatest single cost item for the farming community. An increase in interest rates would, therefore, seriously hamper the economic recovery process," he said.

● See Page 13.

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Small man will be hard hit

# SA faces

Star 29/1/188

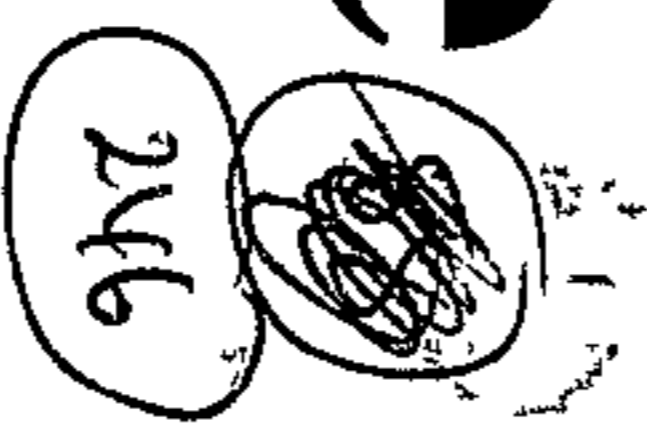
# another

# big credit

# squeeze

By Sven Lünsche

Widespread increases in interest rates are on the cards following an announcement by the Reserve Bank yesterday that it is raising its bank rate by one percentage point to 12.5 percent with immediate effect, but mortgage bond rates are unlikely to move on a broad front for at least a month.



Standard Bank last night announced it was putting up its prime rate from 15 percent to 16 percent and the other commercial banks, including the recently launched United Bank, are set to follow suit this morning.

Other lending rates and overdrafts are also likely to become more expensive, although there is some consolation in the fact that deposit rates will also rise over the next few weeks.

Hire-purchase agreements are also set to rise. Reserve Bank Governor Dr Gerhard de Kock indicated in a television interview last night that the package to curb credit demand, which was announced in May, was being reviewed and could be considerably tightened.

Selective import controls are unlikely to be part of the package, which could be announced in the next few weeks and could see an increase in the deposit on hire-purchase financing coupled with a shortening of the period over which the payment can be settled.

There is uncertainty whether widespread increases in mortgage bond rates will follow, as most major banks have put up their rate to an average of 15 percent in the past few weeks.

But the country's two largest building societies, the UBS and the Pern, indicated this morning that a rise was not on the cards in the near future.

Mrs Lyn Morris, president of the Housewives' League, said "A higher interest rate is, of course, favourable to investors who will gain more interest on their investments. But, an extra few rands on a monthly bond repayment is extremely worrying for many South African homeowners."

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, blamed the interest rate crisis firmly on the Reserve Bank and on "strong competition between some of the major commercial banks."

He warned of increased unemployment and said the Government would have to take part of the blame for not intervening.

The small man would be hit particularly hard.

Property market analyst Mr Neville Berkowitz said any rise above 1 percent would be bad for the market, but he did not foresee any major adjustment in coming months.

Dr de Kock warned banks and building societies to slow down the rate of credit extension.

"The institutions are urged, in particular, to practise restraint in extending consumer credit and mortgage loans for the financing of luxurious private homes."

"To this end they are expected to reduce materially their advertising of consumer loan facilities, including the financing of consumption by means of home mortgage loans."

See Page 15.

## Withdrawal of surcharge <sup>246</sup> on tuna, pilchards welcomed

The Government's withdrawal of the 60 percent surcharge on tuna and pilchards has been welcomed as a victory for consumers. *star 5/10/88*

"We are naturally grateful at the news that the Government has seen fit to remove the surcharge, following representations from the private sector," said Mr Allan Fabig, the advertising and public relations director of OK Bazaars

"This much needed relief on staples will, to some extent, alleviate the plight of consumers who are already reeling under price increases caused by the imposition of the surcharge, the increased petrol price, the low rand-dollar exchange rate and other input costs," he said

It was pleasing to see that the Government and private sector could work together "in an amicable and mutually agreeable fashion in the interest of consumers"

# Consumer apathy powers car prices

Star 8/10/88

246

**CHRIS MOERDYK**

Many of South Africa's motor manufacturers have responded to the Consumer Council's announcement that it intends investigating the reason for rocketing car prices, by diving into a mountain of production cost statistics.

The idea it seems, is to clobber the consumer with sufficient data on how much it costs to build a car that the motorist will end up thanking his lucky stars he's able to get mobile for so little

It won't work of course, because a lot of motorists are going to continue asking a lot of questions about why prices should be so high when so many manufacturers are making such colossal profits.

Questions like these tend, however, to put motor manufacturers into uncomfortable positions. Uncomfortable because of a natural reticence to become arrogant when answering questions from consumers

But what they would probably like to say is that South Africa is, after all, supposed to be a free enterprise society. Which means that manufacturers and retailers can ask whatever price they like. Like it or not, that's free enterprise for you

However, what the manufacturers would really like to tell consumers is that if they are so hell-bent on finding out why car prices are so high they should look in their own backyards. And they have a point

What? The consumer responsible for pushing up car prices? Rediculous!

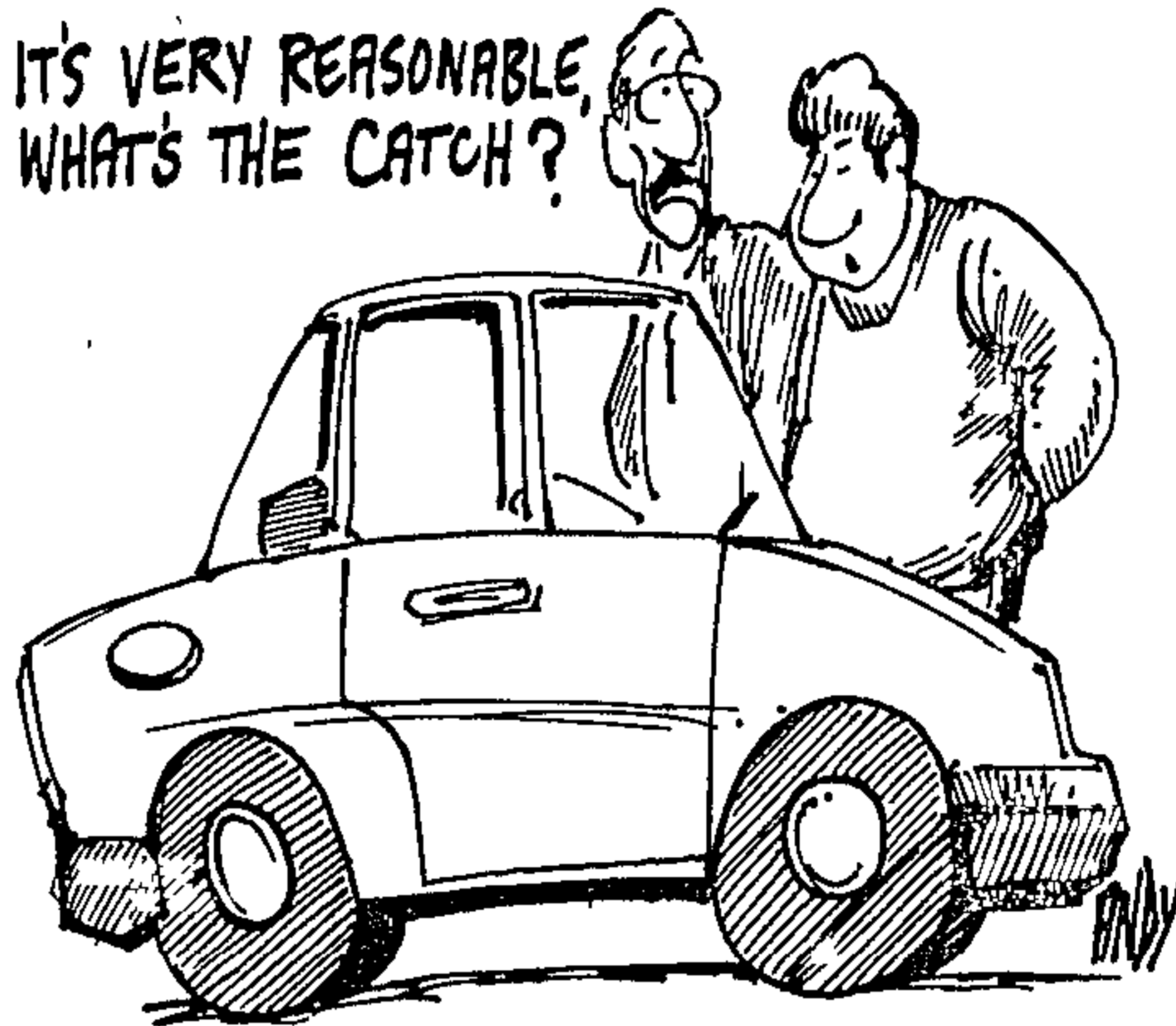
Not really. History alone certainly makes this argument plausible. Take Nissan for example. About five or six years ago Nissan offered the consumer the cheapest cars in the country and came to within a hair's breath of going bust. No-one, it seemed, wanted the cheapest car.

Now, Nissan is doing very nicely with vastly increased sales and a more than cosy chunk of the market. They don't sell the cheapest cars anymore.

So, what if Toyota magnanimously decided, for example, to use some of that profit it has made to give the consumer a better deal? What would happen if it decided to lop R10 000 off the price of its top of the range Cressida?

Any number of marketers believe that for a while the cars would be snapped up, but once the discount euphoria had worn off — and it wouldn't take more than a few months or so — the consumer would

IT'S VERY REASONABLE,  
WHAT'S THE CATCH?



forget the original intention and start wondering why Cressida's were so cheap. Must be something radically wrong with them, they'd think. Then happily go out and buy a more expensive Nissan

But surely, one might ask, consumers can't be that stupid? Well, perhaps not stupid, but South African consumers certainly have a reputation for apathy. For simply accepting prices and price increases without complaint.

Somehow one gets the impression that consumers believe that digging their heels in is unpatriotic. That boycotting a brand because of its price, labels one as some kind of communist.

Strangely enough though, even in South Africa, consumers have the right not to buy a product for any reason they care to think of

Even corporate buyers who account for the bulk of top-of-the-

range sales, are apathetic to price hikes. Possibly more so, because of tax advantages and sophisticated leasing schemes that tend to ease that pain in the pocket

But, in mitigation of the consumer, perhaps they have become so indoctrinated by government price controls and price fixing by myriad private sector cartels, that they genuinely believe they have no option but to pay up

Thus being the case, maybe the Consumer Council would do better to answer all those complaints it has been getting about car prices — not by sailing into the motor industry head on — but by telling consumers that the best method of getting car prices down would simply be to stop buying cars for a while

Just long enough, however, for the manufacturers to be able to meet the challenge but not long enough for half of them to go broke

# Uniform strategy on credit needed

Star 12/10/88 (246)

By Stan Kennedy

What the video and audio equipment industry needs more than anything else is a settled government strategy on consumer credit, says Mr Carl Jansen, Morkels group managing director.

"While we recognise the need for government to manage the economy in the face of sanctions and balance of payments problems, we believe it should not use only the furniture and durable merchandise sectors to regulate the economy.

By subjecting all personal credit grantors, including the banks, to one set of rules, will help to stabilise consumer demand, build confidence among manufacturers to invest in new plant and lead to a soundly based industry.

"Such a scenario is the opposite to the artificial flood and famine syndrome which has been a feature of government action over the past few years," he says.

Illustrating his point, Mr Jansen draws attention to the credit curbs in August 1984 and the

subsequent devastation of the furniture industry as well as the erosion of manufacturing capacity. This was followed by the removal of the curbs a year later and the reduction of import levies in 1987; action, he says, which cost the industry an estimated R16 million loss on stock in retailers' hands.

## Punitive

Now the country has the reimposition of punitive measures to end a relatively short period of real growth for the industry.

"At a time when South Africa desperately needs to avoid unnecessary expenditure and boost productivity, the current regulations will result in the cancellation or adaptation, at considerable cost in rands and man-hour terms, of marketing plans and programmes developed months ago.

"How does an investor, who is concerned with the long-term, decide whether to support an industry whose fortunes are so susceptible to unpredictable government action?"

The  
mo  
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# Trade surplus continues to decline

By Sven Lünsche

If, as expected, the authorities announce a package of measures to restrain consumer expenditure over the next few weeks, it will be just in time because the trade surplus is again showing a substantial decline

The trade surplus for September slipped to R840,1 million, compared with a R1,09 billion surplus for August and a R1,21 billion surplus for September last year, according to trade figures released by the Commissioner of Customs and Excise yesterday

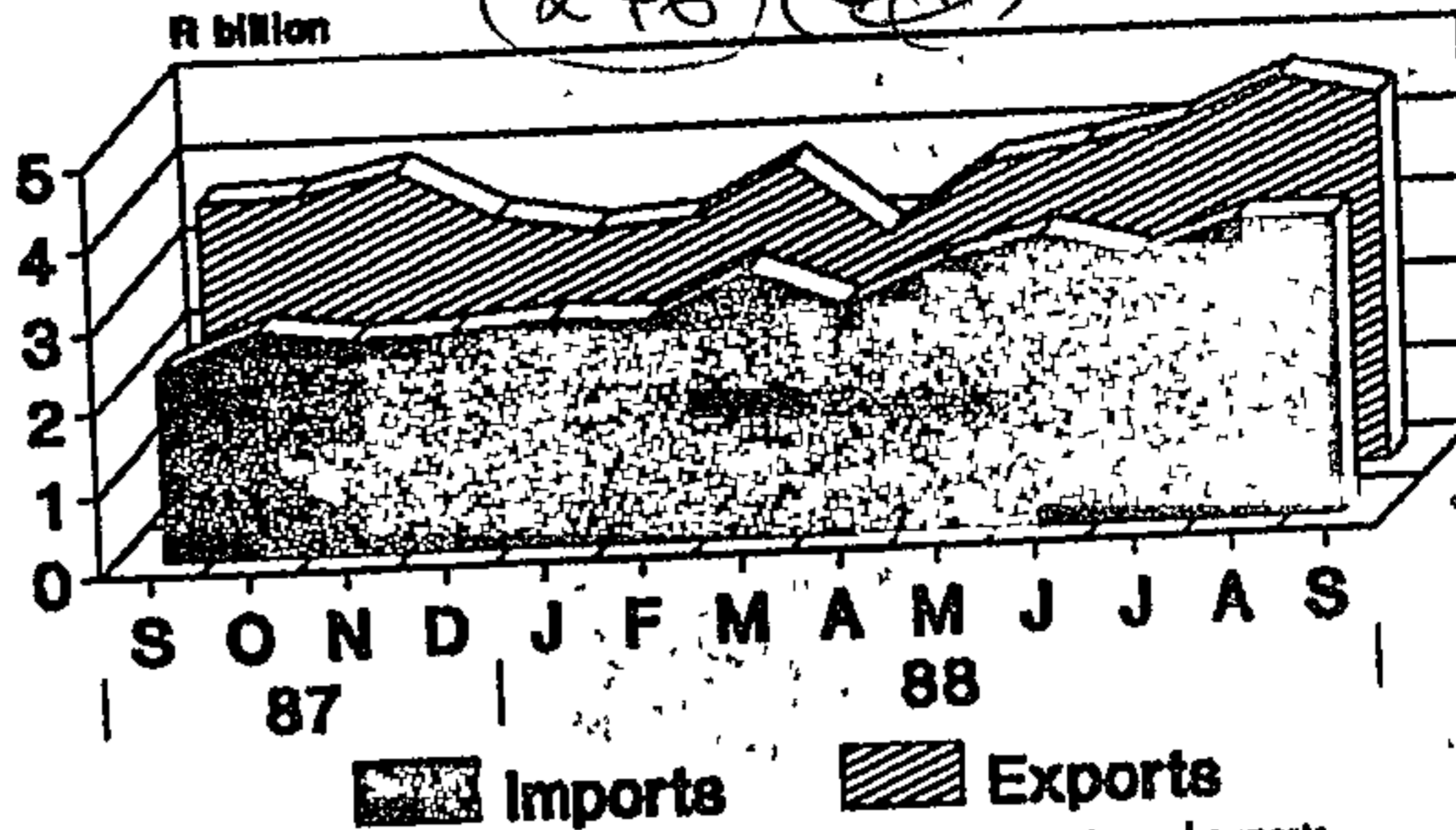
The most worrying aspect of these figures is the fact that imports in September declined by a mere R5,6 million to R3,63 billion from Au-

gust's figure, despite the introduction of the import surcharges on September 1

Import volumes have now grown at the rate of over 27 percent over the past year and are 32 percent above the level of two years ago when the economy was in a trough

While the recent measures, which, apart from import restrictions, include higher interest rates and tighter HP finance conditions, have yet to achieve their full impact, economists are almost unanimous that a new package is urgently required to protect the flagging current account of the balance of payments

Exports in September



The graph shows the narrowing gap between imports and exports

slumped by R259,9 million to R4,48 billion from August figures, which totalled R4,73 billion

The figures brought imports for the period January to September

this year to R28,78 billion, while exports totalled R35,11 billion

Imports in the same period last year amounted to R20,73 billion and exports to R31,69 billion

Thus, the trade surplus for the first three quarters of the year amounted to R6,33 billion — a 42 percent decrease, compared with the same period last year.

# No spending spree, consumers warned

SAW 27/11/88  
(246)

Mr Jan Cronje, director of the Consumer Council, has appealed to consumers not to go on "unnecessary and irresponsible" shopping sprees in the wake of reports about possible increases in GST and interest rates

"A thorough investigation of needs must be made before hard-earned savings are spent on luxuries," he said yesterday.

Mr Cronje said it was advisable for consumers to pay cash if they decided to buy now. He said consumers should be aware of the fact that instalments on credit agreements would be raised if interest rates increased.

"Increased instalments on credit agreements, together with increased repayments on mortgage bonds and the normal inflation increase on all items, can put the consumer in such a critical situation that he may not be in a position to meet his normal financial obligations," Mr Cronje warned.



mentary majority

# CP 'to turn back the group areas clock'

By Claire Robertson and Deborah Smith

The first challenge to Government policy from a Conservative Party-dominated Transvaal platteland was launched yesterday when leader of the CP Dr Andries Treurnicht indicated that the party would seek to turn back the group areas clock in towns it controlled.

More than two-thirds of the province's 84 "white" towns are in the hands of the CP after this week's municipal election

The CP would try to close racially desegregated central business districts in those towns, Dr Treurnicht said at a press conference yesterday

Minister of Constitutional Development and Planning Mr Chris Heunis responded immediately by pointing out that open trading areas were declared by central Government and not local authorities

Town councils did not have the authority to close areas declared open by central Government, he said

Black township development is also at risk following the CP victories Dr Treurnicht said the election had given the CP a greater majority in the regional services councils (RSC)

The CP-controlled towns could exert influence in the RSCs especially regarding budgeting, said Dr Treurnicht

starts today

squeezed in last-minute tactics yesterday final examinations.

# More belt tightening as rate increase is forecast

By Sven Lünsche (246) Home owners and consumers buying on hire purchase face higher monthly charges within weeks as financial authorities prepare to put up interest rates again

The financial markets yesterday sent a clear signal to the authorities that interest rates will have to be increased as soon as possible — raising the spectre of higher lending and bond rates

And the Reserve Bank is expected to oblige next week by raising the bank rate by up to 1,5 percentage points from its current level of 12,5 percent

The key short-term liquid BA rate yesterday rose from 14,5 to 14,75 percent, its highest level in three years, an indication that dealers anticipate a higher level of general interest rates soon

The commercial banks, which have emerged as major players in

the housing loan market over the last two years, could implement possible increases immediately

With the exception of the Standard Bank, whose bond rate is currently fixed at 15,75 percent, all banks and building societies at present charge 16 percent on bonds

If bond rates are raised by 1,5 percentage points, home owners would see their interest payments go up from 12,5 percent at the beginning of the year to 17,5 percent, effectively increasing the monthly repayments on a R70 000 bond by over R300

● Sapa reports that the Government is unlikely to put up GST before next year's budget

Government sources said that those pushing speculation about an increase in GST following the local government elections were likely to be deeply disappointed

## THE SUNDAY STAR IS THE BEST THING ABOUT

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SECRETS



HOW TO WIN  
A FORTUNE  
— OR A  
TRAVEL  
BONANZA

Pretoria C... The "guerrilla warfare" staged... Drive for about one kilometre... 1 pm - 5 pm Jumping disco and pony rides... from 10 to 11 PM MUSIC after... from 10 to 11 PM the Indaba

# New form of 'terrorism' hits shoppers

SJW 29/10/88

246

A PRACTICE he labels "terrorist retailing" — the rebate system whereby retailers make money from manufacturers by agreeing to buy certain lines of products — earns supermarkets more revenue than the goods they sell, claims Checkers MD Clive Weil.

He said this system set dangerous precedents and could lead to the formation of monopolies — or at least major concentrations — to the extent that manufacturers would be able to dic-

SUE VALENTINE

tate what produce should be sold and at what price.

The effect of this was to keep competition to a minimum, artificially manipulate prices, promote goods that were not necessarily the best available, and restrict the choice of products on offer.

All of this worked to the detriment of the consumer who was forced to accept whatever the retailer placed on offer and to pay whatever prices were set.

Mr Weil was quick to add, however, that the issue was not new and that his company was as guilty as the next, but it was important to address the issue before it was too late.

He said he had received no support from other members of the supermarket industry on the matter.

Explaining the rebate system, Mr Weil said retailers were paid a certain percentage on the amount of produce they purchased. Because so much money was at stake, retailers tended to buy from manufacturers who would offer the same or a larger rebate.

Mr Weil said this often resulted in the promotion of some products that were not up to scratch.

Buyers purchased goods according to which companies would give them the same or a better rebate and not according to which manufacturers offered the best products.

"Smaller companies, or those wanting to launch a new product, have difficulty trying to match the rebates the bigger concerns can offer and so we have less competition in the industry. Ultimately the consumer suffers."

Mr Weil said the notion of a "price war" — although seemingly beneficial to the consumer — was a danger to the industry.

He said smaller manufacturers could not always compete with the big producers and in an extended price war they were forced under. In the long term, this meant fewer competitors.

"There is already less competition in the biscuit, ice-cream, pasta and mushrooms sectors."

Mr Weil added that in the frozen vegetable trade there had been an extended three-way price war for about 18 months, which saw one manufacturer sell out, leaving the market to just two brands.

"Already we've seen that prices in this area have risen. Price wars are in the public's interests only if they produce more efficient manufacturers and no one leaves the business."

In an attempt to break from the rebate system, Mr Weil said his company was trying to focus on the "Direct Profit Profitability" (DPP) factor instead.

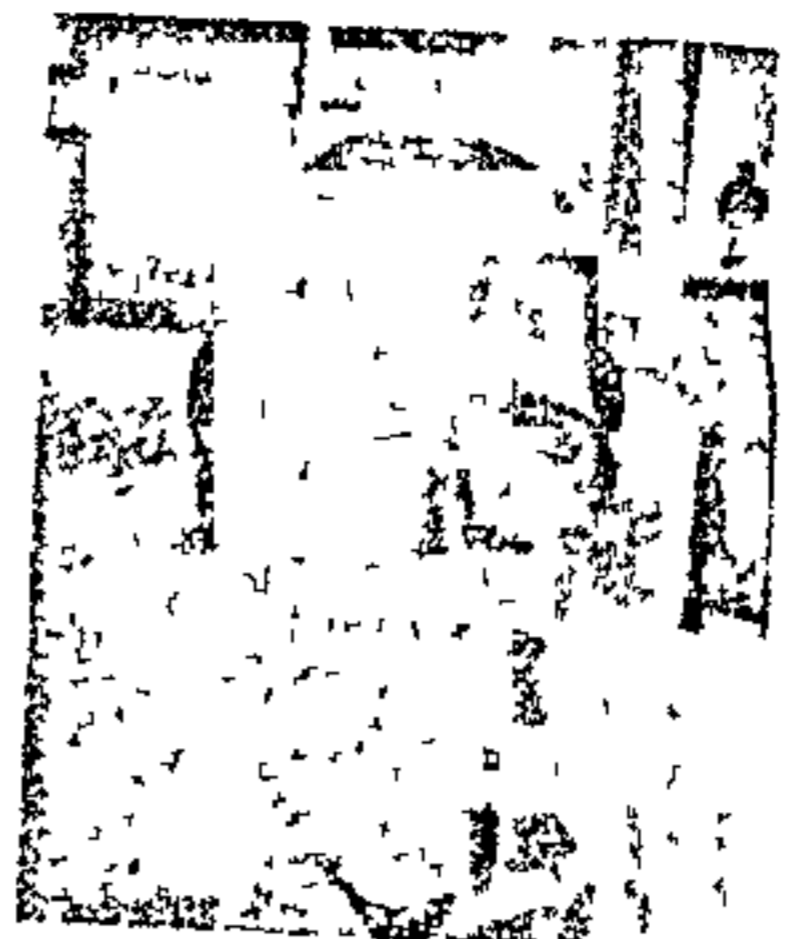
"By analysing the DPP, we try to measure the profitability of a product and we examine the ability of a manufacturer to provide back-up service and offer some return on the investment."

Mr Weil said his company was trying to promote consumerism by insisting that manufacturers be held accountable for rising prices.

It's the  
Star 27/11/58  
housewife

who rules  
the roost,  
(246)

say stores bosses



CLIVE WEIL Centre of the storm

Checkers boss Clive Weil's allegations of "retail terrorism" have drawn a sharp response from two of the supermarket's biggest competitors, OK and Pick 'n Pay.

Mr Raymond Ackerman, chairman of Pick 'n Pay, said that if manufacturers were dictating terms to Checkers buyers then "the buyers are doing a bad job".

"We at Pick 'n Pay buy what our consumers tell us to buy through information received from our consumer panels," he said.

He said Pick 'n Pay did not buy products exclusively from the big manufacturers and cited a number of smaller suppliers whom they had supported.

OK's director of advertising and promotions, Mr Allan Fabig, said he did not understand why Checkers did not change its arrangements with manufacturers if they

were not happy with the rebate system.

"The consumer dictates the products we should stock. If she is not happy with the product or the price she votes with her feet and goes elsewhere."

On the question of whether price wars were ultimately detrimental to the consumer — as suggested by Mr Weil — Mr Ackerman said he did not want a situation in which the Government dictated prices.

"If a producer goes under during a price war, that is the price of progress," he said.

"My life has been a price war. When I was in the process of launching Pick 'n Pay I was told there was no place for us and now we're the strongest chain."

Mr Fabig, however, agreed with Mr Weil's price war theory, although he said there was no way to prevent this from happening.

Bond, HP rates a heavy burden for buyers

# Star 3/11/88 Interest spiral shockwaves for SA



Mr Bob Tucker

Home owners face up to 40 percent increases in monthly bond repayments compared with early this year and consumers buying on hire purchase will be confronted with a heavy extra burden in their monthly budgeting, following the 2 percentage point rise in the bank rate today:

First National Bank today announced its bond rate on new and existing loans would rise by 2 percent to 18 percent with effect from November 24. Other banks are also set to increase their bond payments by 2 percent.

Building societies have been caught in a dilemma because most of them, with the exception of Saambou, had already raised their bond rate by one percentage point to 17 percent. It means building societies are only likely to increase their rates by a further 1 percent in the next year.

The measure, in conjunction with earlier packages, will see economic growth rates slow down considerably in months to come. Higher unemployment rates are regarded by economists as a necessary consequence of the curbs.

They also could lead to higher individual and small company insolvencies as interest repayments on starting capital or personal borrowing will inevitably soar, often to unaffordable levels.

## Subsidies

Farmers in particular will be hard hit by the rise and it will cost them an additional R200 million in interest repayments on their estimated R14 billion debt.

The Government has indicated that a proposal would be implemented to increase certain subsidies to farmers to off-set interest rate increases.

Giving details of its interest rate package, First National Bank indicated it would increase its prime rate from 16 to 18 percent, a step which other banks are set to follow today and which will set the signal for

## Alleged election fraud probed

Pretoria police are investigating a charge of alleged electoral fraud in the Akasia municipal elections.

Spokesman Lieutenant Hennie Crowther said investigations were still at the initial stage. Alternative charges could also be investigated - Crime Reporter

## City robbery: no arrests yet

No arrests have been made in connection with a R859 000 robbery in Johannesburg this week, police said yesterday.

Five gunmen made off with cash, cheques and credit card vouchers after holding up two Fidelity Guards staff

## By Sven Lunsche

higher general interest rates, including hire purchase and bond rates

Standard Bank, for the time being, can only increase its rate from 15,75 to 16,75 percent, as it is bound by its promise not to exceed the average.

The Perm yesterday became the latest of the building societies to introduce the increase, which will become effective immediately for new borrowers and by December 1 for existing bonds. Building societies have to give a month's notice of bond rate rises and the earliest an 18 percent bond rate can come into effect is on January 1 next year.

Association of Building Societies president Mr Bob Tucker said he hoped it would not be necessary to raise bond rates by more than another 1 percent following this week's earlier one percent rise, political correspondent David Braun reports.

It will be the fourth increase in a year which started with a rate of 12,5 percent.

Bond payments (over a 25-year period) on R40 000 will have risen from R436 to R606,73. On a R60 000 bond the monthly payments have increased from R654 to R910. Payments on R80 000 will increase from R872 to R1 212,04.

## Appeal

Mr Tucker called on the Government to help the man in the street.

He said on TV this morning "Over the past six months the average person's bond has gone up by something approaching 50 percent."

He appealed to the Government to introduce some sort of buffer to protect people's homes from free market forces.

Hire purchase rates will also become more expensive.

Savers can expect slight increases in their retail deposit rates. Many banks have already announced slight rises in their savings rates and further increases of up to 1 percent are expected.

Progressive Federal Party finance spokesman Mr Harry Schwarz said today that if farmers were entitled to assistance in times of high interest rates, then so were ordinary people who were struggling to make ends meet.

## Stilking of the ring



Brian Mitchell celebrates the sixth successful defence of his World Boxing Association title over Briton Jim McDonnell in London last night

## Boxing fans ignore protests

By Chris Whitfield, The Star Bureau

LONDON - The "major mobilisation" threatened by the Anti Apartheid Movement (AAM) for Brian Mitchell's fight here last night turned out to be no more than about 200 highly vocal protesters.

Spectators arriving at the Elephant and Castle Leisure Centre for the South African's fight with Cockney Jim McDonnell had to run a gauntlet of the chanting demonstrators some armed with megaphones and others waving placards.

A line of policemen held back the protesters as they bayed at fight fans arriving at the hall in Southwark.

"Don't support apartheid sport," they chanted.

"Shame, shame, shame on you," was directed at individual spectators, and especially the scores of blacks who

turned up to watch the fight. Among those singled out for particular contempt were the black boxers who arrived. They included heavyweights Frank Bruno and Gary Mason, IBF flyweight champion Duke McKenzie and middleweight Nigel Benn.

Banners protesting against the fight were strung up outside the venue and one unsuccessfully tried to convince fans that "The Fight is Cancelled".

The AAM had announced this week that there would be a major protest and it was predicted there would be more demonstrators than fans. But the 1100 seat hall was filled to capacity.

See Page 16 M

Two to share

246  
By Sven Lünsche  
Star 4/11/84

**Interest rise will sting farmers and homeowners**

# Tighten your belts again

Homeowners face increases of up to 40 percent in bond repayments, and people buying on hire-purchase will be confronted with a heavy extra burden in their budgeting as a result of the 2 percentage point rise in the Bank Rate yesterday.

First National Bank announced that its bond rate on new and existing loans will rise by 2 percent to 18 percent from November 24.

Standard Bank, in line with its promise not to exceed the average building society rates, is to increase its bond rate from 15.75 percent to 17 percent from December 7

## Building societies in a spot

Other banks are likely to increase their rates by 2 percent

Building societies are in a dilemma because most of them — except Saambou — have already raised their bond rate by 1 percentage point to 17 percent. It means they are likely to increase their rates by only 1 percent in the new year.

These rises will see economic growth rates slow down considerably in months to come.

Economists forecast higher unemployment as a consequence of the curbs.

They could also lead to more insolvencies of smaller companies as interest repayments on starting capital or personal borrowing soar.

Mr Bob Tucker, president of the Association of Building Societies, said yesterday that building societies could also be landed with house repossession.

Farmers will be hard hit, and it will cost them an additional R200 million in interest repayments on their estimated R14 000 million debt.

The president of the South African Agricultural Union (SAAU), Mr Kobus Jooste, said in Pretoria that the Bank Rate increase had come at a bad time for farmers.

"Agriculture is in a recovery phase at present, and the rise will drastically increase pressure on farmers."

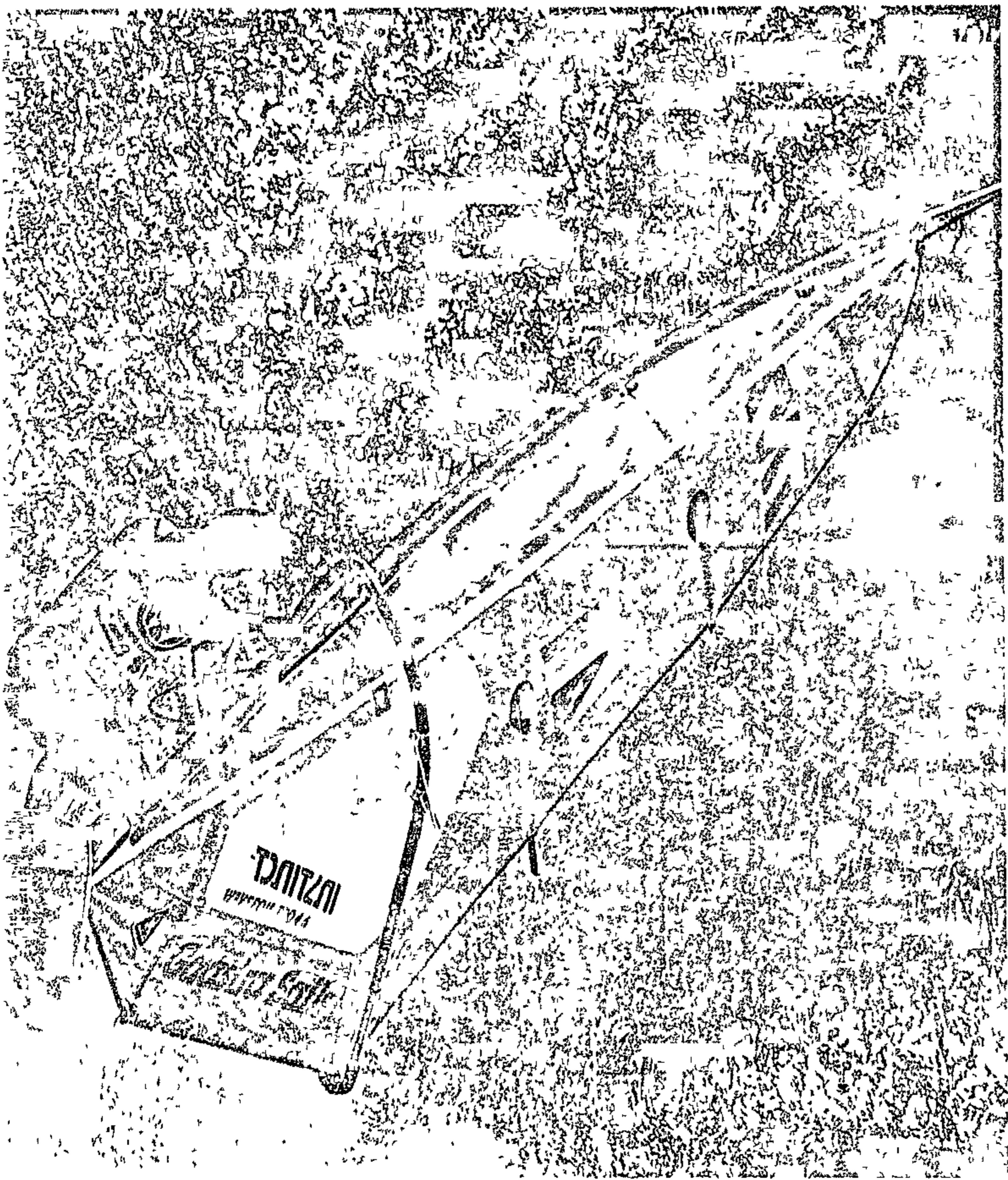
The Government has indicated that a proposal will be implemented to...

## bleak in housing market

Star 4/11/84

By Norman Chandler

The housing market is likely to experience a downward spiral which will result in fewer...



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"Agriculture is in a recovery phase at present, and the rise will drastically increase pressure on farmers."

The Government has indicated that a proposal will be implemented to increase certain subsidies to farmers to offset interest rate rises.

While the major commercial banks have all upped their prime interest rate by 2 percent to 18 percent, most banks, with the exception of FNB (18 percent), Standard and Allied Bank (17 percent), are still debating whether to implement the full 2 percent rise on the bond rate.

## Overdraft squeeze

A bond rate increase of 2 percentage points is the fourth increase this year, which started with a rate of 12,5 percent.

Bond payments (over a 25-year period) on R40 000 will rise from R436 to R606.

On a R60 000 bond, payments will increase from R654 to R910.

On a R80 000 bond, payments will spring from R872 to R1 212.

Bank overdrafts will also cost more, with rates for best customers rising 2 percent to 18 percent.

The man in the street could pay 20 percent on an overdraft or loan, while borrowings on credit cards is expected to rise 2 percent to 25 percent.

New purchases of cars, furniture and other goods on HP will also cost more.

On the other side of the coin, however, savers can expect slight increases in their retail deposit rates.

Many banks have already announced slight rises in their savings rates, but further increases of up to 1 percent are on the cards.

● See Pages 11 and 15.

# Outlook bleak in housing market

Stev 4/11/88  
(123)

By Norman Chandler

The housing market is likely to experience a downward spiral which will result in fewer properties being bought and sold, hundreds of repossessions, fall in prices, and smaller estate agents in liquidation — all by the second quarter of next year.

That was yesterday's grim message from economists, credit information companies and estate agents following decisions by building societies to increase home loan repayment rates by one percent, to 17 percent, with effect from next month, and the likelihood of a further one percent rise in the new year.

It is the fourth building society increase since March 30 this year when the rate stood at 12,5 percent.

Yesterday First National Bank announced that home loans would go up by two percent from November 24 following a similar rise in the bank rate announced earlier.

Mr Paul Edwards, managing director of Information Trust Corporation, said yesterday that "there is no doubt this is going to cause a fair amount of pain, especially to those highly borrowed"

Indications of bad times ahead in the property market come from Reserve Bank statistics which showed that new loans granted by building societies dropped from a high of R908 million in March this year to R765 million in June and were now hovering at the R650 million mark — "a dramatic cutting back is on the go," says Mr Neville Berkowitz, of *The Property Economist*

# New route to black market

## You'd have to be nuts to fall for this

## FOR SALE OR HIRE

THE municipal elections might be over, but someone somewhere seems to think that those two controversial squirrels should live on Anytakers?

**TWO WELL TRAINED SQUIRELS. WILLING TO DO ANYTHING — ILLEGAL, ILLEGITIMATE, CONTROVERSIAL AND/OR STUPID. COME WITH IMPROVABLE REFERENCES AND HIGH AWARENESS (ABEIT (IN SOME CIRCLES) BESMIRCHED CHARACTERS). APPLICATIONS IN WRITING!**

24b  
**CHRIS MOERDYK**

BLACK consumers made up South Africa's largest market, yet marketers still concentrated on the white consumer and many companies seemed content to achieve black market sales almost by accident.

But this was about to change through a marketing innovation called Stokvels.

Addressing senior advertising executives and businessmen at a Young & Rubicam Consumer Insight function, Andrew Lukhele, chairman of the National Stokvels Association of South Africa, spoke on the role the Stokvels Association played in formulating new marketing opportunities and of changing marketers' attitudes to the black market.

He explained, "A rotating credit association with entertainment, social and economic functions, Stokvels is based on African principles of co-operation." "It is a truism that any marketing person interested in tapping the black market must understand the subcultures in black areas."

The role of the Stokvels Association, by virtue of its credibility and ability to create a warm relationship with members, was that of structuring an environment for marketing people to "trap relevant markets".

According to Marius de Waal, managing director of Y & R Transvaal, the Stokvels Association provided an opportunity for the advertising industry to explore marketing opportunities at grassroots level, to find a different route into the black market and so develop its potential.

In June, the association embarked on a series of

### Stokvels offer an innovative approach

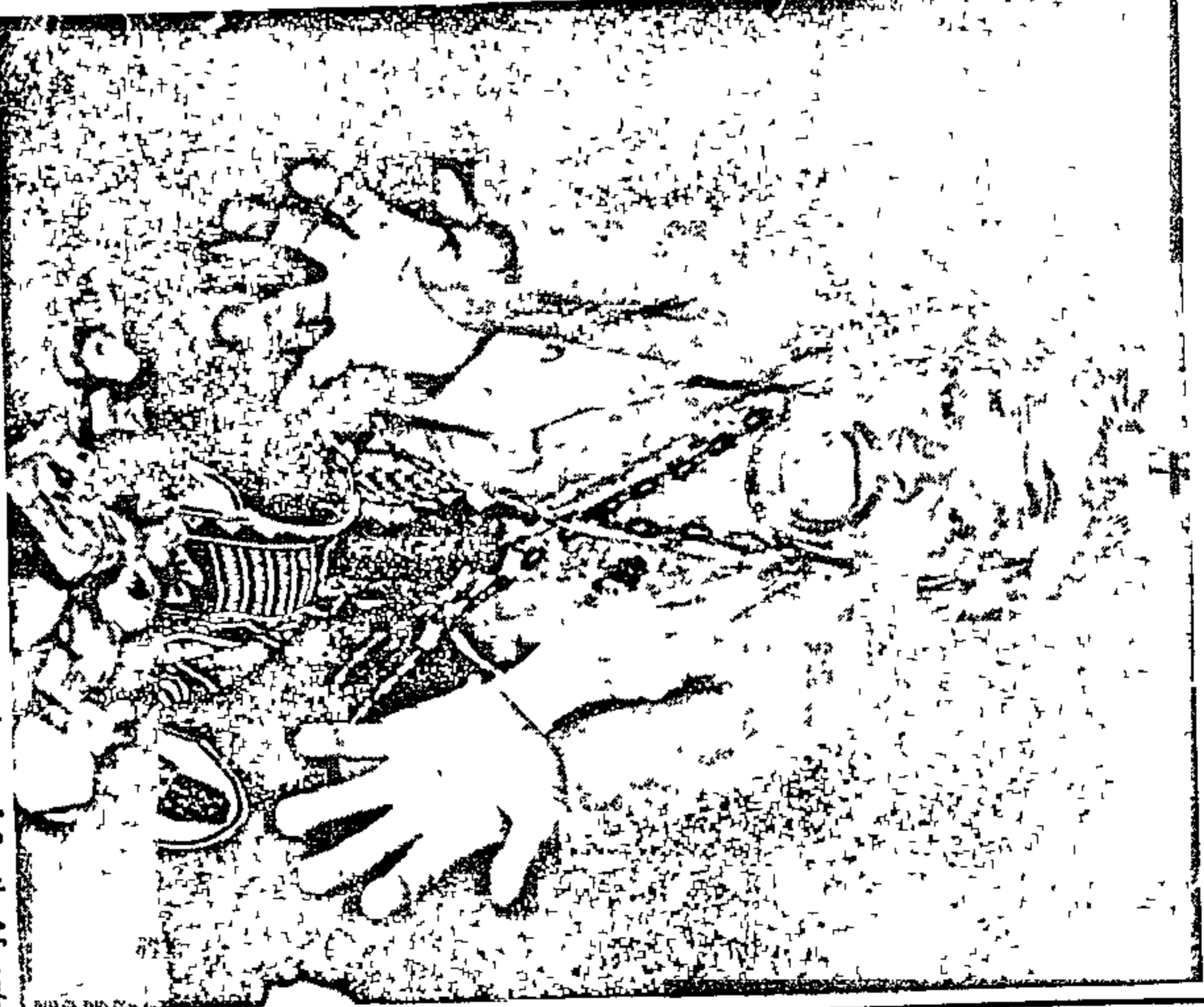
fund raising-cum-promotional shows, referred to as "Stokvels Night Shows".

The aim of these shows was to afford companies whose products had the potential to be marketed at Stokvels, the opportunity to do just that.

Said Mr Lukhele, "The shows served as a platform for companies to advertise and promote their products directly to members."

"A related task of the Stokvels Association is to help companies develop follow-up promotions since we believe that marketing is an educational process."

According to Mr Lukhele, plans for establishing a powerful marketing wing within the Stokvels Association were at an advanced stage, and to stimulate new marketing opportunities, an advisory service by marketing professionals close to the informal sector would be introduced.



**BLACK MAGIC** Is this still the perception marketers have of South Africa's black market? Local businessman Andrew Lukhele believes the Stokvels system will open the way into this burgeoning consumer market. See lead story on this page.

## Watch out - you're under review!

**MEDIA & Marketing Review** of 1988, an exciting tabloid featuring the events, innovations, ups and downs, and successes of the marketing, media and advertising industries during the past year, is to be published by The Star on the first weekend of December.

Following on the success of Saturday Star's Media & Marketing page launched at the beginning of this year, and through frequent demand for back-issues and specific features, we know the tabloid has surefire appeal. It will contain the most interesting articles covered by Media & Marketing during 1988.

With readership consisting of the majority of business decision-makers, marketers, advertising agencies, PR consultants and executives in the advertising support industries, Media & Marketing Review 1988 represents a unique, high-impact advertising vehicle. Advertising enquiries

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# 'Budget planning is impossible' <sup>246</sup>

Serious embarrassment for many home owners is arising because of the latest increase in interest rates, Mr Jan Cronje, director of the Consumer Council, said yesterday

"At a stage when money was freely available," Mr Cronje said, "consumers were encouraged to move into debt.

"Yet the latest increase in interest rates made nonsense of even the most carefully planned budgets

"We are seeing a repetition of what

happened a few years ago and which is proof that discerning planning is almost impossible

"Although the consumer council understands that consumer spending must be combated for the sake of the economy, the question arises as to whether it wouldn't be advisable to apply these measures exclusively to new bonds and credit agreements

"This will enable consumers to stay within their budgets," says Mr Cronje.

Consumers are advised to negotiate for a fixed interest rate. — Sapa.



# Finance charge shock for buyers

246

By Maggie Rowley

Car sales are expected to be hard hit by a big jump in hire-purchase rates.

The Registrar of Financial Institutions, Mr Theo van Wyk, has announced that the maximum finance charge rates under the Usury Act will be increased by 4 percent from tomorrow.

The maximum rate that can be charged for amounts under R6 000 will jump from 27 to 31 percent and for amounts above R6 000 from 24 to 28 percent.

The new rates are set to affect, in particular, cars bought on hire-purchase and leasing agreements where interest rates are not fixed.

Interest on outstanding credit card balances, which have averaged between 21 and 23 percent, will no doubt move up in the near future, bankers say.

Mr Mike Carstens, general manager in charge of marketing and planning at Nedfin, said the increases, following hard on the heels of increases in bond rates, would hit consumers hard.

A 12 percent deposit of R2 400 is required on a new car costing R20 000.

Monthly repayments at the current maximum rate of 24 and 28 percent are R652,04 and R697,04 respectively.

Under the new maximum limits, monthly instalments at 27 percent would be R685,65 and at 31 percent R731,80, Mr Carstens said.

A spokesman for First National Bank said the increases in finance charges follow recent increases in the prime rate to 18 percent and the bank rate to 15,2 percent.

"The last time finance charges were increased was in July following an increase in prime. When the prime rate was again increased on July 31 there was no increase in finance charges, which always tend to lag. So what is happening now is just a delayed adjustment to two increases in the prime rate," he said.

On the plus side of the scale, a savings medium for the elderly — five-year participation mortgage bonds — are to carry boosted interest rates.

First National Bank's bond scheme is raising its rates by 2,5 percent to 17,5 percent — one of the biggest jumps in one stage.

Syfrets says an increase is likely to be announced at the end of the week.

# Even more belt tightening for SA as interest rates increase

11/11/88  
Star  
By Michael Chester 246

Consumers are preparing today for a new round of price shocks in the wake of a steep increase in interest rates on credit.

The increases come into effect with a Government Gazette notice by the Registrar of Financial Institutions

It lifts the ceiling of maximum rates allowed under the Usury Act from 24 percent to 28 percent on all transactions over R6 000, and from 27 percent to 31 percent on credit transactions below R6 000.

The new squeeze on spending comes as homeowners already face the prospect of new rises in the cost of mortgage bonds

Sales of cars and expensive household goods such as furniture, and large domestic appliances such as fridges and stoves, are likely to be hit hardest, says Assocom (Association of Chambers of Commerce and Industry), though the full impact might be delayed a few weeks

Assocom economist Mr Ed Verburg said the full impact of higher rates looks set to come in the New Year

"Many retailers are likely to postpone big rises in interest rate charges until the Christmas spree is over. But a severe crunch now looks likely in 1989."

Mr Gutch Vickers, managing director of Stannic, forecast little immediate impact on hire-purchase rates for cars.

"Competition is far too intense for anyone to risk losing market share," he said.

These examples show the phenomenal rise in the cost of credit since the start of the year when the prime rate — and most home bonds — were at 12,5 percent:

**HOME LOANS:** The monthly repayment on a R50 000 mortgage spread over 20 years was R568 in January at 12,5 percent. It now jumps to R770 at 18 percent

**NEW CARS:** Based on a price tag of R30 000 plus 12 percent GST and an initial payment of a R4 032 deposit, monthly repayments at 16 percent — the average rate at the start of the year — were R837 spread over 48 months.

Now the monthly bill stands at R868 at the lowest prime rate of 18 percent for only top customers, R963 at 24 percent, and a staggering R1 030 at the 28 percent now allowed as the ceiling.

**FURNITURE:** With the balance to be paid off standing at R2 000 on a suite of furniture, as an example, to be settled over 12 months, monthly bills move from R187 at 12,5 percent in January to R196 at the current rock bottom 18 percent — but up to R218 at the new 31 percent maximum.

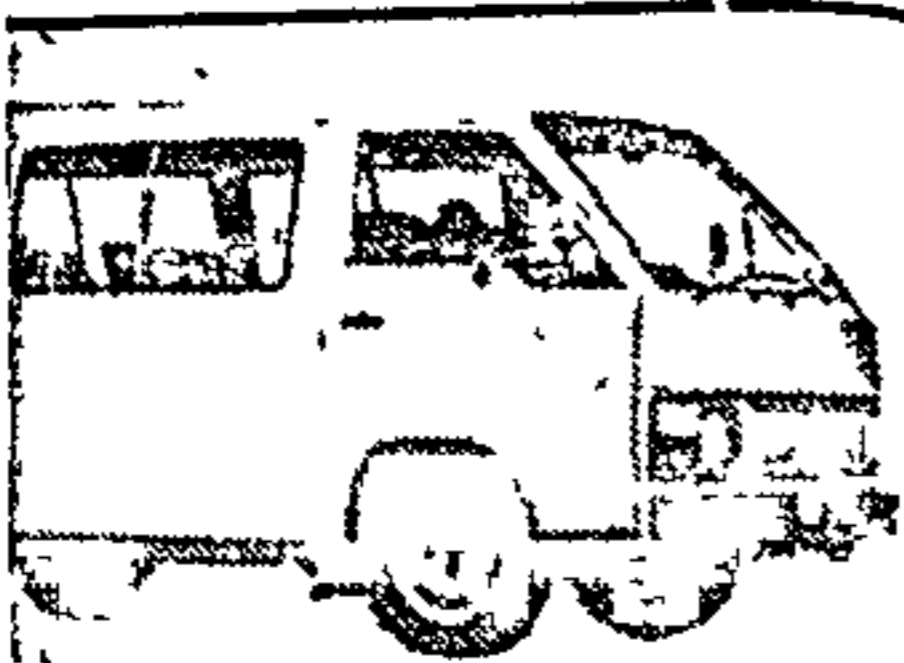
**BANK LOANS:** An overdraft of R50 000 taken out by the average bank client involved costs of R520 a month in interest at the start of the year.

Now, allowing for charges of the current 18 percent prime rate, plus 5 percent, they climb to R750 a month.

THE SUNDAY STAR

# FEARS OVER ABUSE OF CREDIT ACT

*Sowetan 11/11/88*  
*246*



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THE Lawyers for Human Rights are extremely concerned at the way some furniture shops are disregarding the Credit Agreement Act by repossessing goods without obtaining court orders to do so.

The organisation, which felt there was a great need to protect consumers who are not aware of their rights in the market place, decided recently to offer its services to people in need of help.

The decision comes after a commissioner in the Small Claims Court ruled in favour of a man who had his goods repossessed by a furniture shop after he had lost his job.

The man had bought the furniture on Hire Purchase terms and regularly paid his instalments up to the time he lost his job. He had paid about R1 400 when the goods were repossessed.

The man argued in court that by repossessing the goods, the furniture shop was giving up the contract. He told the court he agreed to this and demanded the repayment of the R1 400 he had paid the shop.

According to the Lawyers for Human Rights, the manager of the shop failed to give a satisfactory explanation as to why the goods were taken away without a court order. The commissioner ordered the furniture shop to pay the customer the R1 400 and his costs for instituting the action.

Anyone with similar problems can get in touch with the organisation on the 7th floor of the Medical Arts Building, Jeppe Street, Johannesburg.

**SALONS**

**OWN YOUR OWN HOUSE**

Pharmacists urge consumer protest

# State system sends medicine prices soaring

246  
Star 14/11/85

By Toni Younghusband, Medical Reporter

Private patients could be paying up to 80 times more for medicines than the State pays, a survey reveals.

More than seven years ago there were warnings that the State's tender system of buying drugs would place medicines beyond the reach of the average South African

While medicine prices continue to soar for the consumer — a 33 percent increase is forecast for next year — the State still buys from manufacturers under the highly controversial tender method

## Govt not to blame, says

## Van Niekerk

By Bruce Cameron, Political Staff  
Star 14/11/85

CAPE TOWN — The Minister of Health, Dr Willie van Niekerk, has rejected accusations by the Pharmaceutical Society of South Africa that the Government is responsible for the high price of medicine

At the same time he levelled an accusation at the society that it wanted "protected free enterprise"

In an interview he challenged the society to tell the public why its members were objecting to a pharmacy in Pretoria that had dropped its prices by 25 percent.

Another pharmacy in Durban had been able to offer a 12 percent discount without affecting its profits

In its advertising campaign, the society says the high price being paid by the consumer is a result of the "present inequitable pricing structure"

"The pharmaceutical manufacturing industry enjoys three separate water tight markets the tender market, the dispensing doctor market and the private sector pharmacy market"

The society wants a standard ex-factory price imposed by the Government Dr van Niekerk said at the weekend that the Government, in calling for tenders for medicines, was obviously attempting to keep prices down

"It is no use trying to blame the Government — it is a private sector problem Why must the Government pay more for medicine?"

"Bulk buying is also available to private pharmacies, but they can't agree among themselves"

"They are looking for an artificial situation"

Dr van Niekerk said, however, that the basic problem was the cost of medicines and this issue was subject to a Government investigation at the

Because of the competition caused by the system, manufacturers slash their prices to rock-bottom

Then, in an attempt to balance this, they push up the prices they charge wholesalers

In turn, the wholesalers pass on their profit mark-up, and so do the pharmacists At the end, the consumer can pay up to 80 times more than the State would have — and the pharmacists are blamed

Mr Jack Bloom, chairman of the Southern Transvaal branch of the Pharmaceutical Society of South Africa, says he is tired of being insulted for no fault of his own

"We, the pharmacists, are the scapegoats We are the ones the public buys from, and we have to deal with the insults"

"I don't blame the public, I understand how they feel"

Now in a last ditch attempt to force the Government to revise the tender system, Mr Bloom and other society members have called for a concerted consumer protest.

### 'Rash of rises'

They have placed an advertisement in The Star pointing out that the price of medicine can be reduced — but "only if the Government acts immediately"

"We are genuinely concerned about the price of medicine"

"There have been a whole rash of price increases Some went up last week," said Mr Bloom

In a survey by The Star, one medicine costing the State 95 c has a retail price of R39,95 (before the dispensing fee)

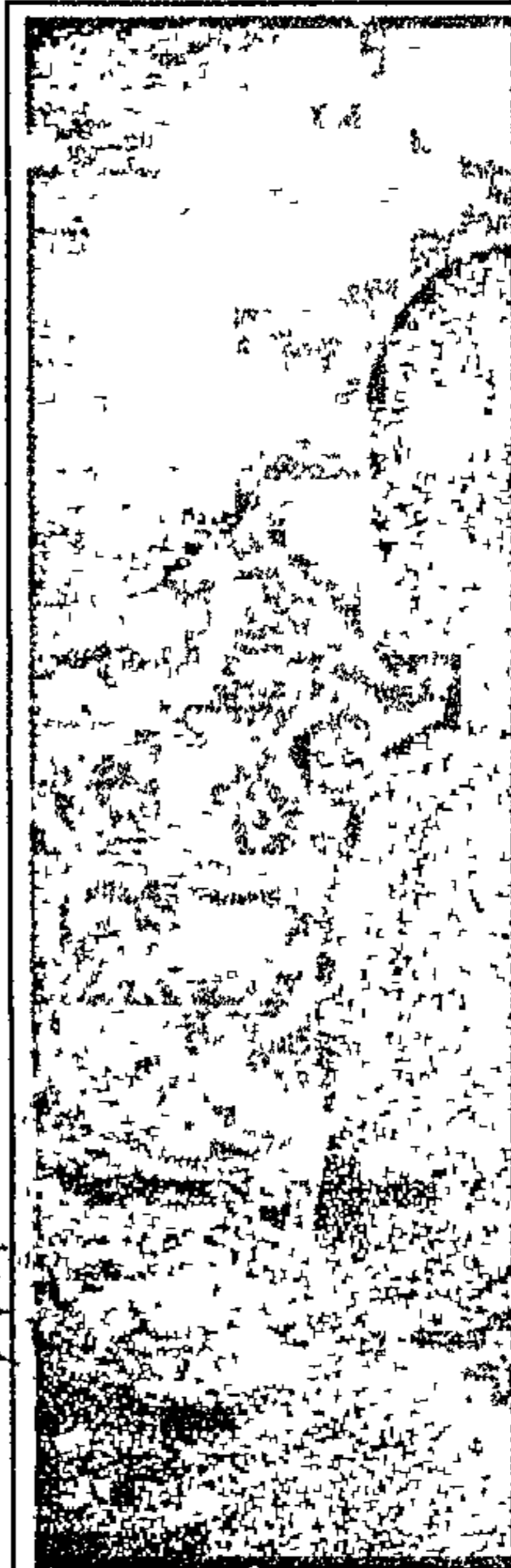
Medical aid scheme members do not escape unscathed

To compensate for increasing prices, the schemes are pushing up members' contributions

"We now believe that the only way to get some reaction from the Government is through a powerful consumer protest"

"A concerted consumer protest may well force the issue and bring the price of medicine down significantly," says the pharmaceutical society

See Page 5



Surf — for clean administration

## Tembisa intimidates matric e

Star 14/11/85 East Rand Bu

The regional director of the Department of Education on the Highveld, Mr J H E of intimidation fewer pupils than writing matric examinations in Tembisa

He said 1 200 pupils had registered at the beginning of the year but only 100 started last month many pupils feared for their lives

A secondary school principal, identified, estimated the number of matric examinations at between 70 and 80

Several pupils said they withdrew because they had been threatened

In the Kempton Park area schools appealed to parents to accompany them when they start writing their matric examinations

Pamphlets distributed in the townships yesterday read "The education"

# Call for urgent inquiry Star 15/11/58 into soaring medicare

By Toni Younghusband  
Medical Reporter

299 South Africans were in a crisis situation as far as medical care was concerned and the entire medical system had to be investigated urgently, the past president of the Housewives' League, Mrs Joy Hurwitz, said today

Mrs Hurwitz, who is conducting an in-depth investigation for the league into medical costs, was responding to the disclosure in The Star yesterday of the State tender system of purchasing medicine

By purchasing on tender, the State was buying its medicine as much as 80 times cheaper than the private patient

Mrs Hurwitz said it was "absolutely alarming" to see by how much the price of medicine had gone up in the last year "The cost to the private patient is astronomical. It cannot go on.

"The more the price of medicine goes up, the higher the medical aid fees until eventually you won't have anyone able to afford medical aid. They'll all become State patients and then where will the State be. It says it has no money to pay for the patients it has,"

Mrs Hurwitz pointed out

The Minister of Health, Dr Willie van Niekerk, yesterday rejected accusations by the Pharmaceutical Society of South Africa that the Government was responsible for the high price of medicine. He said the society wanted "protected free enterprise".

Mr Jack Bloom, chairman of the Southern Transvaal branch of the society, said Dr van Niekerk had failed to address the real issues at stake

"The argument concerns the tender system. It is the tender system which pushes up the price of medicine. Dr van Niekerk has not answered anything at all," Mr Bloom said

Mr Bloom pointed out that pharmacists were already "protected" and what they were looking for was not protection for themselves but for the paying consumer

"We are the interface with the public and they get terribly rattled when they have to pay high prices for their medicines. We cannot blame them

"It is a totally crazy situation," Mr Bloom said, adding that he and other society members have called for a concerted consumer protest

246

Private patients suffer

SA medicine  
*star 16/11/88*

at 'crisis point'

246

South Africa's medical system is in a "crisis situation" and urgently needs to be investigated, the past president of the Housewives League, Mrs Joy Hurwitz, said yesterday.

Mrs Hurwitz, who is conducting an investigation into medical costs for the league, was responding to the disclosure on Monday of the State tender system of purchasing medicine. By purchasing on tender, the State was buying its medicine as much as 80 times cheaper than the private patient

#### Sales tax criticised

Mrs Hurwitz said it was "absolutely alarming" to see how much the price of medicine had gone up in the last year.

"The cost to the private patient is astronomical. The more the price of medicine goes up, the higher the medical aid fees until eventually you won't have anyone able to afford medical aid," Mrs Hurwitz pointed out.

She also slammed sales tax and import duty on medicines.

"Why should we have 12 percent GST

By Toni Younghusband,  
 Medical Reporter

on medicine or, for that matter, why is there import duty? Medicines are not luxury items, you cannot avoid being ill," Mrs Hurwitz said.

The Minister of Health, Dr Willem van Niekerk, on Monday rejected accusations by the Pharmaceutical Society of South Africa that the Government was responsible for the high prices.

He said the society wanted "protected free enterprise".

Mr Jack Bloom, chairman of the southern Transvaal branch of the society, said Dr Van Niekerk had failed to address the real issues.

But manufacturers of generic medicines have pointed out that replacing brand name products with their goods would also substantially decrease prices.

But they said pharmacists were standing in the way of this. One manufacturer said pharmacists were reluctant to recommend generics because lower prices meant lower profits for the pharmacy.

# Medical <sup>Sowetan</sup> care in SA 'critical' ~~246~~ 246

SOUTH Africa was in a "serious crisis situation" as far as medical care was concerned and the entire medical system had to be investigated as a matter of urgency, the past president of the Housewives' League, Mrs Joy Hurwitz, said yesterday.

Mrs Hurwitz, who is conducting an in-depth investigation for the league into medical costs, was responding to the disclosure on Monday of the State tender system of purchasing medicine.

By purchasing on tender, the State was buying its medicine as much as 80 times cheaper than the private patient.

Mrs Hurwitz said it was "absolutely alarming" to see by how much the price of medicine had gone up in the last year.

"The cost to the private patient is

## SOWETAN REPORTER

astronomical. It cannot go on. The more the price of medicine goes up, the higher the medical aid fees until eventually you won't have anyone able to afford medical aid.

"They'll all become State patients and then where will the State be? It says it has no money to pay for the patients it has," Mrs Hurwitz pointed out.

She also slammed the General Sales Tax and import duty slapped on medicines.

"Why should we have 12 percent GST on medicine or for that matter, why is there import duty? Medicines are not luxury items, you cannot avoid being ill," Mrs Hurwitz said.

She said while the Government had promised to "look into" the medical situation in South Africa, little had been done.

Mrs Hurwitz is meeting with the Minister of Health, Dr Willie van Niekerk, on November 23 to discuss medical costs

246 Star 2/11/88

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By Sven Forssman

There has been a dramatic decline in consumer spending over the past month and measures introduced by the Government in September to cool down the economy are starting to take effect

So says Mr Arthur Solomon, marketing director of OK Bazaars and Mr Eric Ellerine, head of Ellerine Holdings

Nedfin's MD Mr Ron Rundle said last week there were signs that the demand for credit was tapering off

"There has been a substantial drop-off in consumer spending, especially in big-ticket items such as refrigerators, television sets, washing machines and video recorders," Mr Solomon told The Star at the weekend

"This has come about mainly because of the tougher hire-purchase qualifications — higher deposits and shorter repayment periods.

"High interest rates and warnings by the Government to people to stop spending have also been contributing factors to the drop-off, which I estimate to be at least 10 percent"

Mr Ellerine said the man in the street was definitely feeling the pinch

"Between now and Christmas, spending patterns have always been pretty buoyant, but there has been a marked drop-off in the sales of fridges, washing machines and hi-fis," he said

"The industry should experience a downturn in units of about 10 percent Next year we're expecting a further drop in volume terms"

Furniture had not been affected to the same degree, said Mr Ellerine, because deposits had remained pretty static

Mr Solomon said it was highly unlikely there would be a drop in prices

He said the 60 percent surcharge was having a dramatic effect on pricing and slowing down consumer spending

"To soften the blow of the drop in consumer spending we are going to have to look at picking up sales from other areas — and different customers"

Dion boss Mr Hymie Sybil said his company was in the fortunate position that only 13 percent of its business was done on terms

Dion had not experienced a drop-off in consumer spending

"In fact, we are expecting to pick up a lot of business at the expense of our traditional hire purchase competitors," Mr Sybil said

Mr Sybil expected sales to top R50 million in December, compared with the average of R26 million the chain was doing a month



Star 22/11/88 (246)

## SA's consumer laws are 'underdeveloped'

By Kaizer Nyatumba

The Harmful Business Practices Act which was passed on July 1 this year did not eliminate the need for further legislative changes in consumer law, the dean of the Law School at the University of Natal, Professor David McQuoid Mason, said yesterday.

Addressing the Checkers 1988 Consumer Journalism Awards Seminar in Johannesburg, Professor Mason said the four-month-old Act did not obviate the need for further legislative changes because the implementation of the Act was left to a committee, and the focus of the law was on business practices and not on "undesirable traders"

South Africa, said Professor Mason, abounded with "numerous examples" of harmful business practices, including door-to-door sales, referral sales, fake contests, "bait and switch" tactics, television repairs, home improvements, unfair contracts, the sale of skin lighteners, misleading advertising and promotional schemes and debt collection practices

Legislation concerning the protection of consumers against harmful business practices in this country was "very underdeveloped" compared with that in the United Kingdom, the United States and Australia, Professor Mason said

"It is clear, however, that unless the legislation has teeth such as the power to grant civil remedies, impose criminal sanctions and to obtain interdicts and court orders to prevent harmful business practices, such legislation is very often not worth the paper it is written on

"Furthermore, it is not sufficient to rely upon traditional law enforcement agencies, such as the Commercial Branch of the police, because these agencies are usually understaffed," Professor Mason said.

The chairman of the Business Practices Committee, Professor Louise Tager, said she believed the Act had enough teeth to deal with most problems, although the scope of her committee's investigations might be limited by the legislation.

# Warning bells toll as jingle bells chime

By MICHAEL CHESTER

Your pocket is full of crisp notes from that end-of-year bonus; the word "buy" is on everyone's lips. Just make sure you're not being ripped off when purchasing imported merchandise.

Shoppers setting out on an annual Christmas buying spree have been alerted by the Witwatersrand Chamber of Commerce and Industry to guard against swindles when buying items shipped in from overseas.

The sound of jingle bells has been interspersed with warning bells about the risk of retail trade scams trying to skim extra profits from confusion about price increases caused by higher surcharge levies on various imported goods.

The chamber fears a round of rip-offs as shoppers, many with purses fattened with Christmas bonuses, relax their watch on price movements.

"Reports are flowing in that some retailers are exploiting public ignorance about the precise scale of import surcharges," says WCCI chief executive Mr. Marinus de Jager.

"There are widespread misconceptions, often encouraged by less scrupulous retailers, that the price of all imported goods has automatically jumped by 60 percent."



Major-General Philip Pretorius

## A man who is sticking to his guns

By DAWN BARKHUIZEN

Never lean on a gun. Civilians might do it but a military man — never!

Despite retiring from the SADF earlier this year, the new director of the South African National Museum of Military History in Johannesburg, Major-General Philip Pretorius, is still not "at ease".

In fact, he hardly feels he has left the army at all.

Military history has always been a great interest of mine. I was previously a member of the museum board of trustees, so after 37 years in the army the position here was like the cherry on the top.

"I've only had one job," he admits, and after 37 years you develop a certain lifestyle and way of doing things.

I chose my career immediately after the war. In those days one either went into the church or the army. Some of my forefathers were military men — I choose the army.

"It's a choice that I've never regretted, I've seen the world."

He had a five-year stint as SA military attaché in Paris and ended his career in the army as chief director of manpower provision and development in the personnel division.

### Sliding scale

"In fact, the surcharges, most of which stood at a fixed 10 percent until changes were announced in August, now run on a sliding scale. Consumers are advised to become better acquainted with the impact on specific items.

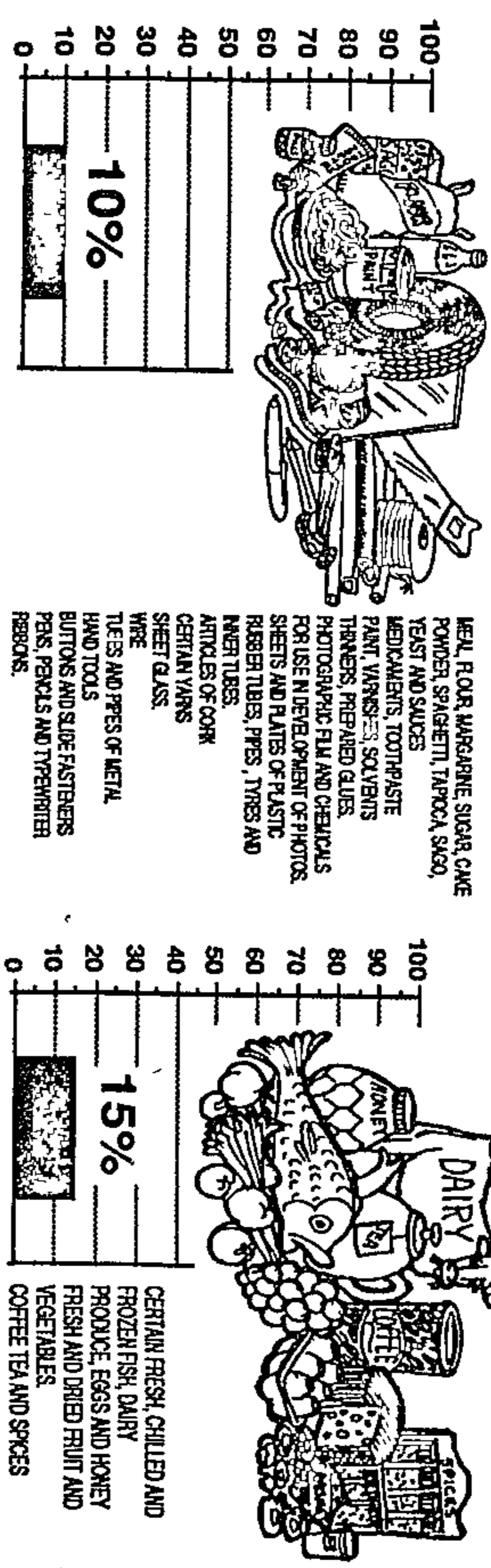
"There are some instances where surcharges as high as 60 percent have been imposed, but that list is limited and most goods fall into lower surcharge brackets.

"Consumers who suspect exploitation should challenge the shop management. Even goods now attracting a 60 percent import levy should not jump in price by as much as that, since most of them paid at least a 10 percent surcharge before the new scale was introduced."

Two examples:

● An imported radio costing R500 carried a 10 percent surcharge before the August 12 changes, pushing the price to R550. Now, with a 60 percent levy, the price jumps from

## How and where the import levies hit...



But a final word of advice from the chamber: "If you suspect a scam, ask to see the store manager and insist on a reasonable explanation."

And while low levels of inflation in many overseas countries means only modest recent rises in their production costs, the price of long lists of imported goods has shot up by the time they arrive on South African retail shelves as a result of a shrinking rand exchange rate.

But a final word of advice from the chamber: "If you suspect a scam, ask to see the store manager and insist on a reasonable explanation."

# Checkers offers to fund watchdog

The Argus Correspondent *246*  
*23/1/88*  
JOHANNESBURG — The giant supermarket group Checkers has offered to help fund an organisation to protect and encourage consumer interests

Mr Clive Weil, the company's managing director, said at the Checkers Award for Consumer Journalism presentation in Johannesburg that R500 000 would be made available provided consumer organisations agreed to form a national coalition

He added that there was "no substitute for organised consumerism. Checkers firmly believes that a consumer coalition is desperately needed."

Mr Weil emphasised that he was not attacking existing consumer groups and praised them for doing what he termed "an excellent job with the limited resources and the voluntary staff members available to them"

He added, however, that a single national consumer organisation, independently financed and staffed was the solution

Mr Weil said that the country could not afford sectionalism or dissent, and that a single group was needed

Reacting today, Mr Jan Cronje, director of the Consumer Council, said the Council commended Checkers on their efforts but added that Mr Weil's idea was not feasible

"Consumers want the best products for the lowest prices while dealers want the highest profits for the lowest input"

# Chain offers to aid protection fund

CHECKERS, one of the leading supermarket chains in South Africa, has offered to help fund a united consumer organisation to protect and encourage consumer interests

market group would make R500 000 available provided the existing consumer organisations agreed to form a national coalition

groups. Instead, he praised them for what he termed "an excellent job with the limited resources and the voluntary staff members available" to them. He added, however, that a single national consumer organisation, independently financed and staffed, was the solution.

coalition. We'll encourage others, including our suppliers and the Government, to do likewise. *Sowetan*

Announcing the offer at the Checkers Consumer Journalism Awards in Johannesburg earlier this week, the company's managing director, Mr Clive Weil, said the grant super-

He said there was "no substitute for organised consumerism" and added that Checkers firmly believed that a consumer coalition was desperately needed. Mr Weil emphasised that he was not attacking existing consumer

Mr Weil emphasised that he was not attacking existing consumer groups. Instead, he praised them for what he termed "an excellent job with the limited resources and the voluntary staff members available" to them. He added, however, that a single national consumer organisation, independently financed and staffed, was the solution.

He said the country could not afford sectionalism and dissent.

MR Clive Weil... Checkers' managing director.



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## Interest rate need not be your burden

WITH the interest rates on a wide range of financial transactions now back to the punitive levels experienced during 1985/86, consumers are urged to shop around and obtain the lowest rate possible. In most instances such a practice will lead to savings of hundreds of rands, and in with large items like cars, several thousands of rands.

Recently the Registrar of Financial Institutions, Mr Theo van Wyk, quietly and almost surreptitiously dropped his interest rate bombshell on South African consumers, already struggling under the combined shocks of increases in the petrol price and the sharp upward jump in mortgage rates.

Under the Usury Act, an act which covers most financial transactions not yet covered by the Credit Agreements Act, the maximum rates that can be charged for transactions with amounts up to R6 000 will jump from 27 percent to 31 percent, while for amounts above R6 000 the maximum allowable rate jumps from 24 to 28 percent.

The effect of these jumps on the total amount payable by the consumer is quite horrendous and should, in many instances, be a disincentive to take up further credit, as is the intention of the authorities. Buying a new car, for instance, can cost you close to double the cash price if the maximum interest rate is charged.

The new rates mean that buying a R30 000 car on a five-year Hire Purchase agreement would eventually cost more than R55 000. This figure is calculated on the maximum 28 percent charge, 12 percent General Sales Tax and an initial 12 percent deposit. Calculated at the previous maximum rate the total cost would have been R51 000.

What many people also don't realise is that the opportunity cost of

### Money Matters

Magnus Heystek



the deposit (ie the interest "lost" by purchasing the car) must also be included in the total purchase cost of the new vehicle. In the above instance, if the deposit of R3 600 is invested elsewhere, it could have earned approximately R3 600 (depending on the interest rate obtained) during the five-year period.

Many dealers will no doubt be charging the maximum rates allowable, but consumers should not accept the first quote from any dealer. In fact, many prospective customers are interested only in the monthly repayments and whether they can afford them. This allows the dealer free rein to charge the customer the maximum interest rate and then to discount the transaction, normally at a much lower rate, at a financial institution. The difference goes straight into the dealer's pocket.

Shop around for the lowest interest rate available. The competition among financial institutions is tough, and, with the expected downturn on the economy next year, is bound to get tougher.

Offer to arrange your own credit facilities when buying a large item such as a car or swimming pool.

With banks and building societies engaged in a furious battle for market-share, it is advisable to shop around for the best interest rates. Even if it means changing your bank or building society to do so.

The same applies to personal loans and overdraft loans. Most people don't have any idea what interest rate they are being charged by their banks or building societies. Call up your manager on Monday and inquire about it. In many instances you will be shocked to find that some banks are charging clients up to 24 percent on overdrafts, while the prime interest rate is only 16 percent.

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# 'Manufacturers to blame for high cost of medicines'

THE HIGH cost of medicine to the private sector in South Africa was the fault of the pharmaceutical industry, the Minister of Health, Dr Wille van Niekerk, told the Housewives' League at a meeting this week.

Dr van Niekerk indicated the league should seek its own salvation and not appeal to the Government with regard to the high cost of medicines to the private sector.

The high cost of medicines and drugs to the private sector was however also a matter which demanded the Minister's attention, said the League's vice-president, Mrs Joy Hurwitz.

Figures furnished to the league by the Minister indicated the cumulative mark-up from manufacturer to wholesaler to retailer was to blame for the problem.

In response to Dr van Niekerk's suggestion that the league should "seek its own salvation", Mrs Hurwitz said the league would call a meeting with heads of the pharmaceutical manufacturing industry, including wholesalers, pharmacists and medical aid schemes, in the new year "to establish the facts".

Sapa.



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# Consumer spending set to fall sharply

Star 2/12/88 24p

CAPE TOWN — The main determinants of consumer spending point to a less keen demand during the rest of this year, but particularly next year, according to the Director of the Stellenbosch Bureau for Economic Research, Dr Ockie Stuart.

## Cyclical contraction

In an article in the current issue of *Intermark Data*, Dr Stuart says the cyclical contraction is expected to be rather severe and that the durable goods sector will feel the effect more than any other.

He says the 1988 level of total private consumption expenditure should be 3,3 percent above that of 1987, but that 1989 will show something akin to near zero growth in consumer spending.

The main determinants of consumer spending will impact on the durable goods sector in particular.

Sales of furniture and household appliances were responsible for about 40 percent of total spending on durables.

However, because of the expected slowdown in the erection of up-market housing, in partic-

ular, the demand for these goods will become very sluggish.

"As a result of the worsening in the exchange rate and higher interest rates, cars will be priced out of the reach of most consumers.

A sharp decline is foreseen in the number of new cars sold next year," Dr Stuart says.

The growth in semi-durable goods is estimated to decline by 0,8 percent next year.

The slackening demand will be felt in the sub-sectors of clothing, footwear, recreational goods and entertainment goods.

However spending on non-durable goods will remain fairly stable because of the fact that the food, beverages and tobacco sub-sector constitutes about 73 percent of total spending, Dr Stuart says.

## Salary increases

Public service employees will receive salary increases ranging from 15 to 23 percent next year.

But the expected slowdown in the macro economy will cause a reduction in employment and total remuneration of employees will increase at a lower rate of approximately 16 percent, Dr Stuart says — Sapa.

Star 6/12/88 (246)

## Consumer link offer hailed

The Consumer Union has welcomed Checkers' offer of R500 000 for a consumer coalition.

"The Consumer Union has, since its inception, been the co-ordinating body bringing all those interested in consumers together," the Union said.

"We represent 26 consumer-oriented organisations and work closely with all establishments concerned with consumers.

"We were responsible for the establishment of the South African Co-ordinating Consumer Council and have actively generated the increasing interests in consumers, including legislation."

The Union invited any consumer organisation working on its own — and not for gain — to join in presenting a united front.

This would "strengthen the voice of the consumer in this country".

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# A HELPING HAND

Mr ALLY Mokoena of the South African Coordinating Consumer Council is to many South African blacks what Ralph Nader — the founder of modern consumer activism — is to Americans.

Within two years of opening an office in Durban, this former school teacher-turned journalist-turned consumer advocate has handled thousands of consumer problems from people of all races, but mostly blacks

"On average, I handle 35 interviews and 60 telephone calls a day. Interviews increase to more than 50 a day after I have given a talk on Radio Zulu," he says.

The 53-year-old Mr Mokoena, who usually speaks on Radio Zulu on certain points of consumerism, operates from a small office in Durban where he battles to divide his time between interviews, telephone calls and paper work.

He says his message to consumers this season is to get them to differentiate between a need and a want.

"We are at the time of the year when people have got a lot of money and they just spend it anyhow. We are trying to get them to spend their money on needs rather than on wants," he says.

People can easily do without wants, but it is hard to make do without needs, he says.

A person needs clothes to wear, but does not necessarily need to replace the old working TV set with a new one. The former is a need whereas the latter is just a want, he says.

"Consumer council is there to give knowledge

to people. We educate people on how to use their money and about their rights in the market place."

As an example of the consumer's right, Mr Mokoena talks of a person who comes home in the afternoon and finds that his furniture has been removed because he is five months in arrears.

He says he tells the consumers that a dealer who does that is liable for all the monies paid unless he gets a court order or gets the owing party to sign a voluntary certificate.

This aspect of consumer right has brought down upon Mr Mokoena the wrath of some dealers who have accused him of telling people that if they don't pay they can still get a refund.

"What these dealers seem to forget is that when I tell people about their rights, I also tell them about their duties. I even tell them about the advantages associated with prompt payment."

Contracts were the most problematic area in black consumers because "they fall prey to some glib salesmen."

"Some salesmen usually say things which

are not included in the contract and people get into the contract on the strength of what the salesmen tell them and not the provisions of the contract," he says.

Another problem area, says Mr Mokoena, is the gullibility of the consumer to pay money upfront for services to come.

Mr Mokoena says complaints come to him in the form of letters, telephonically or people calling in personally. However, this is all subsidiary to the main aim of the council which is educative.

Apart from handling complaints in his office, Mr Mokoena also goes out to give talks at schools, factories and on Radio Zulu.

He says he has never had a decent vacation since he began in 1986. He has had to work weekends because of a number of people who cannot see him during the week.

Mr Mokoena says his wish is to get more time on the air to answer the problem of the consumer and conduct "phone-in" programmes. This would help reduce the number of people who come to his office.

Soweto 15/12/88 (246)

## Consumer more sophisticated

THE urban black consumer is becoming increasingly sophisticated in his choice of stores and products, according to a survey conducted by the Bureau of Market Research of the University of South Africa.

The survey, on urban black attitudes towards shops and shopping, was carried out simultaneously in Soweto, Johannesburg, and Kwa-Mashu and Umlazi townships in Durban.

Quick service, good quality, clearly marked prices and competitive prices emerged as the most important store characteristics among black consumers in Soweto. In Durban, quick service topped the list, followed by clearly marked prices, competitive prices and a fast delivery service.

The survey also found that more and more blacks preferred self-service to service by assistants.

No surcharge  
for kosher <sup>246</sup>  
food - League

Star 19/12/88

The Housewives' League of SA has announced its support for the Kasher Consumer Organisation's appeal to the Minister of Finance to have imported kosher foods exempted from the new import surcharge

The December issue of the League's official newsletter, *Rands and Sense*, states that the surcharge would particularly affect essential goods that are imported for the festival of Pass-over

The manufacture of these goods demands the most stringent religious supervision.

"The hardship which will be inflicted on the consumers of imported kosher products will increase markedly if the new import surcharge on them is retained," the newsletter said - Staff Reporter

Star 19/12/88

## Medicine costs talks disappointing, says Housewives' League

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Staff Reporter

The Housewives' League of South Africa says it was most disappointed with discussions it held recently with the Minister of Health, Dr Willie van Niekerk, about the high cost of medicines to the private sector

According to the December issue of *Rands and Sense*, the league's official newsletter, Dr Van Niekerk's attitude was that he was mainly concerned about the plight of those who are dependent on the State for their medical care

While the league acknowledged this to be essential, it said the ex-

tremely high cost of medicines and drugs to the private sector was also a matter which demanded the Minister's attention

Dr Van Niekerk, however, claimed the high costs were attributable to the pharmaceutical industry's cumulative mark-up from the manufacturers to wholesalers to retailers and finally to consumers

The League said it would call a meeting early next year between heads of the pharmaceutical manufacturing industry, the wholesalers, pharmacists and medical aid schemes to "establish the facts"