

PRICES - CONTROLS & CONTRADICTIONS

1975 - 1976

HANJARD 1 Q. column 7  
A February 1975.

Y Investigations under the Regulation of  
Monopolistic Conditions Act

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\*11 Dr E L FISHER (for Mr D D  
Baxter), asked the Minister of Economic  
Affairs

Whether any investigations under the  
Regulation of Monopolistic Conditions  
Act, 1955, have been initiated by the  
Board of Trade and Industries since 20  
September 1974, if so, (a) how many and  
(b) in respect of which industries or  
activities have these investigations been  
made

The MINISTER OF ECONOMIC  
AFFAIRS

Yes

(a) One

(b) An alleged violation of the prohibi-  
tion on resale price maintenance in  
respect of certain types of clothing

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PRICES — Controls + Concentrations

LYS VAN KOMMODITEITE WAARVAN DIE PRYSE REGSTREEKS KRAGTENS DIE WET

1975

OP PRYSBEHEER. 1964, AAN BEHEER ONDERHEWIG IS

1. Alle soorte elektriese en nie-elektriese huishoudelike toerusting en onderdele daarvoor. (Skedule 1)
2. Aartappelmoere - ingevoer.
3. Bevolkings registerfoto's
4. Bioskoop - en Rolprentteatertoegangsgeld
5. Boumateriaal. (Skedule 2)
6. Droë lusern en lusernmeel.
7. Fotografiëse en Kinematografiëse kameras, vergroters en verkleiners, projektors, klankopnemers en -weergewers en onderdele daarvoor. (Skedule 3)
8. Geel margarien.
9. Gegalvaniseerde gegolfde sinkplate (nuut en tweedehands)
10. Kunsmis.
11. Landboumasjinerie, -implemente en -toerusting en onderdele daarvoor (Skedule 4)
12. Omheiningsmateriaal (draad, ogiesdraad, heiningspale en -hangpaaltjies).
13. Pyptabak.
14. Plat staalplate (beklee of onbeklee)
15. Porseleinisolators.
16. Radio's radiogramme, klanktroue toestelle, grammofone, klankopnemers, band of draadeenhede, luidsprekers en klankversterkers en onderdele daarvoor. (Skedule 5)
17. Sekere staalprodukte.
18. Sigare.
19. Sigarette.
20. Steenkool
21. Suiker.
22. Vars melk in sekere gebiede.
23. Vuurwapens en ammunisie
24. Whisky.
25. Televisie ontvangstoestelle en bybehore.

Daar bestaan 'n verstandhouding tussen die Pryscontroleur en die vervaardigers van die volgende produkte dat laasgenoemde nie hul pryse sonder die voorafgaande goedkeuring van die Pryscontroleur sal verhoog nie.

1. Alkoholiese drank.
2. Antrasiet.
3. Binne en buitebande.
4. Boude, moere en skroewe.
5. Blikke en ander metaalhouers.
6. Farmaseutiese produkte.
7. Gekondenseerde melk.
8. Glasbottels.
9. Kooks.
10. Petrol en kragparaffien.
11. Staalbuise met draad en sok.
12. Wattelbasekstrak.

Benewens bogenoemde goedere word daar ook deur die verskillende Bemarkingsrade beheer kragtens die Bemarkingswet uitgeoefen oor die pryse van brood, koringmeelblom en meel, botter, kaas, melk in sekere gebiede, en die vervaardigerspryse van mielie-meel en mielieprodukte.

ELEKTRIESE EN NIE-ELEKTRIESE HUISHOUDELIKE TOERUSTING EN ONDERDELE

DAARVOOR

1. Koelkaste en onderdele daarvoor.
2. Vrieskaste en onderdele daarvoor.
3. Stowe en onderdele daarvoor.
4. Oonde en onderdele daarvoor.
5. Vloerpoleerders en onderdele daarvoor.
6. Stofsuiers en onderdele daarvoor.
7. Wasgoedwasmasjiene en onderdele daarvoor.
8. Elektriese strykysters en onderdele daarvoor.
9. Elektriese ketels en onderdele daarvoor.
10. Roosters en onderdele daarvoor.
11. Verwarmers en onderdele daarvoor.
12. Elektriese voedselmengers en onderdele daarvoor.
13. Lugwaaiers en onderdele daarvoor.
14. Haardroërs en onderdele daarvoor.
15. Waterverwarmers en onderdele daarvoor.
16. Elektriese skeermesse en onderdele daarvoor.
17. Huishoudelike naaimasjiene en onderdele daarvoor.
18. Huishoudelike breimasjiene en onderdele daarvoor.

## SKEDULE 2

### BOUMATERIAAL

1. Diefwering
2. Gebrande kleibakstene en ander boustene.
3. Gegalviniseerde golfysterplate, asbessementplate, leie en teëls vir dakbedekking en toebehorens daarvoor, uitgesonderd loodwasters.
4. Gegalvaniseerde yster- en asbessementdakgeute en geutpype en toebehorens daarvoor.
5. Gietysterpype.
6. Gipsbord, veselbord en ander plafonbedekkings en toebehorens daarvoor.
7. Glasuurteëls.
8. Glas en stopverf vir die insit van ruite.
9. Hardebord.
10. Hout vir skrynwerk en struktuur-timmerhout.
11. Houtdeure en -kosyne, met inbegrip van soliede gelamelleerde vlakdeure, spaanderkerndeure en holkerndeure.
12. Kalk.
13. Kleiteëls.
14. Lateie, vooraf gespanne.
15. Sand, rivier- en putsand.
16. Sanitêre ware en toebehorens met inbegrip van wasbakke en baddens maar uitgesonderd koper - en loodpype en toebehorens daarvoor.
17. Sement, slaksement en mengsels daarvan.
18. Soutgeglasuurde erdepype en toebehorens daarvoor.
19. Staaldeur, -deurkosyne, -vensters, -sylie en -boligte.
20. Verf, witkalk en distemper vir binne- en buitegebruik, met inbegrip van dakverf.
21. Vergruisde klip en klipbrekersand.
22. Vloerblokkies, strookvloerplanke en vloerplanke en ander vloerbedekkings.

FOTOGRAFIESE EN KINEMATOGRAFIESE TOERUSTING EN ONDERDELE DAARVOOR

1. Kameras en onderdele daarvoor.
2. Kinematografiese kameras en onderdele daarvoor.
3. Beeldprojektors en onderdele daarvoor.
4. Kinematografiese klank- en klanklose projektors en onderdele daarvoor.
5. Skuifbesigtigers en onderdele daarvoor.
6. Film (alle soorte).
7. Projeksieskerms en onderdele daarvoor.
8. Kameralense en filters (alle soorte).
9. Ligmeters en onderdele daarvoor.
10. Blitsligte en onderdele (insluitend gloeilampies) daarvoor.
11. Kamerastaanders en -stutte en onderdele daarvoor.
12. Projektorstaanders en onderdele daarvoor.
13. Fotografiese vergroters en verkleiners en onderdele daarvoor.

SKEDULE 4

LANDBOUMASJINERIE, -IMPLEMENTE EN -TOERUSTING EN ONDERDELE DAARVOOR

1. Grasmaaiers en onderdele daarvoor.
2. Hooi- en grassnymasjiene (uitgesonderd grasmaaiers) en onderdele daarvoor.
3. Oes- en dorsmasjiene en onderdele daarvoor.
4. Snydorsmasjiene en onderdele daarvoor.
5. Hooi- en voerperse en onderdele daarvoor.
6. Wan- en derglike skoonmaakmasjiene vir saad, graad of peulgroente en onderdele daarvoor.
7. Ploeë, ysterplaat- en skottelplaattipes en onderdele daarvoor.
8. <sup>^</sup>Ee, skuinssny- en eenrigtingskotteltipes en ander en onderdele daarvoor.
9. Skoffels en onderdele daarvoor.
10. Eiergradeermasjiene en onderdele daarvoor.
11. Suiwelmasjiene met inbegrip van melkmasjiene en roomafskeiers en onderdele daarvoor.
12. Perse, fynmakers en ander masjinerie, van 'n soort by die bereiding van wyn, appelsider, vrugtesap of vir soortgelyke doeleindes gebruik en onderdele daarvoor.
13. Pluimveebroeiemasjiene en kunsmoeders en onderdele daarvoor.
14. Trekkers (kruip- sowel as staptipe) en onderdele daarvoor.



RADIO'S, RADIOGRAMME, KLANKTROUETOESTELLE EN ONDERDELE DAARVOOR

1. Radio's en onderdele daarvoor.
2. Radiogramme en onderdele daarvoor.
3. Klanktroue toestelle en onderdele daarvoor.
4. Grammofone en onderdele daarvoor.
5. Klankopnemers en -weergewers en onderdele daarvoor.
6. Platespelers en onderdele daarvoor.
7. Band- of draadeenhede en onderdele daarvoor.
8. Luidsprekers en onderdele daarvoor.
9. Klankversterkers en onderdele daarvoor.
10. Alle soorte droëselbatterye.

HANSARD H

Q. column 276

25

February 1975

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#### Price fixing

\*32 Mr R M DE VILHERS asked the Minister of Economic Affairs

- (1) Whether his Departments have received complaints in regard to price fixing by manufacturers in contravention of the Regulation of Monopolistic Conditions Act, if so, in regard to what manufacturers,
- (2) whether any action has been taken by his Departments, if so, what action, if not, why not,
- (3) whether he will make a statement on the matter

†The MINISTER OF ECONOMIC AFFAIRS

- (1) Yes, complaints were received in connection with thirty-five alleged contraventions of the prohibition on resale price maintenance in respect of the following products: Garden fertilizer, photographic equipment, furniture, high fidelity equipment, clothing, household equipment (ie stoves and other kitchen equipment), footwear, sports goods, power tools, cosmetics and pharmaceutical products, lawn mowers, toys and liquor
- (2) Steps have already been taken and sixteen of the allegations are presently in the hands of the SA Police for investigation whilst the Board of Trade and Industries is busy with preliminary investigations into the remaining nineteen cases
- (3) In view of the reply furnished in (2) above it is clear that I am unable to make a statement on the matter at this stage

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

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

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

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

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

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RPM

FM 14/3/75

### Drawing the line (2) 247

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

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

Hansard ?

Q Column 564  
21 March 1975

Y **Price of paper**

\*26 Mr D D BAXTER asked the Minister of Economic Affairs

Whether the prices of (a) newspaper and (b) other types of paper are controlled by the Price Controller

The MINISTER OF ECONOMIC AFFAIRS

(a) and (b) No

Mr D D BAXTER Arising out of the hon the Minister's reply, would he advise the House whether he is satisfied that competitive conditions in the paper industry are such as to keep the price of newsprint and other papers down to reasonable levels?

The MINISTER Sir, the hon member can discuss that particular aspect in the debate on my Vote

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HANJARD 12 .

Q . 847-8

29 April 1975 .

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**\ Prosecutions under regulation of  
Monopolistic Conditions Act**

\*24 Mr G H WADDELI asked the  
Minister of Economic Affairs

- (1) Whether any firms have since 1 July 1974 been prosecuted for offences under the Regulation of Monopolistic Conditions Act, if so, (a) how many, (b) how many of the prosecutions related to resale price maintenance and (c) what was the nature of the products concerned
- (2) whether any cases referred to the Police by the Department of Commerce are still under investigation, if so, (a) how many and (b) in respect of what commodities

†The MINISTER OF ECONOMIC  
AFFAIRS

- (1) Yes
  - (a) One

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(b) One

(c) Patented cameras and non-patented goods and accessories

(2) Yes

(a) Twelve

(b) In respect of furniture, cosmetic and pharmaceutical products, garden fertilizer, toys, liquor, household equipment (ie stoves and other kitchen equipment) and clothing

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16 May 1975.

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**Exploitation of Bantu by certain business undertakings**

\*15 M1 P A PYPFER asked the Minister of Bantu Administration and Development †

- (1) Whether any persons or organizations have made representations to his Department in regard to the exploitation of Bantu by certain business undertakings, if so, (a) what persons or organizations and (b) when were the representations made,

- (2) whether any steps have been taken as a result of such representations, if so, what steps.

†The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT

- (1) (a) and (b) in the recent past no such representations were made to my Department but Mr E Roelofse, Director of the South African Coordinating Consumers Council, recently contacted Deputy Minister Janson in connection with this matter
- (2) Up to now no steps have been taken, but the Minister of Economic Affairs has on other representations and information introduced the Trade Practices Bill in the House of Assembly

RDM 16/5/75

# Public's price guardian has nothing to say

Staff Reporter

THE PUBLIC'S "top watchdog" over agricultural prices, who has been specially appointed by the Minister of Agriculture to look after consumers' interests, refuses to talk about himself, his job or the prices 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 experts" 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

consumers' organisations, trade unions and the buying public generally at 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 towards 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 unbefitting 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.

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

RDM  
K/SH

**SOUTH AFRICAN farmers tend to get depressed by disease, drought, flood, inadequate agronomy, and rootknots, and rugby Test defeats. Somewhere on this list of negatives the Consumer Advisory Committee should also figure.**

Not this is the parcel of it. People appointed by the Minister of Agriculture in terms of the Marketing Act to "represent the consumers" or the various agricultural control boards.

Just how effective they are is difficult to judge, because they seldom attend to their duties. "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, meat, 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".

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, but views are muted, and they do feel 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 "toeing" 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. Bass, a former secretary of the association with the Government in his capacity as former General Secretary of the Public Servants' Association.

● **WHEAT BOARD:** Mrs Drucman. There is a vacancy.

● **DRIED FRUIT BOARD:** Mrs 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 Verburg, nominated by the United Municipal Executive.

Two other members of the Consumers' Advisory Committee not serving on

3.1.20  
1.5.1920



23 May 1975

**Consumer exploitation**

The MINISTER OF ECONOMIC AFFAIRS replied to Question \*7, by Mr R E Enthoven

**Question:**

- (1) How many complaints of consumer exploitation were received by the Price Controller from the Consumer Council in 1973, 1974 and in 1975 to date,
- (2) (a) how many prosecutions were instituted as a result of these complaints and (b) what was the outcome of these prosecutions,
- (3) whether the Price Controller on his own initiative instituted any prosecutions for alleged consumer exploitation during these years, if so, (a) how many in each year and (b) what was the outcome of these prosecutions

†Reply (laid upon Table with leave of House):

- (1) The number of complaints of alleged consumer exploitation received by the Price Controller from the Consumer Council during the period 1973 to 1975 is as follows

1973	9
1974	23
1975	4

- (2) (a) and (b) No prosecutions were instituted. Only five of the total of thirty-six complaints received from the Council had to do with goods of which prices are fixed in terms of the Price Control Act, 1964. These five cases were referred to the Price Control Supervisors for investigation. In three of the five cases the prices about which complaints were

received from the Council, were found to be completely consistent with the maximum prices prescribed in the relevant regulations while the investigations into the other two cases have not yet been finalized.

The remaining thirty-one cases were dealt with as follows

- (i) Twenty-four cases were disposed of by the Price Controller on the following basis—

- (a) in some of these cases his investigations did reveal that excessive prices had been charged to the complainants, and the suppliers against whom these complaints were lodged, accordingly agreed to make the necessary refunds to the complainants.

- (b) in a number of these cases it was found that the price increases about which complaints had been received, were intended solely to enable the suppliers of the goods in question to recover unavoidable cost increases which they could not reasonably be expected to absorb with the aid of their existing profit margins; and

- (c) in some other cases, again, the complaints had to do with different prices which were being charged by different suppliers for the same goods—in these cases it was found on investigation that the goods to which the complaints were related were, in fact, not identical or that the goods had not

been supplied by stores with identical cost structures

- (ii) In two cases the complaints had to do with commodities which fall outside the jurisdiction of the Price Controller. These complaints were, accordingly, referred to other competent Government Departments for the necessary attention

- (iii) One case is still being investigated

- (iv) In four cases the information furnished by the complainants to the Consumer Council was inadequate to enable their complaints to be investigated by the Price Controller. The Council was, accordingly, requested to obtain additional information from the complainants. However, no further particulars in regard to these complaints were received

- (3) Yes.

- (a) 1973—2 048.  
1974—3 155  
1975—Information not yet available

- (b) 1973—1 620 convictions in respect of which fines of R38 000 were imposed. At the end of 1973, 302 cases were still pending

1974—2 381 convictions in respect of which fines of R75 600 were imposed. At the end of 1974, 486 cases were still pending

1975—Information not yet available

# Beef cheat fined R225

*Merrin*  
Court Reporter *28/5/75*

A DURBAN butcher who gave a housewife 15kg of meat less than she was due after she bought a hindquarter of beef was fined R200 (or 50 days) in the Durban Magistrate's Court yesterday.

Hendrik Marthinus Pretorius, manager of the Edinburgh Butchery at the City Market, was convicted by Mr. E. W. Hyland of giving Mrs. Ruth Doria less beef than she had paid him for.

He was fined a further R25 (or 25 days) for using an unassized scale.

Mrs. Doria told the Court that she went to the Edinburgh Butchery with Mr. E. G. Britz, an inspector of weights and measures, "because she had been caught before."

## WEIGHED

She asked about a hindquarter of beef and Pretorius weighed out a hindquarter and told her it weighed 72kg and would cost R79.

After she and Mr. Britz left the shop Mr. Britz weighed the meat and told her it was 15kg less than she had paid for.

Mr. Britz told the Court that, after weighing the meat, he returned to the butchery and told Pretorius that the weight was short. Pretorius gave him another parcel of meat.

## COMPLAINED

He weighed this and found it was still four kilograms short. He went back to the shop and again complained and Mrs. Doria was given stewing steak and boerewors to make up the amount.

Pretorius denied giving Mrs. Doria less meat than she had ordered. He also denied using a scale which was not assized and giving Mr. Britz more meat after the complaints.

Convicting Pretorius, Mr. Hyland said he had contradicted himself often during his evidence and the "less said about it the better."

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HANSARD 15

Q. 1035-6.

23 May 1975

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**Authorized establishment of Price  
Controller's office**

The MINISTER OF ECONOMIC AFFAIRS replied to Question \*8, by Mr R E ENTHOVEN

**Question:**

- (1) What was the authorized establishment of the Price Controller's office

as at 31 March 1973, 1974 and 1975, respectively;

- (2) whether there are any vacancies in the Price Controller's office at present, if so, how many.

**†Reply:**

- (1) The authorized establishment of the Price Controller's office on the specified dates was as follows.

	Head Office	Regional Office
31 March 1973	6	52
31 March 1974	11	57
31 March 1975	11	68

- (2) Yes, presently there are 9 vacancies in the regional offices.

# Whites must make way for Blacks'

STAR 27/5/75

1  
2  
3  
4  
5  
6

Labour Reporter

The 180 000 strong White Confederation of Labour has accepted the principle that some Whites must make way for Blacks on the labour front in the face of economic realities in South Africa.

The white Government sponsored institute for the training and retraining of unskilled or semi-skilled White workers who are displaced by Blacks. Mr Willie Grobler, the confederation's secretary, said in Johannesburg today.

Mr Grobler was speaking after the confederation's quarterly executive

Mr Grobler welcomed the news that the Government was considering the establishment of another artisan training centre such as that at Westlake, Cape Town, which provides crash courses for adults.

Mr Grobler said the confederation called for a complete review of price

control. While it was against the principle of complete price control, it felt the present system did not meet the requirements.

"For example, cigars are subject to price control at the moment while essential commodities, such as medicines and some common foods, are open to profiteering," he said.

# Blacks threatening White jobs, says union leader

RDM 15/4/75

Staff Reporter

THE POWERFUL Right-wing SA Confederation of Labour fears growing unemployment among unskilled Whites because of the number of Blacks being employed in industry.

The president, Mr A. E. Nieuwoudt, warned yesterday if Black advancement resulted in White unemployment it could constitute a political powderkeg.

He said there was already unemployment among unskilled Whites and indications were that it would become

more serious.

It appeared one of two things was happening.

"There could be a recession causing slack in the private sector — this is apparently so in the building industry — or employers are replacing White workers with Blacks."

Mr Nieuwoudt said he wanted an assurance from employers that Whites were not being pushed out by Blacks.

This would be a scandal and against Government policy if the object was purely to decrease costs.

Mr Nieuwoudt said it was

necessary to train Black workers, and for good race relations their economic lot should be improved.

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, said Mr Nieuwoudt's fear of substantial White unemployment seemed groundless.

At present there was no significant unemployment

among Whites.

There were, however, a small number of unemployed Whites.

"In all economies there is a small percentage of people who, because of physical or mental disabilities, cannot be usefully employed."

Mr Grobbelaar said the advance of Black workers would obviously necessitate adjustments.

CAPE TOWN. — The Government has turned down a request for an increase in the profit margin on the sale of petrol and the price of petrol will remain unchanged, the Secretary for Commerce, Mr Joep Steyn, said in Cape Town last night.

In a statement issued through Sapa, Mr Steyn said: "The Government has carefully considered the representations of owners and operators of petrol service stations for an increase in the profit margin on the sale of petrol, but has decided not to agree to this request."

"The price of petrol will therefore remain unchanged."

Gerald Reilly reports from Pretoria that the rejection has angered garage

owners who claimed yesterday that they might have to reconsider Saturday morning sales. They warned, too, that consideration might have to be given to ending free services like distilled water, windscreen cleaning and air.

No plans have been made so far for a meeting of petrol retailers.

On May 22, 250 garage proprietors met in Johannesburg to discuss Saturday morning sales because many claimed it would entail a revenue loss.

However, garages in the Platteland and on the fringes of the urban areas, it was pointed out, could make substantial gains from Saturday morning sales.

The meeting decided that Saturday closing should be a question for individual garage owners. It was agreed that if the increased margins were not announced within 14 days "further action would be considered".

The Motor Industries Federation (MIF) believes that the justification for increased margins is overwhelming.

The MIF asked for an increase in the profit margin from six to 10 per cent. This would have meant a 0,5c a litre price hike on the Reef and in Pretoria.

Garage owners complained yesterday that "every Tom, Dick and Harry" who approached the price controller was given a price rise.

Observers in Pretoria said yesterday the Cabinet feared public reaction to another rise in the price of a basic commodity like

# 3 155 price convictions

THE ASSEMBLY. — There were 3 155 convictions resulting from contraventions of the Price Control Regulations last year, netting R75 600 in fines, the Minister of Justice, Mr Jimmy Kruger, said in the Assembly yesterday.

He was answering a question by Mr Jac de Villiers (UP Wynberg).

In another question, Mr De Villiers asked the Minister of Economic Affairs,

Mr Chris Heunis, whether steps were being taken to prevent unwarranted consumer price increases flowing from increases in controlled prices.

The Minister said steps were being taken.

It was one of the duties of the price control supervisors to keep an eye on prices in their areas to ensure increases in the controlled prices were applied correctly.

It was also their job to institute prosecutions in the case of contraventions.

Asked whether increases in controlled prices were announced by Press statements, the Minister said whenever necessary increases were published in the Government Gazette.

Press statements would not help as prices differed from area to area — Sapa.

## Inquiry into price fixing

Cape Times Political Staff

THE GOVERNMENT has appointed a commission of inquiry into monopolies and conglomerates with powers to recommend new laws to curb price fixing.

The 11-man commission was announced last night by the Minister of Economic Affairs, Mr Chris Heunis, and welcomed by the chief Opposition finance spokesman, Mr David Baxter.

Mr Heunis said that the commission's terms of reference were to inquire and report on:

- The tendency to form economic monopolistic power conglomerates;

- the advantages and disadvantages of such conglomerates from the point of view of public interest;

- the efficiency of the regulations of the Monopolistic Conditions Act, as an instrument to ensure competition in the national economy, and;

- the legislation which is considered necessary to eliminate economic conglomerates, and the limitation of competition which is not deemed to be in the public interest, and to submit recommendations as to the amendment of the Act.

Chairman: Dr L. C. Steyn. Members: Mr D. van der M. Benadé, Mr D. G. Brasler, Mr S. Emdin, Dr D. G. Franszen, Mr W. L. Morrison, Dr D. J. Mouton, Mr D. G. Paxton, Mr W. S. Pretorius, Mr F. J. Ridsdale, Dr J. L. Weyers.

## Inquiry on price fixing to start soon

The Argus Political Staff  
THE Government intends to crack down on organisations which use their monopolistic positions to force up prices. It has appointed a commission of inquiry comprising some of the country's top professionals and businessmen to investigate monopolistic practices and to recommend how those not in the public interest can be ended.

The appointment of the commission follows widespread complaints by commerce that the present restraints on monopolies are almost totally ineffective and as a result the prices of several commodities are higher than they need be.

### MEMBERS

The chairman of the commission is Dr L. C. Steyn, a former Chief Justice of South Africa. The members are: Mr D. van der M. Benadé, a leading businessman who is president of the Federated Chamber of Industries; Mr D. G. Brasler; Mr S. Emdin, former United Party spokesman on finance; Dr D. G. Franszen, a deputy governor of the Reserve Bank; Mr W. L. Morrison, a director of companies; Dr D. J. Mouton, who was responsible for drawing up the legislation abolishing retail price maintenance; Mr D. G. Paxton, a director of companies; Mr W. S. Pretorius, a general manager of Sanlam; Mr F. J. Ridsdale, an attorney and director of Dunlop; and Professor J. L. Weyers, chairman of the South African Co-ordinating Consumer Council.

The commission has been asked to report on the tendency to form monopolies in South Africa.

disadvantages from the point of view of the public interest.

#### LEGISLATION

It has also been asked to investigate the efficacy of the current legislation on monopolies and to recommend what changes are needed to ensure that monopolies do not lead to a limitation of competition.

The commission is expected to meet soon.

Mr. A. W. Lighton, secretary of the Cape Town Chamber of Commerce, said the chamber had been concerned for some time that existing legislation was too cumbersome to be effective.

'In recent months there has been an increase in the number of reports of price fixing by suppliers and these reports deserve thorough investigation,' he added.

## MPs call for early report

The Argus Political  
Correspondent

OPPOSITION spokesmen today urged the Government to act speedily on monopolistic conditions which contributed to inflation.

Mr. D. D. Baxter, MP for Constantia, United Party's spokesman on finance, said it was high time such an investigation was conducted.

He was convinced that monopolistic conditions, cartel arrangements, price rings and collusion between producers on the fixing of prices were important elements in the inflationary position in South Africa.

Mr. Harry Schwarz, leader of the Reform Party, said the inquiry was welcomed.

'One hopes the commission will present at least an interim report to give teeth to existing legislation.'

ARGUS  
25/5/75  
247

# A sizeable problem

Iscor, Anglo, Sanlam . . . muscle power  
under the microscope

F.M. 13/6/75

247

The newly appointed commission on monopolies is expected to devote much of its attention to the question of economic concentration. It should avoid the Big is Bad fallacy

business, bigness can have advantages and disadvantages. Whether on balance it is in the public interest will depend on what it achieves. That surely must be the central point for the newly appointed monopolies commission to remember as it ponders — as its terms of reference demand that it does — “economic monolithic power conglomerates”. Precisely what those words mean we do not know, but what we do know is that there need be nothing bad about bigness as such. Only abuse of bigness can be bad. Having said that let us hasten to add that we are well aware that the state of competition in SA leaves much to be desired and that we welcome the commission's appointment. Free enterprise's right to survive is justified only if free enterprise is competitive enterprise. And the end competition — and not the price controller — is the only effective guarantee consumers have against being taken for a ride. While every businessman publicly stands for competition, lately far too many support it only as long as it is in somebody else's market. The sharp edge of competition, which not only guarantees fair prices, but efficiency, technological progress and higher productivity as well, can be blunted in many ways. Among them collusion over prices, market sharing, restricted entry, aggressive competition designed to establish single-seller situations and out-and-out monopolies. A law differs from that in the US. In America the mere fact of a diminution of competition is sufficient for restorative action, e.g. the breaking up of powerful commercial groupings. In SA competi-

tion not only has to be diminished, but it has to be shown that this is also, in each specific case, contrary to the public interest, difficult though this concept is to define.

This is a sound principle and it should apply no less when considering the question of economic concentration. Bigness *per se* is not necessarily against the public interest. Indeed, in a developing country like SA, its advantages can often outweigh any disadvantages. Consider the need for economies of scale on the production line, consider too the desirability of having big business groups when it comes to approaching foreign capital markets for development funds.

Nevertheless it is true that there is a continuing temptation for all those with exceptional economic muscle to use it

improperly. The influence the big battalions wield behind the scenes often never surfaces into the daylight. It is also quite wrong to imagine today that the Hoggenheimer legend only fits conglomerates run by English-speaking tycoons. For every Harry Oppenheimer there is a Lens Wassenaar. For every Donald Gordon there is a Pepler Scholtz. For every Frank Dolling there is a Jan Marais. For every Punch Barlow there is a Wim de Villiers.

Take the entertainment industry. Who controls both major cinema chains, against whose decisions no addict of celluloid can appeal? Sanlam.

And what about key price leaders like Iscor, a State monopoly? And what about the political muscle power of the IDC?

## STOP THAT PRICE FIXING!

The US magazine *Business Week* last week gave a word of advice to businessmen wishing to avoid charges of price collusion.

*Business Week* suggests you:

- Don't agree with your competitors to raise or maintain selling prices
- Don't co-ordinate discounts, credit terms, or conditions of sale with your competitors
- Don't talk prices, markups, or cost structure at trade association or other meetings.
- Don't agree with your competitors to rotate low bids on contracts.
- Don't agree with competitors to

uniformly restrict production or to shut down plants in order to keep prices up.

- Don't conspire within your industry to lower prices in order to discourage customers from ordering substitute materials or product types
- Don't force suppliers to boycott price-cutting competitors.
- Don't join with competitors in fixing maximum prices in purchasing from suppliers.
- Don't agree with competitors to buy up distressed merchandise simply in order to keep prices from coming down

What in our view is needed is not a crusade against economic power *per se* but an effective watchdog to ensure that power is never abused, a watchdog to which consumers and other businesses, big and small, can turn to whenever they have a legitimate grievance. It should have the courage to take remedial action whenever abuses are proved. In many cases, the simple threat of withdrawing tariff protection and tougher competition from cheaper imports would do the trick.

As for mergers, many potentially fruitful rationalisation plans would simply never get off the ground if an attempt

were made to adjudicate them in advance *à la* the mergers Bill of the late Sixties, which was thankfully killed and buried by an earlier commission. Again what is needed is close surveillance afterwards.

Another deficiency of the present system of monopoly control is that so much compromising and negotiating is allowed between offenders and officialdom behind the scenes. The public seldom sees the process of consumer protection in action. It should help maintain its confidence that competition was being safeguarded.

Whether price control is compatible

with price competition is itself another matter the commission should consider. For if every producer in an industry instinctively charges the maximum price, even without any collusion being involved, the situation is not much different from allowing a powerful price leader to call the tune or a price ring to develop.

If the commission is to render a valuable public service every member must come to its deliberations with a total commitment to competition. For it is all too easy to be seduced by the special pleading of special circumstances.



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# RPM could be a boomerang

RDM 13/6/8

**By DENIS SACKS**  
**CARE must be taken in the application of the Monopolistic Conditions Act, which has been broadened to deal more effectively with resale price maintenance, says Mr Joe Bloom, chairman of Premier Milling, in the company's annual report.**

A subsidiary of Premier Milling, Hampo Trading (Pty), was prosecuted earlier this year for practising resale price maintenance

The judgment was that the company was entitled to enforce resale price maintenance on its patented Pentax cameras, but not on camera accessories

This apparent loophole in the Monopolistic Conditions Act has since been closed by an expansion of the Act, he says

Mr Bloom says that hundreds of specialised small shopkeepers are finding the competition too severe and are being forced out of business

## CHEAPER

"Unless the authorities feel this is in the interests of the country, I would suggest that in amending the present legislation, all aspects of undesirable trade practices be taken into account," he says

Strict application of resale price maintenance could have a boomerang effect by forcing small and specialised traders out of business and thereby aiding the creation of monopolistic enterprises

Anti-trust legislation in the United States and in Britain, he says, protects the small and specialised trader, and he hopes that

the commission studying the matter will take this into consideration

Mr Bloom believes that short-term finance will become cheaper during the year, and that this will benefit the group because of its favourable debt-equity ratio of just less than 1 to 1

On the inflationary front, he says it is encouraging that the Government has resisted a large increase in the price of maize and has further subsidised the increased costs of bread production instead of passing the costs to the consumer

However, the approval of a large increase in the price of oilseeds appears to be inconsistent with the Government's policy and "is consequently not understood"

## PROFITS

The group must make adequate profits to enable it to expand. He is optimistic that a "further reasonable growth" in profitability can be expected

With regard to Premier Milling's reported bid for Benoni Textile Mills, Mr Bloom said in an interview yesterday that following a higher bid made by the Frame group Premier had decided to "gracefully withdraw"

The path has been left open for the Frame group to take over Benoni Textiles, which last year had sales worth R7 300 000, but which has since been hit by the slump in the domestic textile market and by dumping from overseas

# Bill on exploitation of buyers shelved

STAR 16/6/75

**John Patten,  
Political Correspondent**

**THE ASSEMBLY** — Parliament began the last week of this year's session today with 13 measures still to dispose of — and the certainty that two Bills will be held over to next year

The Bills to be dropped are the Trade Practices Bill and the Financial Institutions Amendment Bill

Both would have in-

involved considerable debating time, especially in consideration of amendments at the committee stage

The Trade Practices Bill — which was referred to a select committee — aimed at curbing consumer exploitation, controlling advertisements and restricting the use of trade coupons.

The Bill was also held over at the end of last year's parliamentary session.

The Financial Institu-

tion's Amendment Bill provides for the regulation of foreign participation in banking and insurance business in South Africa, but is also an omnibus measure covering amendments to a whole range of other financial bodies, including unit trusts, participation mortgage bonds, pension funds, banks and building societies.

Bills still to be handled before the session ends probably on Wednesday night — include the last

stages of the Appropriation Bill, the Income Tax Bill, the Revenue Laws Amendment Bill, the Customs and Excise Amendment Bill, the Finance Bill, the Pensions (Supplementary) Bill, the Universities Amendment Bill and the Physical Planning and Utilisation of Resources Amendment Bill

The past session has had a comparatively light legislative programme, involving just over 80 Bills. Lately Parliament has regularly passed more than 100 Bills a session

# Police act on price fixing

STAR 17/1/75

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

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

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

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

## CONFIRMED

Colonel P. A. van Zyl, chief of the Commercial Branch of the South African Police, confirmed alleged contraventions of the resale price maintenance regulations.

He said that some of the goods and some of the agents could be handed over to the Attorneys-General.

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

A spokesman for the Transvaal Attorney-General's office in

## Police act

### on price

### fixing <sup>Star</sup> 17/4/75

(From Page 1)

Pretoria said he knew nothing about forthcoming Monopolies Act prosecutions.

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

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

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

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

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

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

FM. 20/6/75

(247)

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## QUESTIONS AND ANSWERS

# Inflation and unfair traders

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

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



Arnt Spandau . . . collusion should be severely punished

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

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

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

Trying to prove collusion is more diffi-

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

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

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

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

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

*What do you feel about price control?*

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

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

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

*What other measures ought to be introduced to increase competition?*

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

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

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



Harry Schwarz . . . the consumer has no real influence

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

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

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

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

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

I think, however, there is a change

30 MAY 1975

**Price Control Inspectorate for Western Cape**

\*1 Mr J I DE VILLIERS asked the Minister of Economic Affairs.

- (1) (a) What is the establishment of the Price Control Inspectorate for the Western Cape, (b) how many vacancies are there in this establishment and (c) what are the qualifications of a Price Control Inspector,
- (2) whether there is a shortage of inspectors for adequate inspection of the Western Cape, if so, why

†The MINISTER OF ECONOMIC AFFAIRS

- (1) (a) The authorized establishment for the Western Cape is
  - Cape Town 12
  - Worcester 2
- (b) Cape Town. 2  
Worcester None.

(c) The Price Control Inspectors are technical officers of the Department of Commerce who are stationed in various regional offices of the Weights and Measures Division of the Department. They do not possess special qualifications for the execution of the price control functions, but they receive from time to time inservice training as well as practical guidance from the Price Control Division of the Department which adequately equip them for the performance of these functions

(2) No

HANSARD 16 Q 1063-64

30 MAY 1975

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**Contraventions of price control regulations**

\*2 Mr J J DE VILLIERS asked the Minister of Economic Affairs

- (1) Whether any steps have been taken by his Department to ensure maximum publicity for convictions of contraventions of price control regulations, if so what steps
- (2) whether increases in the controlled prices of commodities are announced by means of Press statements, if not, why not,
- (3) whether any steps are taken to prevent unwarranted consumer price increases flowing from increases of controlled prices, if so, what steps

†The MINISTER OF ECONOMIC AFFAIRS

- (1) No It is neither the policy nor the function of the Government to ensure that publicity be given to convictions for contraventions of the price control regulations. Information in regard to such convictions is generally available at the courts in which such cases have been heard, and may be made public by the local news media as they deem fit

- (2) No Increases in the controlled prices of commodities are, whenever necessary, published by notice in the *Government Gazette*. However, in many cases the controlled prices of commodities differ, from one area to another and also from one retailer to another, and in such cases the release of Press statements announcing increases in the controlled prices of commodities would be of no practical value
- (3) Yes It is one of the duties of the Price Control Supervisors to keep an eye on prices in their respective areas so as to ensure that increases in the controlled prices of commodities are applied correctly, and to institute the necessary prosecutions in the case of contraventions of the relevant regulations

MANSARD 16 Q 1064

30 MAY 1975

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**Contraventions of price control regulations**

\*3 Mr J I DF VILLIERS asked the Minister of Justice

(a) How many (i) prosecutions were instituted and (ii) convictions were obtained and (b) what amount was collected in fines, as a result of alleged contraventions of the price control regulations during 1973-'74 and 1974-'75

†The MINISTER OF JUSTICE

The required statistics are not kept by the Department of Justice. The Price Controller furnished the following particulars

(a)	(i) Prosecutions	1973 2 048	1974 3 155
	(ii) Convictions	1 620	2 381
(b)	Amount in fines	R38 000	R75 600

Statistics for 1975 are not available



20/6/75

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Business leaders are pondering how to respond to the Secretary for Commerce's proposal for profit curbs. Whatever their decision, it won't cool inflation

## Behind the sheep's clothing

**It had to happen** Government has consistently been afraid to tackle inflation with the only measures that really work — curbs on the money supply and public sector spending. As a result, the pace at which prices are rising has reached danger point and Pretoria has panicked

Moves are now afoot to persuade organised commerce and industry — the FCI, the AHI, Seifsa, Assocom and so on — to accept "profit guidelines" which, in effect, would amount to interference with the market mechanism on a scale hitherto unknown in this country

Behind the sheep's clothing of rhetoric, pleas for restraint and pious promises lurks the wolf of Chris Heunis's harmless looking text for combatting inflation.

The wolf has already been sniffing around in Johannesburg. Called recently to an urgent meeting in the financial capital, delegates from commerce and industry were confronted with the first hard proposal to emerge from the programme. Spelt out by Secretary for Commerce and Price Controller, Joep Steyn, it amounted to a request that the leaders of organised commerce and industry should persuade their members to accept specific curbs on profits

### The curbs

- Any company earning more than 15% (before interest charges and before tax) on operating capital (whatever that may mean) should be permitted to pass on only 70% of any local cost increases, the remaining 30% to be a charge against profits.

- No restraints would apply to price increases made necessary by higher import costs and no restraints at all would apply to companies earning less than 15% on operating capital

Organised commerce and industry have been asked to respond to Steyn's proposals by June 30, which is only 10 days away. They could do so in one of two ways, it seems. They could reject the

proposal out of hand. Or they could accept it on certain conditions

The case for rejecting profit control of this or of any other sort is a strong one. In a free enterprise system, profits perform an essential function. They attract resources — entrepreneurs, capital, labour — to those parts of the economy where the consumer signals that they are needed, not to where some bureaucratic planning agency says they are needed, but to where the man-in-the-street, through his spending patterns, says they are needed

If monopolistic practices are interfering with this adjustment process and inflating the prices and profits of some firms — as in many industries they are — these practices should be attacked frontally, by declaring them illegal, by encouraging competition from imports, or by using the many other weapons at the disposal of the monopolies division of the Board of Trade and Industries. There is absolutely no need to resort to price or profit control for this reason

Once profits are distorted by arbitrary control, the consumer's signals become blurred and resources end up in the wrong places. They are wasted. That is the first and most essential point

The second is this. Profit controls, whether voluntary or enforced, do not, will not, and cannot, cure inflation. They only repress it. As every first-year economics student knows — and as Steyn himself would surely attest — if there is anything worse than open inflation it is repressed inflation

Keep prices artificially low today and tomorrow (if you fail to remove the main causes of inflation, which are excessive money creation and government spending) you will have to raise them by double. Look at what Steyn himself is having to do in the steel, coal and cement industries

Let it not be forgotten that the West German economic miracle of the Fifties

was in very large measure the result of Ludwig Ehrhardt's courageous decision to scrap *all* price controls

Thirdly, if the economy is to become more efficient so that living standards can be raised, if it is to expand so that more jobs can be created, it will need more profit, not less, for investment

Finally, SA needs an immense amount of foreign capital. Curbs on what that capital can earn and distribute are the surest way to frighten it away

For these reasons Steyn's proposal should be rejected. But unfortunately there is a strong tactical counter-argument. Rejection could well invite an extension of *compulsory* price control. The Machiavellis within organised commerce and industry might thus wish to consider an alternative approach: accept some voluntary restraint, but on one very specific condition

### The rationale

Profits, as Steyn has acknowledged, are already substantially overstated, not only in company reports, but also in tax returns to the Receiver. Declared profits are overstated because the Receiver insists that historic and not replacement costs (which in an inflationary world are much higher) be used as the basis for calculating depreciation

Organised commerce and industry should insist that, in return for accepting Steyn's proposal, this should be radically changed. They should demand from the Minister of Finance a specific commitment that, as from the *next* Budget, replacement costs should become the basis for tax purposes

That would go a considerable part of the way towards compensating commerce and industry for the reduction in profitability that would certainly occur if firms earning more than 15% agree to absorb 30% of all local cost increases. It is the very least that organised business should demand as a *quid pro quo*.

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# Inflation and unfair traders

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**Arnt Spandau . . . collusion should be severely punished**

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*What other measures ought to be introduced to increase competition?*

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

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

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



**Harry Schwarz . . . the consumer has no real influence**

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

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

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

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

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

I think, however, there is a change



**Raymond Ackerman . . . giant chains abuse their power**

coming. Look how the Monopolies Act was amended with tremendous speed to deal with patented goods. I don't think you need a lengthy Commission of Inquiry to bring change. You also had the Trade Practices Bill, which gives very substantial powers to the authorities. You had the Sale of Land on Instalments Act changed to protect the consumer. You had the Rents Act amended.

But the main difficulty still is that the consumer hasn't an adequate voice in SA. A problem with the Consumer

Council is that it is purely a nominated body. I think one is going to have to look at the Consumer Council, its composition and constitution, as well as its powers. I don't think it has been terribly effective.

*Are excessive profits behind inflation?*

**Ackerman:** The word "excessive" is a difficult one. But I will say this. When I read that a certain fishing company has put up its local prices because prices are high on the world market, and it is then reported to be making 42% on sales, I begin to wonder. We make 2,5% on sales. Now I know it is argued that we are a non-capital intensive business, because we mostly have borrowed capital. But if we can work on 2,5% net profit before tax, and a company in the fishing industry works on 42%, I believe there are certainly very excessive profits being made and a lot of it is done in the guise, or under the umbrella, of high world commodity prices.

When producers go to the government and say 'we want to raise our prices because of high world prices' and then get an increase for that reason, it is to my mind totally inflationary.

Pleading that curbs on local prices will encourage these people to export too much is nonsense. How much they can export and how much they must keep here can be set by quotas.

*How far will the Unfair Trade Practices Act help?*

**Schwarz:** You are going to have truth in advertising. People will be able to lay criminal charges in respect of falsity in advertising. They will not have to worry about having to sue civilly and incur tremendous legal costs. With regard to trade practices, this will depend on what the government does, because it has discretionary powers to decide which practices it wishes to declare illegal.

*Aren't there more fundamental causes of inflation than restrictive trading practices?*

**Spandau:** Of course there are. Abundant money supply, for instance. If you want to fight inflation you have to restrict the supply of money. You have to curb credit and make it dearer.

**Ackerman:** Even so, I would say that half of our inflation is caused by restrictive practices: collusion and the like. Consider that when I buy running shoes from a certain wholesaler, I have to ship them to Mozambique and back to get them into our hypermarket because we are not supplied direct. After paying railage I can sell them for R9,79. Yet they are sold in the sports shops for R15, which is the price the suppliers want us to sell for. Tougher action against restrictive trading would help enormously to bring down the inflation rate.

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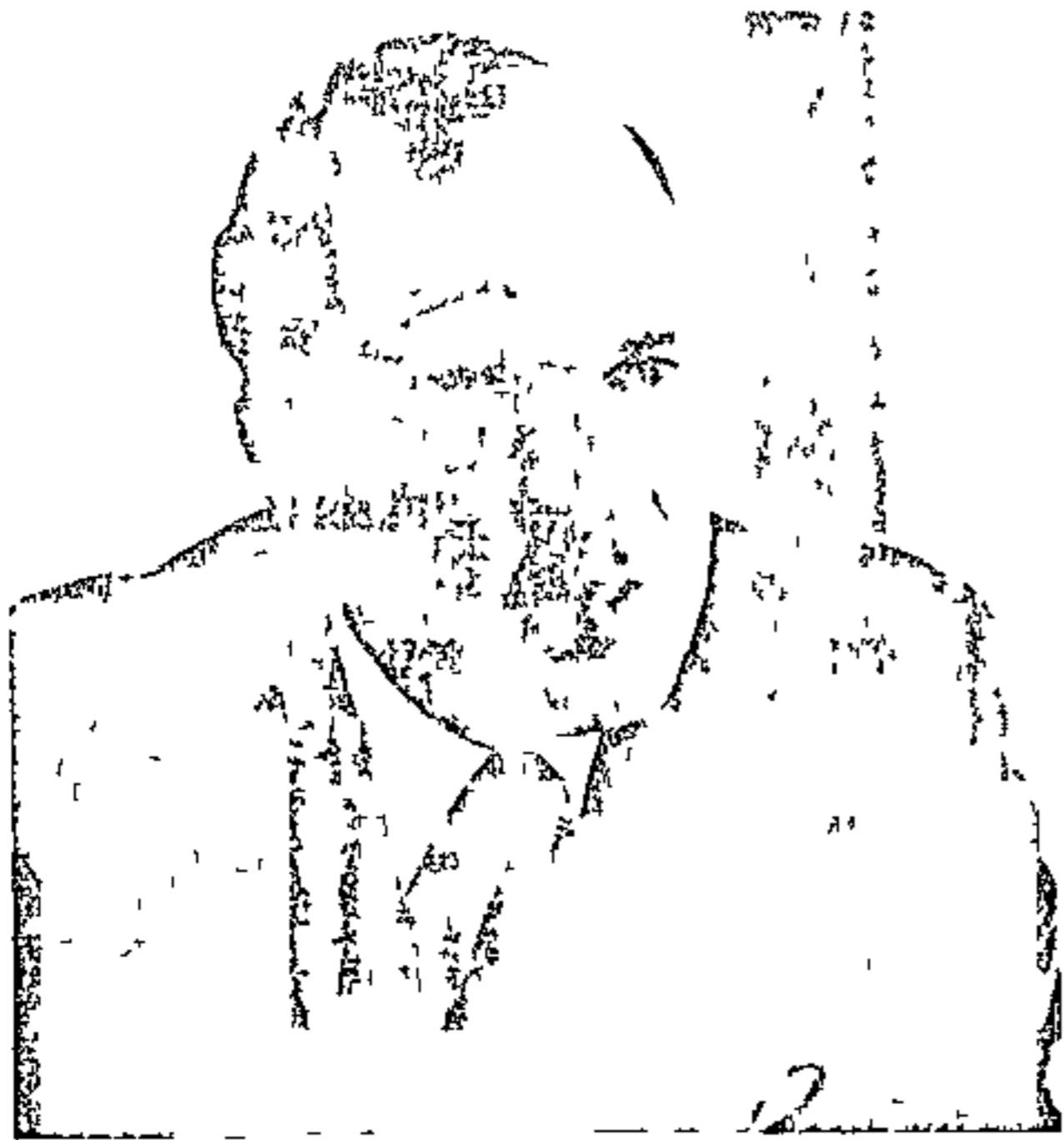
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**Raymond Ackerman ... giant chains abuse their power**

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# SA needs to curb monopolies

Cape Times

24/6/75

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✓ 207  
4-3-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100

DAVID SHRAND welcomes the appointment of a commission of inquiry on the subject.

CAPITALISM has been described as "the law of the jungle" principally because it involves economic warfare on a "tooth and claw" basis. Although the free enterprise system results in various irregularities and bottle-necks, it is a self-adjusting mechanism which ultimately operates in the interests of the consumer.

Under the capitalist system the profit motive dictates the economic trend. It is the incentive which influences entrepreneurs to take risks in the investment of their capital. This principle has been acknowledged in Russia, recently, where the profit motive has been integrated into the economic system as a stimulus to increase production. Economists agree that competition which is prompted by the profit motive is the greatest incentive to production and that any check to competition lessens the aggregate product.

The economic law of demand and supply, if allowed free play, will ultimately iron out any irregularities that may result in the process of adjustment. One of the greatest threats to the smooth operation of the competitive system is the emergence of monopolists whose aim is to control the market by regu-

lating supply and in devious other ways holding the consumer up to ransom.

In most countries legislation has been introduced to prevent monopolists allocating the economic system. In this connection South Africa has followed suit.

In 1955, the South African Government placed on the Statute Book the Regulation of Monopolistic Conditions Act, which is designed to prevent or control monopolistic conditions in South Africa. In terms of its provisions, the Board of Trade and Industries is entrusted with the administration of the Act and since 1955 has undertaken various investigations among which may be mentioned the biscuit industry, tyre manufacturers, motion pictures, electrical equipment, the liquor trade, tobacco manufacturers, the building industry and an investigation into the Central News Agency set up.

The principle entrenched in the Regulation of Monopolistic Conditions Act is that monopolies are not in the interests of the public and that appropriate measures must be taken to excise any monopolistic growth from the economic system.

Monopolistic practices may take various forms such as arrangements among purchasers to restrict output or to maintain fixed selling prices or to prevent new entrants into the market.

Although the Government has with one hand sought to

destroy monopolies, it has with the other hand created them in violation of the principle enunciated in the Regulation of Monopolistic Conditions Act.

The Government has supported monopolistic conditions in the wine industry which is rigorously controlled. Similarly, various primary agricultural products which fall under the control of the marketing boards are in effect a monopolistic device to protect the farmers. The marketing boards are specifically excluded from the provisions of the Regulation of Monopolistic Conditions Act.

It has been estimated that primary agricultural products handled by the various marketing boards amount to at least R400m a year. This is an estimation made many years ago and today the figure will be substantially in excess of this figure. Most of the important agricultural products have been placed under control and the farmer has thus been relieved of the pressure exerted by the competitive system. The prices of these various agricultural commodities are maintained on an artificial level to enable producers to derive a greater measure of profit than would otherwise accrue to them in normal circumstances.

The Government has argued that this principle of control is essential in order to maintain orderly marketing.

Throughout the world governments have arrogated to themselves monopoly rights and South Africa is no exception. This trend is manifest in various fields of the economy. For instance, the Motor Carrier Transportation Act endows the Government with monopolistic powers over the conveyance of any person or goods on any public road by a motor vehicle. The South African Government has also created monopolies in various other fields, namely, Iscor and similar organizations.

Apart from governmental interference in the competitive system in South Africa, there are various organizations in the private sector which have achieved monopolistic status.

## Take-over bids

Definite signs that a monopolistic trend exists in South Africa are evidenced by the various mergers and take-over bids that have now become an everyday feature of South African economic

# Police probe price rackets

STAR

price 26/6/75

Mr Raymond Ackerman is working with the police on seven investigations into retail price maintenance. It is expected that some of the investigations, involving major companies, will lead to prosecutions.

The outspoken supermarket magnate pointed out the investigations were "hard ones" involving police and not only Government department probes.

Retail price maintenance is an offence but a major problem in prosecuting is proving that the intention of suppliers in taking certain actions "is to keep up prices of their goods."

"I expect some investigations will definitely lead to prosecutions," Mr Ackerman said, "but it may not be possible to produce sufficient proof in all cases."

### INVESTIGATION

He said that the approach of the country to RPM and price-fixing had changed vastly since The Star's investigation last year.

"Things are happening which were not happening then," he said, "the Government is treating the matter most seriously."

Mr Ackerman agreed with Professor Arnt Spandau, head of the department of business economics at the University of the Witwatersrand, who yesterday said that a third to a half of South Africa's inflation was due to restricted business practices.

Mr Ackerman is in Johannesburg to attend the National Development and Management Foundation's seminar on "Marketing within the law."

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# Sugar cost too much, ARGUS 2/7/75 man fined

THE owner of Paulo Market, a Sea Point shop, was fined R30 or 15 days for charging too much for the sugar he sold, and R20 or 10 days for failing to mark certain articles in his shop which are subject to price control regulations.

On January 28, this year, Mr Pedro da Mata sold a kilogram of sugar to a price control inspector for 18 cents, whereas the fixed price is 16.5 cents. He also had certain articles in his shop which were not marked, namely sugar, and fruit-juice containers.

Mr da Mata pleaded guilty to both charges, but said he had not known the articles were subject to price control, and the wholesaler from whom he bought the items had not told him about them.

Mr F. A. H. John was on the Bench, and Mr P. Theron prosecuted.

STARR 26/7/75

# 'Bring shady dealers to heel'

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

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

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

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

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

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

## SEVEN POINTS

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

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

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

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(247)

STAR 28/7/75

**John Patten,  
Political Correspondent**

There is strong speculation that the Government will impose price control on various garage items to end the constant flood of complaints from the motor-ing public.

*It may do so when the Cabinet meets on Tuesday of next week for the first time since the end of the Parliamentary session.*

In line for Govern-ment action are said to be the price of spare parts and the labour charges made by garages for re-pairs and servicing.

Thousands of complaints by motorists have been made to the Price Control-ler and through the Press in the last few years, result-ing in a departmental com-mittee investigating the complaints.

**A warning?**

The Government is known to be reluctant to extend price freezes into the private sector of the economy, but has done so in situations where the public is being exploited.

If the departmental in-quiry shows the motor industry up in a bad light in this respect — as some influential sources believe — the Govern-ment could decide to step in, to show its hand against inflation and as a warning to other sectors where repeated com-plaints are being made.

**MIF in dark**

Because of the partisan attitudes adopted in dis-putes, the Government has had an agreement with the motor industry for some time under which these allegations are in-vestigated by way of a standing procedure.

The Minister of Econo-mic Affairs, Mr Heunis, has made it clear in Par-liament that the position is being investigated. A decision is now expected.

The director of the Motor Industries Federa-tion, Mr R G du Plessis,

knowledge of any decision being imminent. He would not comment on the implications of price con-trol being applied to spares and labour charges.

Asked also about the federation's request this year for higher profit mar-gins on the sale of petrol (which is subject to price control), he said the MIF had submitted its repre-sentations and was still awaiting a decision. It was possible the Govern-ment might review the position in October, when a further oil price in-crease is expected.

(247)

# Fertiliser front broken up by Fedmis

By CHRIS CAIRNCROSS  
Industrial Editor

THE UNITED front presented by the price-controlled fertiliser industry was torn apart yesterday with the announcement by Federale Kunsmiss that it will drop the price of fertiliser by an average 2 per cent a ton from tomorrow.

The announcement was made with the release of the Fedmis interim results which show that the group's earnings for the six months to June 30 last, shot up 63 per cent on the corresponding period in 1974.

It drew strong reaction from Mr Louis Luyt, chairman of the other main fertiliser manufacturer, Triomf Fertilizer, who said it made a mockery of the case the industry put to the Price Controller at the beginning of the year and which resulted in a 38 per cent increase in prices being granted from February 14.

Mr Luyt said Triomf would not follow suit as it would not be in the best interests of either the Triomf shareholders or the fertiliser industry.

He said that to make any concession defeated the objective of giving the fertiliser industry the opportunity to recover the low returns it had to absorb before the 38 per cent price increase was granted.

The view expressed by the industry when the increase was granted was that it allowed only for the recovery of income lost in 1974 and the early part of 1975.

The directors of Fedmis say the reduction in fertiliser prices, which amounts to a little over R2 a ton, was made possible by a price drop in raw materials, which it was able to buy on a forward basis.

The company was thus able to build up stocks at a time when demand had slackened.

Mr Luyt said Triomf had not been in the same position to build up stocks as the company was forced in 1974 to supply the domestic market with 62 000 t of fertiliser more than its required market share agreement with Fedmis.

This was because Fedmis was unable to supply the goods.

The position was aggravated in January and the first half of February when 14 000 t more than Triomf's agreed quota had to be supplied.

**BRUNT**

Mr Luyt said this tonnage was sold at the old

# Pharmacy monopoly inquiry ordered 1/8/75

The Argus Correspondent  
JOHANNESBURG: The Minister of Economic Affairs, Mr J. C. Heunis, has instituted a monopoly inquiry into the supply and distribution of pharmaceutical products.

In a statement yesterday afternoon, the Minister said he had instituted the inquiry as a result of a considerable number of complaints. He had instructed the Board of Trade and Industries to carry out the inquiry.

Complaints were over alleged restrictions on competition in the supply and distribution of pharmaceutical products.

The inquiry is being made in terms of Section 111 (1) (a) of the Regulation of Monopolistic Conditions Act. A notice concerning the investigation is due to appear in today's Government Gazette.

Interested parties were invited to submit representations and information on the subject to the secretary of the Board of Trade and Industries, Private Bag X342, Pretoria.

# Board to probe Natal Mercury 1/8/75 medicine firms

PRETORIA — The Minister of Economic Affairs, Mr. J. C. Heunis, has ordered an investigation into the existence of monopolistic conditions in the supply and distribution of pharmaceutical products.

In a statement issued here yesterday, the Minister said this step has been taken as a result of a considerable number of complaints.

They alleged that there were restrictions on competition in respect of the supply and distribution of pharmaceutical products.

The Minister said: "I have on various occasions in the past emphasised that the Government attaches great importance to the maintenance of healthy competitive conditions in the national economy as a means of keeping prices to the consumer as low as possible.

"The Government will not hesitate to take the necessary steps to achieve this.

"As a result of a considerable number of complaints, I have now instructed the Board of Trade and Industries to undertake an investigation, in terms of the Regulation of Monopolistic Conditions Act of 1955, into the existence of monopolistic conditions in the supply and distribution of products of the pharmaceutical industry as a whole."

He said a notice will be published in the Government Gazette today.

Interested parties are invited to submit representations and information to the Secretary of the Board of Trade and Industries in Pretoria. — (Sapa)

(1) 247  
~~2/7/75~~  
~~2/7/75~~

Consumer protection has fast become a major public issue, and although our statute books already contain numerous laws to protect the consumer, the Trade Practices Bill promises to be a major step forward in this field.

The Bill, expected to come law during the next session of Parliament, seeks to deal with three main issues:

- To prevent the inflicting of prospective buyers by false or misleading statements,
  - To authorise the Minister to prohibit trade practices which he considers injurious,
  - To amend and react existing law relating to trade coupons.
- It is not that all businesses need laws to make them stop confusing and eniddling the consumer, but rather that those who do mislead should be controlled.

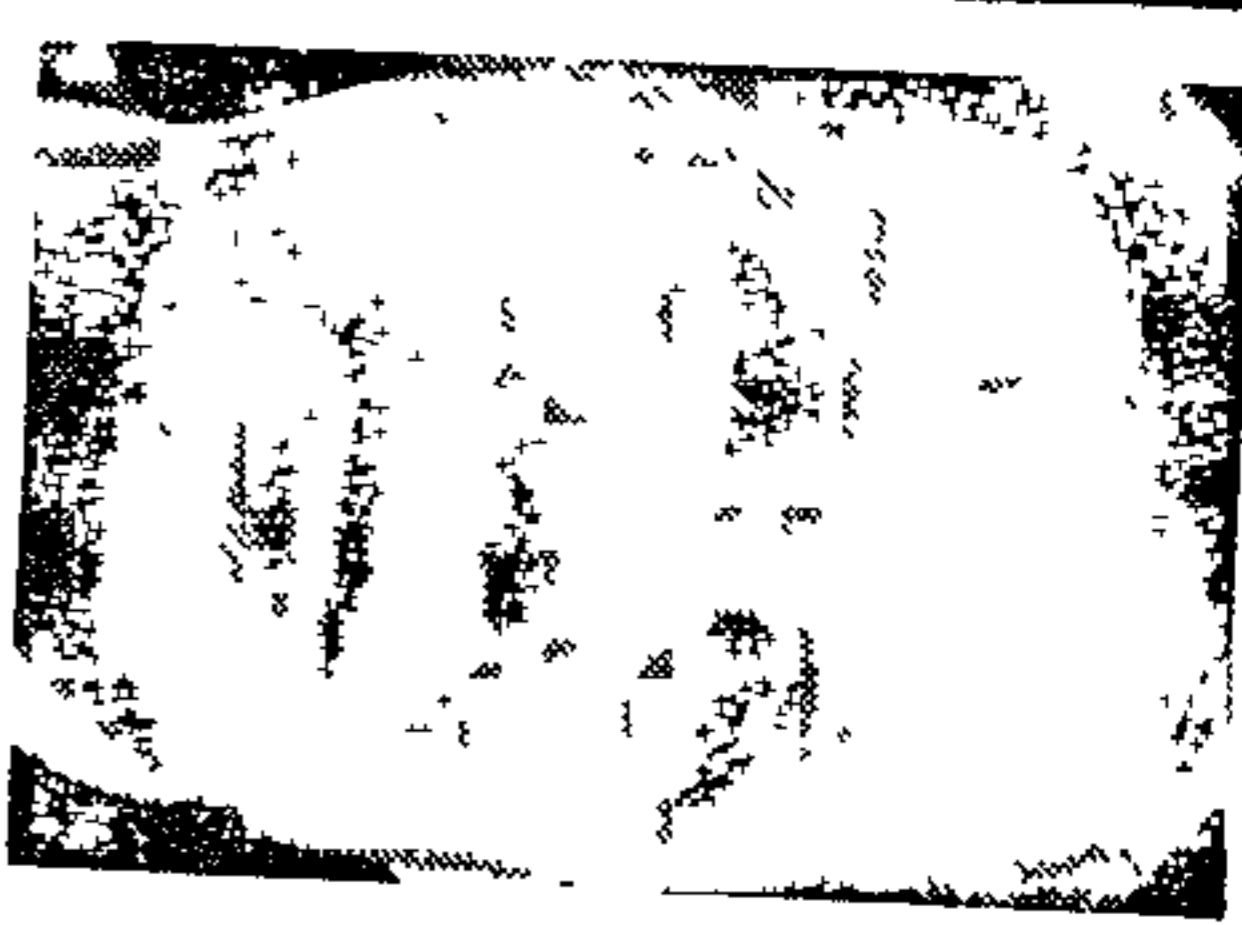
**The Trade Practices Bill**

should in fact bring South Africa partially in line with those countries already having legislation of this type.

In Britain a number of radical proposals have recently come from the two-year-old Office of Fair Trading. In the main these are designed to stop the battery of irritating promotional techniques, and to force traders to make only factual statements that are easily understood, and backed up.

For instance, the phrase "at least 10c off" will become illegal in Britain unless the usual price is publicly displayed. Likewise the word "worth" (as in slogans like "worth R300") would be taboo as being too subjective. All hyperbole will not be lost though, as the office believes even the most glib puffery in phrases like "the best in the world".

The proposed British Act will also give the Director General of Fair Trading the power to ob-



Minister Heunis . . . wide powers to act against trade offenders

5-11-75 2/18-75

# NEW BILL will stamp out false 'bargains'

the message is put over to the masses between other commercials

In British Columbia a new word has been coined — "unconscionable." The courts decide if a practice is "unconscionable," they can prevent the supplier from enforcing a transaction, and the consumer

may also then sue for any losses incurred. Open date stamping of food is mandatory in Canada, and plans are afoot to outlaw all kinds of misrepresentation including verbal sales pitches — and the country plans to clamp down on pyramid selling. How will the South

African Act stand, in relation to these? For a start, the Trade Practices Bill will give the Minister of Economic Affairs, Mr Chris Heunis, wide powers to act against trade offenders.

The Bill, under the section dealing with false and misleading advertisements provides that

"no person shall publish or display any advertisement which is false or misleading in material respects, or cause such advertisement to be published or displayed."

It also says a trader may not advertise a price which is less than the price he actually charges.

No longer will traders be able to say "great bargain offer," for instance, if in fact there is no difference between their price and the recommended retail selling price. If he calls it a bargain offer, it must be such.

The Minister

have the power to prescribe what may or may not be in an advertisement.

In Parliament the Government has already indicated some of the areas of abuse.

- Advertisements in catalogues and pamphlets in which descriptions of goods are grossly exaggerated;
- Posters and labels giving lower prices than the actual price at which the goods are sold;
- Advertising of cheap goods not in stock;
- Sending out of invoices of goods not ordered as a sales gimmick;
- Misleading statements as to the form of credit offered;

In a paper read to a symposium recently, Mr Harry Schwarz, MP, suggested businessmen would have to keep a closer check on their advertising, particularly with regard to "price reductions".

The Bill also provides for the Minister to

visory Committee, which function will be to advise the Minister. The committee will have representatives from marketing, advertising, commerce, industry, consumer affairs fixed, property and matters chosen from his of nominees submitted by the recognised national bodies in these fields.

Reservations have been expressed on the wide powers placed in the hands of the committee including powers of search, and the absence of a right of appeal by affected businessmen.

But as Mr Schwarz put it "All in all, there is little to fear. After all the object is 'truth in advertising' to which the legitimate marketer can have no objection."

What does it all mean for the consumer? Apart from the advantages already mentioned, people will be able to lay criminal charges in respect of false advertising.

Hopefully, the Bill is the beginning of stronger consumer protection.

Probe

*Rand Daily Mail*

has us

in dark

Staff Reporter

MEMBERS OF the Pharmaceutical Society of South Africa say they are still in the dark as to the purpose behind the proposed Government investigation into the supply and distribution of pharmaceutical products.

The Minister of Economic Affairs, Mr Chris Heunis, called last week for the probe into possible monopolies in the drugs industry and into high prices.

The president of the Pharmaceutical Society, Mr William Bannatyne, said from Cape Town yesterday: "I have had discussions with several members of my executive and we are still mystified about the investigation."

"The terms of reference of the inquiry are very wide and general and we don't know what it is aimed at."

#### SIMILAR

"We are expecting to receive a questionnaire within the next month and will then know whether the investigation is general or specific. At this stage it looks like an inquiry into the whole distribution of medicines."

Mr Bannatyne added that in all previous investigations of a similar nature the pharmaceuticals industry had "come out very well."

The announcement of the investigation was welcomed by the Minister of Health, Dr Schalk van der Merwe.

And yesterday, the national president of the Housewives League, Mrs Hope Hughes, said: "We are absolutely delighted about the investigation. We hope that when firms are caught overcharging, strict steps will be taken by the courts so they are found guilty and fined heavily."

"People are frightened to consult doctors these days because they cannot afford the high prices charged for medicines."

1) 247

247

# Monopolies in South Africa

5-7-42 5/18/42

Since the days when Adam Smith first examined the workings of the free enterprise system, known as capitalism, there have been doubts whether it is operating satisfactorily

Adam Smith drew attention in his "Wealth of Nations" to the automatic adjustments inherent in the market system. The profit motive, he emphasized, was the life-blood of the free enterprise system and resulted in the leveling out process which equated supply with demand.

He stressed that any governmental interference with the economic machinery would upset its equilibrium.

With the rapid economic development of the Western countries, the whole concept of capitalism has undergone radical changes, and economists have expressed diverse opinions regarding the efficacy of the system.

Perfect competition as envisaged by Adam Smith was only a theoretical concept, as in reality many factors intervened to upset the delicate mechanism of the competitive system such as a drift toward corporate vastness, overplanning and uncertainty attaching to growth.

The dimension of corporate vastness is evidenced in the United States where, towards 1950, about 130 manufacturing corporations produced half of the manufactured goods in the country. Furthermore, 250 of the biggest firms handled a flow of goods equivalent in value to the entire economy, prior to World War 2.

The tempo of growth in the United States is illustrated by the following statistics. In 1929 the top 100 industrial concerns owned 25 percent of all industrial wealth. In 1960 they owned in the aggregate 31 percent of all such wealth. This slow-down in growth has been achieved principally by the introduction of anti-trust legislation which was designed to prevent the creation of monopolies.

## Benefit of consumer

The South African economy is developing along similar lines. The one-time familiar family grocer, family butcher and family shoemaker are being gradually driven out of existence by Big Business.

Masterminded by computers and high-pressure techniques, the super-markets and other national organisations with hundreds of branches throughout the country are having an unhealthy effect on the South African economy.

Due to takeovers, mergers and amalgamations, they interfere with the smooth working of the competitive system and prepare the ground for monopolistic control.

According to economic theory, the proposition is advanced that private enterprise inures to the benefit of the consumer and that competition results in more efficient methods being employed in production.

To survive in a competitive market it is necessary

The Government has appointed a commission of inquiry into monopolies and conglomerates. The commission has powers to recommend new laws to curb price fixing. DAVID SHRAND, income tax consultant and financial adviser, looks at the scene.

for producers to maintain efficiency in production and to strive towards achieving a lower cost of production.

The principle embodied in the competitive system is that the more efficient producer will drive the less efficient out of the market and the consumer will benefit by reason of the lower prices charged.

Followed to its logical conclusion, the result would be that only the most efficient would survive the competitive struggle and the stage

would ultimately be reached where a few large producers, or possibly one large producer, would emerge triumphantly from the tooth-and-nail economic warfare and assume monopolistic power.

In other words, according to economic theory, the paradoxical situation is envisaged whereby a competitive system may in the final analysis lay the way open to a monopolistic set-up being created.

Although the monopolist is in a favourable position in that he is able to

corporation grants by which would have the effect of stultifying the workings of the free competitive system.

The American courts' present-day attitude is derived from the 1950 amendments to the Clayton Act, which prohibit a corporation from acquiring stock or assets of another corporation which would have the effect of substantially lessening competition or tending to create a monopoly.

The courts have applied the principle enunciated by these amendments rigorously, and several cases that have come before them have prevented mergers and joint ventures being implemented.

In South Africa, the Government in 1955 passed the Regulation of Monopolistic Conditions Act, which is designed to prevent or control monopolistic conditions in South Africa.

The Board of Trade and Industries, which is entrusted with the administration of the Act, has undertaken considerable investigations in the past and has made searching inquiries into various organisations, particularly associations of producers and distributors who have combined with the object

of fixing prices and preventing competition. South Africa is crossed with monopolies which assume various forms and parade under different disguises. Many articles of foodstuffs in their processed form are either under absolute monopolistic control or are subject to some form of price-fixing arrangement.

Throughout the world, governments have arrogated to themselves monopoly rights, and South Africa is no exception. Thus, the Motor Carriers Transportation Act endows the Government with monopolistic powers over the conveyance of any person or any goods on any public road by means of a motor vehicle.

Thus with one hand the Government seeks to destroy monopolies while with the other hand it creates monopolies under its own auspices.

## Profits retained

The merger of industries dealing with similar commodities and takeover bids which are a day-to-day occurrence in South Africa are a stepping stone to the creation of monopolies.

The reason given for these combinations is that reorganisation will result in economies being effected. If this contention is well-founded the consumer should benefit by the reduction of prices. Instead, the additional profits earned are invariably retained by the producer and not passed on to the consumer.

The Board of Trade and

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mergers and take-over bids critically in accordance with the present-day American practice with a view to frustrating any attempt to create monopolies in South Africa. The Board is engaged in an important assignment in the interests of the consumer. If it succeeds in eliminating monopoly practices in South Africa and liberates the forces of competition, the consumer will at long last find the cost-of-living index arrested in its upward spiral.

star 5/8/75



# UK firm attacks

## S.A. price controls

RDM  
14/8/75

By PENELOPE G. CIB

**LONDON**—The rigid price control mechanism in South Africa has been criticised by the chairman of the large British tile group, Johnson Tiles, Mr. Derek Johnson.

He compares the manner in which the South African authorities manage the pricing system with the principle of the Price Commission in Britain.

Regarding the South African system harsh and unbusinesslike comment is that the group's South African operations, Johnson Tiles (Pty) Ltd, have operated at the loss since pricing levels were fixed by the South African authorities about price increases.

After the July 1974 application for a price increase, the company is able to operate at a profit.

The group, which has a 64 per cent stake in the South African operator of the British group, managed a modest improvement in trading profits of 12.5 per cent.

However, this improvement was overshadowed by a substantial (70 per cent) worsening in the trading results of the South African and Australian factories and the marketing subsidiary in the United States.

Mr. Johnson, in his chairman's statement, said South Africa was very seriously affected by rigid price controls and also teething troubles on the commissioning of bought-in plant which resulted in a serious loss of production at a time when demand was greatest.

Significant price increases have since been approved by the South African authorities and with production problems having now been largely overcome, the company is once again turning a profit.

### COAL TO OIL

In Johnson's remarks about the restrictions placed on pricing in South Africa stem from bitter experience.

He says that in converting the South African plant from a coal to oil burning plant, Johnson Tiles was caught in the midst of the oil price rises. Prices in the coal field rose rapidly, but no product price increase was allowed. When the South African authorities did sanction the increase, it was only for 10 per cent.

After the price rises a further 10 per cent was allowed and Johnson Tiles has just been authorised to increase prices by a further 12.5 per cent in the current financial year.

Without the last increase, the company could not have operated in South Africa.

He suggests that something approaching the British Price Commission would be more equitable for South Africa. British manufacturers take the average of the two most prosperous years out of the

last five and use that on the turnover figure to arrive at the company's profit percentage.

In South Africa it is a calculation of 15 per cent on assets.

While he has been enchanted with the group's South African undertakings in the recent past, Mr. Johnson believes that South Africa, like Australia and the United States, is beyond the worst of the downturn and is optimistic.

He says: "The same cannot be said of the UK."



Put  
your  
house  
in  
order  
says  
Heunis

17/8/75  
Tribune Reporter

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

He added: "I am completely flabbergasted by Mr Chris Heunis' statement that the price controller, Mr Joop 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.

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# Plea to overhaul footwear trade

20/8/75 Mercury Correspondent

PRETORIA—South Africa's footwear manufacturing industry is in need of an overhaul — with strong measures being taken to improve manpower utilisation, productivity and profitability.

This is the finding of a fact-finding committee appointed by the National Productivity Institute, a team which included a leading world authority on shoe manufacturing, Mr. John Mackenzie, from Canada.

The report has laid it on the nail to the industry. It is "imperative" that productivity be brought to and maintained at a maximum level if the industry is to remain viable — an economic proposition.

Among other factors, the investigators expressed surprise that South African shoe manufacturers are "largely ignoring" the potential and possibilities of exporting shoes.

In the survey, the workings of 21 major companies were scrutinised. Recommendations made are intended to guide the companies on improved management, production and other techniques.

Basically, the report tells manufacturers that increased productivity will depend on more enlightened and up-to-date management techniques.

More effective use has been recommended of production planning and control methods, marketing research, management information systems and communication techniques.

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20/8/75

# Price-fixing — companies to be tried

**SEVERAL leading wholesale companies are soon to be charged and summarily tried in the Supreme Court in connection with alleged price-fixing.**

The Acting Deputy Attorney-General in Cape Town, Mr Braam Lategan, told the Cape Times yesterday that the police Commercial Branch were finalizing investigations against the companies and that charges would be drawn up against them for a summary trial soon.

The action was part of a stepped-up campaign launched by the Attorney-General's office recently against price-fixing and other price control offences. Mr Lategan said that prosecutors had been briefed to ask for more severe sentences in all cases of price control infringements.

The companies, which are due to be charged before the Supreme Court in Cape Town could not be identified at present, "but we are going to make an example of them," Mr Lategan said. His department was going to use the case to seek a ruling which could be applied to future cases.

## FINES

In the past similar offences were punishable by minor fines ranging from R10 to R20

"We are no longer going to give these offenders the option of a fine," Mr Lategan said. They would be charged and brought to court. His department had had consultations with the Commercial Branch of the South African Police in this connection.

A spokesman for the Commercial Branch yesterday confirmed that investigations were being finalized against a number of companies. Evidence was extremely difficult to obtain in these cases and investigations had to be very secretive and extensive before sufficient evidence could be obtained for a prosecution. In most cases the investigations had been instituted independently.

Chain-

store  
Cape Town  
chain  
discrimination

# Chain store charging Blacks more than Whites

Cape Times 21/8/75

By PAUL DOLD  
Financial Editor

nar on retailing was told yesterday

One of the speakers, Mr Harris Gordon, a director of the Bergers group, alleged that the chain (which he did not name) had allowed its staff to classify by race each and every customer on its sales dookets.

"All non-Europeans are

subject to a ledger fee, which is effectively an additional charge of 19 per cent per annum on the cost of the goods. It is said that this charge is made because non-Whites are a bad credit risk.

on the basis of the customers credit worthiness. For heaven's sake do not make additional charges on the basis of the colour of the skin of the customer."

### ELLERINE'S VIEW

"On the other hand, Eric Ellerine whose company has had a great deal of experience over many years in the African market, said recently that the bad debts of the African market are only marginally higher than those in the White market — and he was talking about furniture, which is notorious for its bad payers.

"If bad debts are so high then make a charge

Mr Gordon who spoke on "The African market and the retailer" said the first step retailers had to take to promote trade with Africans was to abolish the blatantly unfair discriminatory practices which were still being applied on a fairly widespread basis.

Africans should have the same facilities within stores as White customers. They needed fitting rooms, rest rooms and restaurants.

"In this respect those

BUSINESS circles here are amazed at a report that one of the credit chain stores in the country is discriminating against Black customers by charging them more for their purchases than White customers. Many business men were incredulous when they could not be

ONE OF THE LARGEST credit chain stores in the country is discriminating against Black customers by charging them more for their purchases than White customers, the UCT Graduate School of Business Association semi-

responsible firm could stoop to such appalling conduct.

They said that if the allegation could be substantiated, it should be brought out into the open and it could bring the name of the chain store into disrepute, as well as chain stores generally.

The allegation was made by Mr Harris Gordon, a director of the Bergers group, when he addressed the UCT Graduate School of Business Association seminar on Wednesday.

Mr Gordon was not available yesterday and a spokesman for the Bergers group said he was unable to disclose the name of the firm.

Mr Brian MacLeod, secretary of the Cape Town Chamber of Commerce, said: "I haven't any idea which firm could have done such a thing. It surprises me and I can't imagine any business engaging in this type of discrimination."

RDM 21/8/75

# Courts get tough on price chancers

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Staff Reporter  
THE ATTORNEYS General of the Cape, Free State and the Transvaal have instructed prosecutors to get tougher on traders who contravene the price control regulations.

In future no admission of guilt fines will be accepted. Suspects will have to appear in court and penalties are to become stiffer.

The Attorney-General of the Free State, Mr M. M. Beukes, said from Bloemfontein yesterday that he had ordered his prosecutors not to accept admission of guilt fines unless the matter was referred to him personally.

Mr Beukes said the major reason for the new tough approach to price

control offenders was the high rate of inflation in South Africa.

"There is no doubt that some people tend to take advantage of inflationary conditions to load prices. The public, too, seem to accept the fact that prices will continue to rise."

This state of mind made it easier for people to circumvent the law, Mr Beukes said.

A few years ago, he said, when inflation was not so serious, if the price of cigarettes was increased by two cents a pack the buyer would query the higher price.

Now higher prices were accepted as the norm.

The acting Attorney-General of the Cape, Mr Braam Lategan, said if there was sufficient evi-

dence of a breach of the price control regulations the accused would be brought before court.

They would not be allowed to pay admission of guilt fines. All prosecutors in the Cape had been given the necessary instructions.

The courts would also be asked to impose heavier penalties in an effort to deter other potential offenders.

The Attorney-General of the Transvaal, Dr Percy Yutar, confirmed that prosecutors in the Transvaal had been given similar instructions.

He said courts in the province had been asked to deal mercilessly with people found guilty of transgressions of the price control regulations.

(247)

# Prices: New tough line laid down

21/8/75 Cape Times Correspondent

**PRETORIA.** — The Attorneys General of the Cape, Free State and Transvaal have instructed prosecutors to get tougher on traders who contravene the price control regulations.

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#### ACCEPTED AS NORM

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The Transvaal Attorney General, Dr Percy Yutar, confirmed that

prosecutors in the Transvaal had been given similar instructions.

He said courts had been asked to deal mercilessly with people found guilty.

"We want to protect the public, and after all we are fighting inflation. We want to ensure that traders don't charge more than they are reasonably entitled to charge."



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# Government team to probe SA pharmaceuticals

RJM  
22/8/75

Staff Reporter

THE team to probe South Africa's pharmaceutical industry was announced in Pretoria yesterday by the Minister of Economic Affairs, Mr Chris Heunis.

The nine-member commission will be under the chairmanship of Prof W F J Steenkamp, former chairman of the Wage Board, deputy chairman of the Board of Trade and Industries and a member of the Prime Minister's Economic Advisory Council.

The commission is to report and make recommendations on.

● The manufacturing already undertaken in South Africa, the extent to which this secures the country's independence from foreign sources on essential requirements and the measures needed to encourage further manufacturing

● The raw materials already being manufactured satisfactorily in the country, which other raw materials should be manufactured locally and the cost implications

● The Patents Act, and the limitations it places on the manufacture of pharmaceutical products.

● The export potential of the industry and the limitations placed on it by royalty agreements with foreign licence holders

● The price structure of pharmaceutical products, the increase in prices and ways of combating price increases

● The desirability of joint buying of pharmaceutical products by the States and the effect this would have on prices

● The customs duties levied on imported raw materials and medicines merely for purposes of revenue and the effect on the cost of medicines

# STEENKAMP TO HEAD INQUIRY

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Natal  
Mercury  
22/8/75

**PRETORIA** — The nine-man commission of inquiry into the pharmaceutical industry in the Republic will be under the chairmanship of Prof. W. F. J. Steenkamp, the Minister of Economic Affairs, Mr. J. C. Heunis, announced here yesterday.

Prof. Steenkamp was previously chairman of the Wage Board, deputy chairman of the Board of Trade and Industries and is at present a member of the Prime Minister's Economic Advisory Council.

### MEMBERS

The other members are Prof. Georg Marais, director of the School for Business Leadership at Unisa, Mr. Nelson Tuck, vice-chairman of the Chemical Processing Association; Mr. Roeben Brin, president of the South African Pharmaceutical Society; Mr. J. H. van der Walt, member of the Pharmaceutical Council; Dr. R. E. Bauling, company director and a member of the Medical Advisers Group of the Pharmaceutical and Chemical Processing Association; Mr. P. F. Retief, chief of pharmaceutical services of the Department of Health; Mr. David Tabatznick, company director and manufacturer, and Mr. A. J. Myourgh, chief industrial adviser in the Department of Industries — (Sapa.)

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# Resettled people happy say Ciskei officials

**KING WILLIAM'S TOWN —** "Who are these people, why are they treated like kings?"

These words were said as comments on the treatment given to the people from Riemvasmaak resettled in Welcome Wood, according to Mr J.P.D. Marais, the Ciskei Secretary of the Interior.

He was speaking at a meeting with the press which he had called in reaction to a report which appeared in the Daily Dispatch last Tuesday.

Present were the Chief Magistrate of Zwelitsha, Mr D. Crossman; assistant secretary of the Department of Interior, Mr H. van Brummenlen, a sociologist, Dr J. Klingenberg, and the senior social worker, Mr C. Nolutshungu.

Mr van Brummenlen said in 1973 seven people first came to see Welcome Wood and were pleased with the area. They later returned with about 43 other families, who were also pleased to be resettled there.

These people were transported free of charge from Riemvasmaak, fully compensated for their houses as well as damage to property on their way. They were given 4 m by 4 m plank houses to live in on their arrival, as well as blankets and food.

These people were resettled on an agricultural basis and were each given two morgen of land. They had been allowed to demolish their houses to be able to use the building material to build new houses. They came with all their cattle, goats and sheep.

They were given R1 000 as compensation for their church in Riemvasmaak.

Bricks were sold to them at R5 per 1 000.

Mr Crossman said that only eight or nine people were unemployed, and these people refused jobs.

"It is not that there is no work, but they do just not want to work," said Mr van Brummenlen.

Mr Klingenberg said all the people at Welcome Wood were using the shacks as store-rooms, and were living comfortably in their own self-built houses.

"There are no families left destitute because of the recent high winds," Mr Marais said.

"Only four houses were blown down by the wind, and two other houses which were occupied by a man with no responsibilities and another by a schoolteacher with no responsibilities.

Mr Marais said the soup kitchen, also blown down, was not built by the Border Council of Churches, but they had used two rooms without permission. He said they had no right to use the houses, and as far as he was concerned people at Welcome Wood needed neither blankets nor food.

"The Border Council of Churches is not giving out food and blankets because

people are hungry or unclad, but because of the many other reasons outside poverty," he said.

Mr Nolutshungu said when he visited the area people communicated with him freely and there were no signs of fear or intimidation.

"The people at Welcome Wood are happy and living comfortably," Mr Klingenberg said.

"One person whose shack had blown down, Mr Baba Fasi, had a beautiful self-built house next to the shack."

Five people from Welcome Wood were brought in Mr Myoyo one of them, said they were all happy to live at Welcome Wood, and that the Ciskei Government had been very good to them.

He said when he had arrived everything had been prepared for him, and he had never heard anybody complaining.

Mr Fasi denied he ever saw a Daily Dispatch reporter and denied the Dispatch report.

Mr Crossman said old age pensions were available, and nobody had ever applied for rations.

Mr Marais said as far as he and his government were concerned, Welcome Wood people were happy and comfortable. — DDR

Daily Dispatch. 28/8/75  
**Price complaint lodged**

CAPE TOWN— Complaints against certain South African stores of price discrimination against their black customers, had been received by the SA Co-ordinating Consumer Council in Pretoria, and had been passed on to the price controller.

Mr K. Helfrich, the council's information officer said that this was as much as the body could do and it was up to the government to take action.

Mr Helfrich was approached after certain disclosures had been made in Cape Town last week at the UCT graduate school of

business seminar.

One of the speakers, Mr Harris Gordon, a director of the Bergers Group, alleged that one of the largest chain stores in the country had charged black customers more for their purchases than white customers.

Business circles in Cape Town were appalled by the allegations. A spokesman of the Bergers Groups said he was unable to give the name of the chain store concerned.

Mr Harris Gordon was not available for comment and was still not in Cape Town yesterday. — DDC

**ORGANISED** commerce and businessmen have welcomed the Prime Minister's anti-inflation address to the nation last night but trade unions have expressed only qualified approval. In Cape Town today the Chamber of Commerce was to meet to discuss the Government appeal.

In an address to the nation last night Mr Vorster called on workers in all fields to moderate their wage claims in an attempt to break the wage-price spiral that was threatening the country's economic and social system.

The rate of inflation threatened the country's standard of living and was a particular danger to the low-income groups who stood to lose most through continued loss of monetary value.

He also called on commerce and industry to make their own contribution by controlling prices, possibly at the cost of high profits.

I fully realise that I cannot expect worker groups to exhibit the necessary control unless employer groups also react positively to my appeal, the Prime Minister said.

In Cape Town today Mr D C. Benade, chairman of the Western Province area division of the Trade Union Council of South Africa, said Tuca would back the Prime Minister's programme fully. In those fields where real earnings were being maintained the workers would be prepared to forego increases that would raise their standard of living.

### Essential

However, the Government should not expect the workers to sacrifice their standard of living.

It was essential that employers in commerce and industry should make an obvious contribution by holding down prices and profits, Mr Benade said. He called for a three-part effort involving the Government, commerce and industry and the workers to curb the 'galloping rate of inflation.'

Mr G Fletcher, branch secretary of the National Union of Furniture and Allied Workers, said his union would be sympathetic to the Prime Minister's appeal if their real earnings were restored to the levels of January 1974.

### Keep up

Too much emphasis had been placed on the part employees should play and too little responsibility had been placed at the door of manufacturers and distributors.

Mr Ray Altman, general secretary of the National Union of Distributors, said the union would support a campaign if they kept up the fight against price gouging.

# Vorster attack on inflation

ARGUMENTS (Continued from Page 1)

drop in our buying power, Mr Altman said.

He echoed Mr Fletcher's call for more emphasis on the part employers should play.

Mr Norman Daniels, general secretary of the Textile Workers' Industrial Union, said: 'I feel the Prime Minister should have put the responsibility for breaking the wage-price spiral on the employers.

The worker does not put up the prices, he merely reacts to increased costs, and he will continue to do so. I am not pleading for price control, but the emphasis should have been placed on commerce and industry, not us, he said.

However, the unions would do everything they

could to assist in cutting inflation. They also hoped to see those concerns making unrealistic profits curbing their earnings, he said.

Mr John Drake, president of the Cape Town Chamber of Commerce, said the Government's plan had been worked out after consultations with the various employer bodies and it was assured of their full support.

Today the chamber was to meet to discuss its plans in relation to the Prime Minister's appeal, but the contents of the Government plan had been known for some time.

'I feel the plan is a reasonable compromise. We would have liked to see greater emphasis on cutting Government spending, but we are satisfied that this scheme can succeed,' Mr Drake said.

It would need the co-operation of all sectors of the public, but it had the ingredients of a viable plan. Manufacturers and distributors would co-operate by curbing price increases as far as possible, he said.

In Johannesburg Mr Raymond Parsons, executive director of the Association of Chambers of Commerce, pledged full support. However, the scheme would require sacrifice and increased productivity from everyone.

# Fix prices

MERCURY 29/8/75  
too, say

## earners

Mercury Reporter

PEOPLE asked yesterday by the Mercury whether they would heed the Government's call to fight inflation by not asking for pay increases nearly all said that pay increases were necessary to fight rising costs.

A curb on pay would be unfair to the consumer unless prices were also frozen, they felt.

Only one of the eight people interviewed, Miss L. Soanes, a building society worker, was of the opinion that a wage freeze would help fight inflation and she was prepared to forego a pay increase.

One man, who said that Government and municipal workers did not always deserve increases, later returned and asked not to be quoted. "I don't want any trouble," he said.

### DESERVED

Mrs. A. Haddad, an employer, said that she would continue to give her staff pay increases. "They work hard and deserve them — besides costs are rising all the time."

Mr. Ian Wyllie said that an extended form or price control would help to fight inflation. "It is all very well to ask the public to help fight inflation but prices should also be fixed. Perhaps if price control was

extended to more products it would be realistic to stop wage increases."

Mr. D. Mumford had only a few words to say — "The Cabinet had a pay increase."

The Prime Minister called for sacrifices from all employers and workers to aid the Government's fight against inflation earlier this week.

Mr. Vorster said that the country's security and stability were threatened by inflation.

# Fuel price to be raised again in October?

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D. Dispatch

2/9/75

PRETORIA — Another increase in the price of fuel — it would be the fifth in the past two years — is almost certain to be imposed before the end of the year — possibly as early as the beginning of October

The oil producing export countries (Opec) have warned that the nine-month freeze they agreed to last year runs out at the end of this month.

The Shah of Persia has also warned that there is justification for a hike of 35 per cent in the price of crude oil because of the effect of Western inflation on the purchasing power of oil revenue.

The Prime Minister, Mr. Vorster, and the Minister of Economic Affairs, Mr. C. Heunis, hinted strongly earlier this year that the price of fuel would probably have to be raised again.

At the National Party Transvaal Congress here last week Mr. Heunis indicated that fuel prices were again under pressure.

He said the producing countries could raise the price of crude oil by between ten and 30 per cent.

Mr. Heunis said that although South Africa was still officially on the Arabs' boycott list, the use and availability of fuel was no longer the most important consideration when related to speed limits.

"Our Achilles' heel in South Africa is the balance of payments on current account," he said.

The most disturbing aspect of another rise in the price of fuel is that it will come at a time when the Government in co-operation with the private sector and trade unions is engaged in an all-out fight against the price spiral.

Fuel prices are basic costs throughout commerce and industry. In the past, they have been recovered by manufacturers and commercial organisations by loading consumer prices.

So unless the Government surrenders part of the massive profits being made on piped fuel, inflation will get another powerful spurt forward.

And according to authorities here pressure on the Government to absorb any new rise by cutting the exorbitant pipeline profits is increasing.

The Automobile Association, the Motor Industries Federation and the big trade union organisations support the use of pipeline revenue to stabilise the price of fuel.

During the 1974-75 financial year the excess of revenue over expenditure on the pipeline is expected to be more than R70 million.

For the first three months of the current financial year the profits amounted to R21.7 million.

The pipeline charges, it is understood, work out at about two cents a litre against an actual cost of a cent a litre. — DDC.



# PRICE RISES, CABINET MOVES

247

5/9/75

Mercury Correspondent

PRETORIA — The Government's strategic assault on inflation is now being planned in detail, it was learnt in Pretoria yesterday.

The Cabinet has ordered that the implementation of the plan be given the "utmost priority"

The broad plan has been mapped out by the standing committee on inflation of the Prime Minister's Economic Advisory Council. It was submitted to a committee of eight Cabinet Ministers assisted by an advisory committee.

The committee appointed six working groups a few weeks ago to analyse the contribution which could be made under various heads to the anti-inflation fight.

The groups studied publicity and education, productivity, labour, wages and salaries, prices, and fiscal and monetary policies.

Some have now reported to the Minister of Economic Affairs, Mr. Chris Heunis, and the others are expected to report within the next few days.

After studying the recommendation Mr. Heunis will take it to the Cabinet committee which will be responsible for implementing the collective programme.

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# Vorster plan given 247 six-month deadline

6/9/75 Mercury Correspondent

**PRETORIA** — The big trade unions are giving the Government's co-ordinated anti-inflation programme six months to work, it was learned here yesterday.

If there are no positive and measurable indications that commerce and industry are making comparable sacrifices then a rash of wage and salary increase demands can be expected in the first half of next year.

In the interim however, trade unions are not interpreting Mr. Vorster's appeal for restraint in wage and salary demands as a wage freeze, and it is expected that some will, before the six months is out, demand limited compensation from employers.

Already one of the seven railway trade unions, the Artisan Staff Association, has given notice it intends asking the Minister of Transport, Mr. Muller for relief next week.

At least one of the Post Office's four staff associations is also expected to ask for improved fringe benefits during the "restraint period." They could be followed by the Public Servants' Association.

## UNHAPPY

The secretary of one of the associations, Mr. L. J. van der Linde, said yesterday after a meeting of his executive that at this stage there were certain aspects of the Prime Minister's appeal which the executive felt unhappy about.

Different interpretations had been placed on the Prime Minister's appeal for restraint. It was his executive's intention to make a closer study of certain aspects of the appeal.

Some leading trade unionists say...

numbers of workers, including Iscor and municipal workers, were recently given salary and wage increases while there were many thousands of workers who had not had cost of living relief for two years and more.

## FINAL PLAN

Meanwhile, it was revealed yesterday that the Government's co-ordinated anti-inflation programme is in the final planning stages and will be fully launched within the next few weeks.

The Cabinet, it is understood, has ordered that the implementation should be given the "utmost priority."

A major reason for the crash effort to arrest the country's rocketing inflation rate is the fear of unrest among the country's millions of low-paid Black workers.

# Cut down your prices, Heunis tells traders

247

RDM  
5/9/75

THE Minister of Economic Affairs, Mr J. C. Heunis, last night urged businessmen to honour the letter and the spirit of the joint action programme against inflation by introducing price decreases wherever possible.

Speaking at the annual dinner of the Krugersdorp Chamber of Commerce and Industry, the Minister said there were good reasons why he emphasised this appeal.

During 1974 the consumer price index had

risen at a lower rate than the wholesale price index (which largely represented manufacturers' prices), and on more than one occasion Assocom had urged that this demonstrated a tendency in gross profit margins.

According to the latest figures, however, the same situation definitely did not apply this year. From January to May, 1975 the wholesale price index of goods for South African consumption had increased by 3,6 per cent, while the consumer price index had risen by 3,9 per cent.

The same sort of contrast appeared in the two

most important classes of goods, namely food and clothing.

In food, the wholesale price index had actually dropped by one per cent from January to May, but the consumer price index had risen by nearly 1,1 per cent.

In the case of clothing the increase in the wholesale price index was 2,9 per cent while the increase in the consumer price index amounted to nearly 4,1 per cent.

The latest index figures showed there might be room for downwards price adjustments, the Minister said.

As far as the economic position of the country was concerned, the Minister gave reasons for strong confidence in the short and medium-term future, and added:

"In my view there is even more reason for faith in our long-term future.

"It is my belief that in the long-term, high gold prices and a keen world demand for many of our export products, primary and processed, will afford our country a favourable external balance-of-payments situation, which will in turn permit a sounder and less inflationary financing of our total investment programme than will perhaps prevail elsewhere" — Sapa

## Govt's assault on inflation takes shape

Staff Reporter

THE Government's assault on inflation is now being planned in detail, it was learnt in Pretoria yesterday.

The Cabinet has ordered that the implementation of the plan be given the "utmost priority".

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mittee of eight Cabinet Ministers, assisted by an advisory committee.

The advisory committee appointed six working groups a few weeks ago to analyse the contribution which could be made in fields like education, productivity and fiscal policies.

Some groups have reported to the Minister of Economic Affairs, Mr Chris Heunis, and the others are expected to report soon

# ATTENTION ALFRED FOR

9/9/15 Mercury Correspondent

**PRETORIA** — The Government's anti-inflation programme drawn up in consultation with business and trade union leaders will usher in a period of at least temporary austerity in South Africa.

The Prime Minister, Mr. Vorster, has warned that to beat inflation and protect the buying power of the rand, sacrifices will have to be made by everybody.

It is understood that the Minister of Economic Affairs, Mr. Chris Heunis, who heads a Cabinet committee of eight responsible for implementing the anti-inflation campaign, is now considering recommendations from six working groups on the most effective means of slowing down the price spiral.

These recommendations will have to be approved by the full Cabinet, probably at next week's meeting, before details of the plan and the extent of sacrifices which will be called for are made known.

Certainly, according to economists, it's going to be a grim Christmas for most of us. The big employers will comply with the Prime Minister's appeal to go slow on wage increases—some of them eagerly.

It is likely, too, that for the same reasons end-of-the-year bonuses will be pruned.

The Government is not expected to rely entirely on voluntary efforts to reduce the inflation rate.

One of the working groups has studied the part which can be played by manipulating the monetary and fiscal policies.

Under this head, money could be made more expensive by higher interest rates, and credit could be squeezed by higher overdraft rates and by raising the liquidity levels of commercial banks.

And if by next March there are no measurable advances in the inflation battle there could be big tax increases.

The Government has made it clear — Mr Heunis said, that arresting inflation could be a painful process — that sacrifices will have to be made, and there is now no doubt that the measures now being considered are going to hurt.

The chief economist of Barclays Bank, Dr. Johan Cloete, said yesterday that the greatest care must be taken by Government planners to ensure that the severity of the measures contemplated do not plunge the country into a serious recession.

An over-reaction could bring economic growth to a juddering halt, and this had to be avoided.

Unemployment on any significant scale—and this could be one result of over-reaction—could bring with it disruptive social and political unrest.

Dr. Cloete also warned employers not to over-react to the Prime Minister's plea on wages and salaries.

"Psychologically the climate is right for employers to withhold increases, but if they go too far in this direction they will reduce overall demand for theirs and other products and precipitate a deeper recession."

In Johannesburg last night, the Minister of Posts and Telegraphs, Mr. Marais Viljoen, said inflation had to be combated no matter how painful it might be in the short term.

Opening the Coloured Postal Workers Association congress the Minister said increased wages without accompanying increase in productivity only fanned the flames of inflation and brought no permanent advantage.

But the expected

petrol before the end of the year will undermine the Government's anti-inflation campaign, according to Pretoria sources.

The Shah of Iran indicated yesterday that a 25 percent increase in crude oil would be reasonable compensation for the shrinking purchasing power of inflation eroded oil revenue.

It was also announced yesterday that OPEC will meet in Geneva on September 24 to decide on the new price of crude from October 1.

Meanwhile the Department of Commerce is considering a request from the Motor Industries Federation for an increase in the mark up on petrol sales to 10 percent on cost.

The present mark up is six percent above cost, and it is understood the department has acknowledged that an increase in the mark up is justified.

Durban's City Treasurer, Mr. O. D. Gorven, will represent the United Municipal Executive of South Africa on a Government appointed working committee for dealing with inflation.

# CHRISTMAS BONUSES and pay increases would be drastically cut this year, leading economists said this week in a survey conducted by Weekend Argus correspondents and reporters.

W/E ARGUS (247)  
6/9/75

The forecast came as another snap survey showed some manufacturers and producers of foods and essential goods were almost ignoring the plea by the Prime Minister, Mr B J Vorster, to keep prices down.

salary increases, but only if all sectors play their part

Mr Wally Grobler, secretary of the powerful Railwaymen's Artisan Staff Association and secretary of the SA Confederation of Labour said

'We want to see the butcher, the baker and the candlestickmaker keeping their prices down. There will be a big outcry against any price rises we see and if they continue we will renew our pay demands'

Soaring prices — up to 36 percent for food in 18 months — threaten to break down the anti-inflation campaign launched by the Prime Minister last weekend when he appealed to public servants to peg their wages

In the survey, economists predicted that:

● Prices will continue to spiral — in spite of the Prime Minister's plea.

● The Government may then have to take drastic action by forcing traders to freeze prices

● This could lead to economic trouble by pushing South Africa from inflation into recession

● The six-point programme now being considered by Mr J. C. Heunis, Minister of Economic Affairs, could contain the final death blow to job reservation

## Employers

The survey showed that big firms throughout South Africa would keep end-of-year salary and wage increases and bonuses down to a minimum.

Among the big employers who said their next salary reviews would be less than the 14 percent inflation rate were such giants as the Anglo American Corporation, the Chamber of Mines, Barclays Bank, Unilever SA and Dunlop SA.

The forecast, which will shatter the hopes of thousands of inflation-weary South African families, was made as a special Cabinet committee planned a nation-wide, six-pronged attack to deal with the country's inflation crisis.

## Six points

This includes:

- ★ Slashing government spending and revising monetary policies
- ★ Stepping up the training and education of Blacks in White areas
- ★ Scrutinising and revising all legislation that has a cost-increasing effect
- ★ A plan to increase short term productivity and the better use of labour.
- ★ Slowing down price increases and a virtual pay standstill.
- ★ An education programme to teach the public how the country's economic system works and to instruct individuals on how they can help fight inflation and avert a major recession.

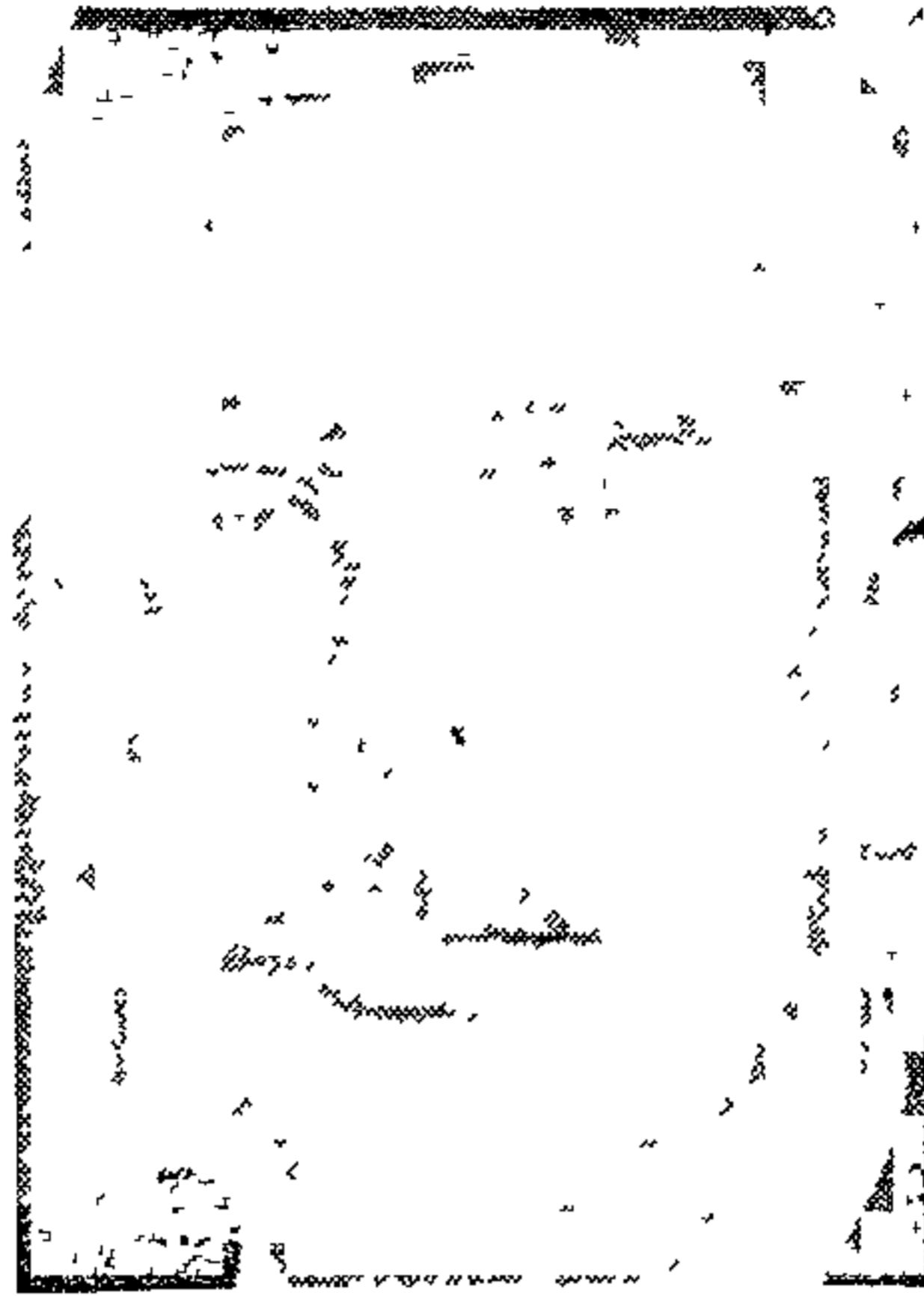
The private sector — through trade unions and the Chambers of Commerce and Industry — has

# Gloomy economists say: pay rises down, but prices up

Sun Trib. 7/9/75

By ROLAND STANBRIDGE

# THE



END-OF-YEAR salary and wage increases will be kept to a minimum, a SUNDAY TRIBUNE survey showed this week.

While the Minister of Economic Affairs, Mr Chris Heunis, this weekend studied an urgent six-point plan to fight inflation, economists predict that:

- Prices will continue to go up — despite the Prime Minister's plea
- The Government may then have to take drastic action by forcing traders to freeze prices
- This could lead to economic chaos by pushing South Africa from inflation into recession
- The six-point programme now being considered by Mr Heunis could contain the final death blow to job reservation

Economists and businessmen throughout the country were buzzing with speculation this week about the opening moves in the nationwide campaign against inflation

But the news for the average salary and wage-earner is gloomy.

Among the big employers that yesterday told the Sunday Tribune that their next pay rises would be less than the 14 percent inflation rate were such giants as the Anglo American Corporation, the Chamber of Mines, Barclays Bank, Unilever SA and Dunlop SA.

## 'We'll heed the call'

An Anglo American spokesman said "The corporation is well aware of the importance of the fight against inflation and in its annual salary review will unquestionably pay proper regard to the Prime Minister's call for wage restraint"

Unilever stated "Unilever SA, being a responsible member of the community will certainly heed the call by the Prime Minister for wage and price restraints"

A spokesman added "When the PM says inflation is threatening the country's stability and he calls for restraints, you've just got to listen. And you can be sure this is the way everybody is going to react"

Announced the Chamber of Mines "We welcome the Prime Minister's initiative, and regard positive action to take the heat out of the inflation increase rate as a matter of urgency. We shall certainly take this appeal into full account in any consideration of wage and salary increases."

And as other employers throughout the country were taking similar policy decisions about pay, Mr Heunis and his special Cabinet Committee on Inflation were preparing to announce their six-point plan:

This includes

- Slashing Government spending and revising monetary policies.
- Stepping up the training and education of Blacks in White areas.
- Scrutinising and revising all legislation that has a cost increasing effect
- A plan to increase short-term productivity and the utilisation of labour.
- Slowing down price increases and a virtual pay standstill.

• An education programme to teach the public how the country's economic system works and instruct individuals how they can help fight inflation and avert a major recession.

Details of the six-point plan have not been made public but top economists this week guessed that the fiscal and monetary reforms could include increased direct and indirect taxation and increasing the bank rate to make credit much more expensive.

And they speculated that the legislation revision might contain a move to wipe out job reservation.

Said one economist: "Job reservation is inoperative in many spheres, but where it is applied it creates artificially inflated wages and salaries."

# BIG

Minister of Economic Affairs  
Chris Heunis

# FREEZE

(i) 247

## Go to it, South Africa

By DEREK  
TAYLOR

SOUTH AFRICA'S economic ills yesterday received a razor-sharp diagnosis from Dr M. D. Marais, doyen of industrialist-economists and former economic advisor to the Prime Minister, when he attacked:

- Feather-bedded Whites who are paid more than they earn or produce;
- Lazy conservative managements that resist

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● Padded armies of Government employees underpaid to under-produce.

Dr Marais also indicted approaches which were "far too socialistic" in tending to keep people employed regardless of productivity or merit.

"We are at a stage when this luxury can no longer be afforded, and far more attention must be given to payment for results," he said.

"We must, for instance, beware of too much State interference and control. I would rather see a smaller band of civil servants better paid, more content and more productive.

"This is true of the whole sphere of central, provincial and — especially — municipal government where we need to get the work done by smaller more effective armies.

"I have no use for wage, salary and price controls imposed by government," said Dr Marais. "Such measures create impossible distortions in economic interaction.

"This applies especially to a country like ours where a very large proportion of people are still being paid wages which could be considered too low.

"Therefore, in our present circumstances of labour negotiation, it could be most detrimental to our social stability," he said.

On the other hand it had become common "to pay people a high reward merely because they have matriculated and can sit behind a desk and do a certain minimum of work."

## Rise in bank rate?

"It effectively prevents competition for jobs between Blacks and Whites and certainly has a cost increasing effect in terms of the wage bill paid by industries. The economy will benefit if it is scrapped."

Professor Jan Sadie of Stellenbosch University predicted that the Government would take several steps to make credit more expensive and less available.

"They will probably increase the amount of liquid assets that have to be kept by banks so that they have less potential for granting credit to firms and individuals.

"The Central Bank will raise the bank rate, and the private banks will follow the example by putting up overdraft rates.

"The Government would also like people to save money and might use increased interest rates as an inducement. They might use the bait of tax-free interest on certain deposits."

Dr John Cloete, chief economist of Barclays National Bank, had a sharp warning for the Government: If it tries to curb inflation too quickly, it could push the country into a depression.

"With real growth already so low, if the Government cuts back too fast on the money supply or too much on its expenditures, it will bring real growth to an end in the economy," he said.

"A fight against inflation has to be approached slowly. As it is there is definitely going to be a deepening of the recession, because wages are going to be cut but prices will continue rising for some time. Only at a later stage, towards the end of the process, will prices start coming down. That will be when producers and retailers find they can't sell their goods.

"But if we want to beat inflation we've got to make these sacrifices — we have got to accept a deepening of the recession. I only hope the Government does not overkill it.

"It must not try to stop inflation in one go. It should set a target, try to get it down to about 10 percent by the end of the year, and down to a lower level next year."

Businessmen expect Mr Heunis to announce the full six-point plan within a fortnight.

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Sun Tribune  
7/7/75

STAR 12/9/75

# Campaign to beat milk profiteers

The Milk Board has admitted defeat over trying to control overcharging for milk by Black dairymen in Soweto — and has now appealed to the public to join a campaign to bring the dairymen into line

The public relations officer of the Milk Board, Miss Frances Erasmus, said milk distribution in Soweto had become a "big racket"

"We have been prosecuting about four people a week, but it doesn't seem to help much," she said

"They have an option of paying an admission of guilt and are usually fined only five or R10"

The maximum fine for overcharging on a price-controlled product is R200.

Miss Erasmus added that the board was "com-

pletely helpless" to prevent exploitation"

She suggested that every person in Soweto should know the price of milk — 30c a litre in glass bottles, and 34c in other containers. If they were overcharged they should immediately report it to the Milk Board, or the Price Controller's office in Pretoria

They could also telephone The Star's "I Spy a Bad Buy" service

(1) 246  
(2) 247

(3) Agon ~~talk to~~



247  
① 247  
② 28

# Minister acts on spares

John Patten,

Political Correspondent

A final bid at negotiations to prevent the Government imposing price control on motor spares is probable as the Minister of Economic Affairs, Mr Heunis, considers an official report.

Mr Heunis confirmed today that he had received the report drawn up by the Price Controller's office on the position in the motor spares industry.

The investigation is known to have been instituted by the Price Controller after a wave of complaints from the motoring public.

As long ago as late July, The Star published reports that the government was considering taking drastic action to rectify the position.

Mr. Heunis said today he would not be taking any decision on the report until he had discussed the recommendations with the National Association of Automobile Manufacturers of South Africa (Naamsa) and a large group of other interested parties.

The fact that the Minister will seek discussions with these interests strongly suggests the report has found some of the public complaints have substance.

The Government is known to be strongly against the use of price control as a measure to fight inflation.

# READY FOR A WAR ON PROFITEERS

Natal  
Mercury  
20/9/75

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Mercury Correspondent

**PRETORIA**—The Price Control Administration is to sharpen its efforts to expose unscrupulous traders making fat profits from overcharging.

This, together with the directives which have gone out from the Attorneys-General of the Transvaal, Free State and Cape to magistrates and prosecutors to refuse admission of guilt fines for price control contraventions, and to summon suspects to court hearings, is part of the Government's overall fight against inflation.

Magistrates have also been asked to impose more severe sentences

Details of the Government's anti-inflation programme are expected to be outlined by the Minister of Economic Affairs, Mr. Chris Heunis, early next month

In Pretoria yesterday the Deputy Price Controller, Mr. A. G. de Beer, confirmed that the campaign would be intensified and greater numbers of price control inspectors would be appointed to cover a wider area more thoroughly.

He emphasised that the price control inspectors kept a close watch on the prices of uncontrolled commodities and frequently called on retailers to justify what appeared to be excessive prices.

RDM

23/9/75

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# Unions point gun at Government on prices

Staff Reporters

THE trade union movement yesterday raised a gun to the Government's head — warning that if prices rise unjustifiably because of devaluation there will be no wage restraints.

They threatened a barrage of compensatory wage and salary demands if the Government failed to police price rises properly.

The warning came from both the multiracial 210 000-strong Trade Union Council of South Africa (Tucsa) and the 200 000-strong SA Confederation of Labour, as well as from the Posts and Telegraphs Association and other unions.

The labour movement is committed in principle to limit wage demands, except in the case with very low pay workers

But their qualification all along has been that Government and business must do their bit as well.

The senior vice president of Tucsa, Mr Lief van Tonder said: "We in South Africa cannot wait until we have an inflation rate



ANNA SCHEEPERS  
... "fanning flames"

of over 20 per cent before we take decisive action

"For any action then will be so severe and harsh that the dangers of social friction will be tremendous"

The secretary of the Confederation of Labour, Mr Wally Grobler, said devaluation would materially increase the inflation load, and the Government should be warned that the wage and salary earner was not prepared to carry this load on his own

He warned that at the slightest indication that the Government was "rattling on the workers" the trade union movement would demand rises which would fully compensate for the erosion of the rand over the past 18 months

The secretary of the Posts and Telegraphs Association, Mr L. J. van der Linde, said "We want more than an assurance from the Government. We want clear proof — we want to be able to see — that prices are not being raised, save in the most exceptional circumstances"

The president of the Railways Artisan Staff Association, Mr Jimmy Zurich, agreed. "We are tired of generalisations from Government sources that everything possible is being done. This is not enough," he said.

The president of the Public Servants' Association, Mr S. D. de K. Venter, said his association would sharpen the watch on prices

Mr Robert Kraft, economist and assistant general secretary of Tucsa, said

"Our major fear is of a sudden proliferation of unjustifiable price increases.

"Too much will be charged on imported goods and there will be price increases on items that should not be affected by devaluation."

He warned that trade unions would insist on "very strong State action" if there are unwarranted rises in prices.

"Last time, there was a 12½ per cent devaluation, many firms took the public for a ride. There were no controls," Mr Kraft said.

Some Tucsa unions, though, say that workers cannot afford a drop in the value of the rand

Senator Anna Scheepers, president of the Garment Workers' Union, said workers earning R200 a week or more could be expected to make sacrifices, "but not those earning R150 and R200 per month. We can't compromise them".

She said: "If the profits of companies have to drop, then they must drop. Devaluation will increase all prices. It will fan the flames of inflation"

# Direct control of inflation out—Heunis

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**Pretoria Bureau**  
The Government has already decided not to employ direct control in the battle against inflation, according to the Minister of Economic Affairs, Mr Chris Heunis.

He warned, however, that if commerce and industry did not apply responsible pricing policies, this could lead to a revision of the Cabinet's decision.

"I expect commerce and industry to do everything possible to avoid the introduction of direct control measures, as a result of the action of a few irresponsible entrepreneurs," he said last night.

## UNJUSTIFIED

He gave a warning against the general view that the prices of all imported goods necessarily had to be increased. He pointed out that there was no justification

whatever for increasing selling prices by the full percentage of the devaluation

In no circumstances should price increases be made on stocks paid for at pre-devaluation prices. In the case of stocks for which payment had not been made at the time of devaluation, and for which forward exchange cover had not been ob-

tained, prices might be increased by the actual costs of devaluation only, which the enterprise was not able to absorb itself.

Mr Heunis said implementation of the Collective Programme of Action against inflation would be discussed by the Cabinet committee concerned next Tuesday and would be publicly announced on October 7.

# Stop exporting food

Cape Times 14/10/75

247

## we need Ackerman

① 28  
② Agri. - Genl.  
③ 217

MR RAYMOND ACKERMAN, chairman of Pick'n

Pay last night appealed to the Government to step in and curb the export of food which is needed in South Africa.

Although devaluation is meant to improve the country's export situation, the authorities would move quickly to prevent local shortages and the price rises which would inevitably follow.

He told a press conference in Cape Town, "In other words we should not export food that is not required in South Africa, otherwise we will have a huge bout of inflation which no one will be able to stop."

### FAIL THEM

Pick'n Pay was completely behind the Government's anti-inflation drive. He would like to see the Government put teeth into its manifesto.

"Resale Price Maintenance is still being abused and is causing terrible inflation." He hoped that the Government would jail some of the offenders.

"There are still firms who refuse to supply us, because we are price-cutters."

A R9 000 consignment of kitchenware had been embargoed in Durban by the authorities for this brand as it had not been ordered through them but via a third party.

### KITCHENWARE

"We would have sold this kitchenware at 20 percent below normal retail mark-ups."

Price rises from suppliers due to higher raw material import costs were expected to be felt in the months ahead. On the whole, the Government were taking responsibility and following the anti-inflation manifesto and prices were not being raised willy-nilly.

Turning to the higher fuel prices which South Africa is facing through the Opec increase and devaluation of the rand, he called on the Government to force the oil companies to allow garages that wanted to cut petrol and oil prices to do so. This was allowed in most European countries, Australasia and the United States.

Other points he made were:

● Shopping hours must be extended nationally to curb inflation but firms would have to provide transport and security for staff.

● The introduction of a sales tax at the retail level would be the most disastrous inflationary step and would cost tens of millions of rands in new equipment.

Tale of a Black white-collar

EDM 17/10/75

(247)

HERE seems to be no end to Murrel's troubles. Her experiences at Metropolitan Radio recall the treadmill quality of Dickensian commercialism.

There is the proprietor's obsession with money, profits and repossessions, the petty cruelty and spite of the White staff, the naive of the Black customers, the exploitation of the powerless and ignorant, the daily insults and humiliations.

Murrel sees it all, and feels it, too. Her thoughts become questions that should pierce the armour-plated conscience of White commerce and industry.

When will the White boss realise that it is uncivilised for an African woman to ask a man for his passbook? And when will White business realise that Blacks need toilet facilities as much as Whites do. Or as Adam, the general factotum of 26 years, remarks "What must I do? Urinate back into my bladder?"

Murrel is the fictional bookkeeper-typist of

Miriam Tlali's first book, which is something of a damning chronicle of the sociological stresses she herself encountered as a Soweto housewife and white-collar worker in the big city.

"Murrel at Metropolitan" (Ravan Press) is no literary opus, but it is rich and valuable for its insight into a community striving to make a living in the hostile environment created by apartheid.

They bleed one another, but they desperately need one another to make it all spin along.

Customers

Murrel observes "The new customers for whom I had to fill in particulars were sometimes elderly and could not be expected to climb the stairs to where my desk was.

"So down I came with my desk, chair and all. Old furniture standing behind filing cabinets was moved, a more-or-less convenient place was created for me just below the stairs I was

separated from the rest of the White staff by the cabinets and steel-mesh wires.

"I had seen apartheid applied in many spheres in the Republic, but I had never before seen it applied to ledger or record cards.

"At Metropolitan Radio we kept the European cards in one section separated from the non-European cards."

The HP agreement is the thread that runs through the lives of the people at Metropolitan, drawing them together in uneasy seritude to the macrocosmic racial world lorded over by the irascible, unpredictable, and sometimes kindly Mr Bloch.

Its small print ignores the absurdity of a Black worker labouring two years to pay for the dubious pleasure of installing a "Margarise" bedroom suite in his humble township abode.

Murrel describes in this vignette, the implications of HP.

"I had hardly been sitting for its minutes when Mr Bloch called me.

"Murrel, just see to this customer. Explain to her about the HP price."

"But master," she said, "why is the increase so much?"

"Oh for goodness' sake, man, I told you. It's not increase, it's interest. Look, man, if I borrow money from the bank I can't expect them to borrow me for nothing."

The boss moved away. The worried man stood looking at me. All that talk about borrowing money from the bank made no sense to her. I tried to explain.

More money

"You see, instead of paying spot cash for the stove, the boss lets you have it now. For helping you like that, you have to pay him a little more money on top," I said.

"You say little. It's so much. Eighty pounds. When shall I finish it? I haven't even got a husband and they've already taken away my old stove."

She looked as if she were going to cry. I pitied her and tried to show her that it wasn't as bad as it seemed.

I said "Ju k o m p a n i a h i t l a j i t e a c h

month. Three pounds, three pounds every month in two years, you'll have finished.

She looked at me as if I was a traitor. I went away without saying goodbye.

Then there is William No. 2, the salesman, who travels in his own car — a blue American Biscayne. He explains his work to the ever attentive Murrel.

"I sell big things like furniture, stoves, electrical appliances, and so on. But the one thing I am not happy about is the rate of interest (as much as 37 per cent), at this price. It's killing our people. Every time I introduce a person here, I know he'll pay and pay and pay. It makes me feel guilty, like I've brought him to be slaughtered."

Moments of earthy humour redeem the harshness of Murrel's existence.

There is the flat-cleaner Ben, who lets a room to lovers wanting a bed for a hurried, intimate, assignation. He ups the charges for Whites with Black lovers.

Some immigrant children had been teased. Murrel when Ben arrives.

"Hei, voetsiek you," he said at the kitchen.

# worker

① 247  
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and picked up stones to throw at them. They scattered laughing and running in all directions.

"Ben, stop cursing and throwing stones at those kids," I said. "One of these days you'll lose your job and that valuable room of yours."

"Why should I?"

## Demand

"Their fathers will either kill you or throw you into the street," I answered.

"Not when some of their fathers are my best customers. They are my brothers-in-law at night, when the lights are gone."

Credit control is based on various letters of demand calculated to get the right response with just enough pressure and menace. This is how James Sithole of 110 Mimosa Road, Northcliff No 2, responds.

"I am very pleased to received your account which you have send it to me and I know that I am responseble because I fail to pay my account for 2 months and this is all ready the 3 month and I am well prepared to pay you at the

end of this month to avoid the disppoint ment which I did it ailso I will come and apologise to you because I know that thuse is very bad record against the law "

James was soon writing another letter "From today my new addresse is no 360 mimosa Rd Northcliff No 2 I left at 110 Mimosa Rd on the 2 of October I am now bilongs to Mr Mayers his full name is Joseph and his full addresse is No 360 mimosa Rd Northcliff "

The best summing-up of Miriam Tlali's narrative comes from writer Sheila Roberts in her foreward "Muriel's story is never strident in hatred or resentment against those who have turned her, in Fanon's words, into 'an object in the midst of other objects.'

"There is even at times a latent warmth in her attitude towards those 'on the other side,' a warmth which she knows they will never allow to develop. this story should enlighten surprise, and even delight readers both Black and White

It should Metropolitan Radio thrives on every street corner in the lesser parts of Johannesburg.

(247)

VIR ONMIDDELLIKE VRYSTELLING  
VERHOGING VAN PRYSE VAN NUWE MOTORVOERTUIE

PERSVERKLARING VRYGESTEL DEUR DIE MINISTER VAN EKONOMIESE SAKE

Na die onlangse devaluasie van die Rand het sekere motorvervaardigers in die Republiek dadelik die pryse van hulle nuwe motorvoertuie verhoog.

Bygevolg het die Kabinet op 24 September besluit dat alle motorvoertuigvervaardigers gevra moet word om nie die pryse van hulle nuwe voertuie bo die voor-devaluasiepeile te verhoog alvorens hulle nie hierdie prysverhogings ten volle aan die Prys-kontroleur gemotiveer en die Regering se goedkeuring daarvoor gekry het nie.

Ek moet beklemtoon dat die pryse van nuwe motorvoertuie nie deur die Regering beheer word nie. Maar desondanks het al die motorvervaardigers aan die Regering se versoek voldoen en volledige besonderhede van die prysverhogings wat hulle beoog het om in werking te stel, asook die redes vir die beoogde prysverhogings, aan die Prys-kontroleur verstrekk.

Ek het vervolgens samesprekings met elk van hierdie maatskappye afsonderlik gevoer, nadat ekself volledig op die redes vir hulle beoogde prysverhogings asook hulle finansiële posisies ingegaan het. Die motorvervaardigers het reeds vir 'n geruime tyd te kampe met kostestygings wat voortspruit uit die vorige devaluasie van die Rand, die staalprysverhoging, verhogings in skeepsvragekoste op die materiaal wat hulle vir hulle vervaardigingsbedrywighede moet invoer, prysverhogings wat die buitenlandse leweransiers van hierdie materiaal in werking gestel het, en verhogings in die lone en salarisse van hulle werkers. Daarbenewens sal hulle ook voortaan in 'n wisselende mate met kosteverhogings te kampe kry wat uit die jongste devaluasie van die Rand voortspruit.

Ek het myself tevrede gestel dat al die aansoeke om prysverhogings wat die motorvervaardigers aan die Prys-kontroleur voorgelê het, ten volle geregverdig was in die lig van die maatstawwe wat die Regering normaalweg by die toepassing van prysbeheer gebruik, asook die maatstawwe vir prysverhogings in die private sektor wat in die Gesamentlike Aksieprogram teen Inflasie behels is.



2.

Ek ag dit nodig om daarop te wys dat die Aksieprogram teen Inflasie nie 'n bevriësing van lone, salarisse en pryse beoog nie, maar slegs van die belanghebbende groepe verlang dat hulle die uiterste mate van selfbeheersing, volgens die maatstawwe wat in die Program voorgeskryf is, by die verhoging van lone, salarisse en pryse sal toepas.

Tydens my samesprekings met die individuele motorvervaardigers het ek dit egter aan hulle duidelik gestel dat die Regering nou van hulle verlang dat hulle hul onderskeie prysverhogings ten opsigte van nuwe voertuie, soos hulle hierdie prysverhogings aan die Pryscontroleur gemotiveer het, aanmerklik moet besnoei as 'n verdere bydrae van die kant van die motorbedryf tot die landswye stryd teen inflasie.

Ek het uiteindelik eenstemmigheid met elkeen van die motorvervaardigers afsonderlik bereik oor die maksimum persentasie prysverhogings wat hulle in werking mag stel. Ek het ook met hulle ooreengekom dat elke maatskappy vir homself kan besluit of hy die prysverhogings wat ek vir sy verskillende tipes voertuie goedgekeur het, by wyse van 'n eenmalige aanpassing of in verskillende stappe wil implementeer.

Ek moet daarop wys dat die motorbedryf een van die belangrikste bedryfstakke in die land is. Die kapitaalbesteding in hierdie bedryfstak is een van groot omvang soos blyk uit die feit dat daar sowat R880 miljoen deur die motorfabrikante alleen belê is. Daarbenewens is die finansiële posisie van die bedryf, soos gemeet aan die maatstawwe wat ons normaalweg vir prysbeheer gebruik, beslis nie gunstig nie.

Maar ondanks hierdie feit het al die lede van die bedryf hulself daartoe verbind om hulle prysverhogings ten opsigte van nuwe voertuie te beperk tot maksimum persentasies, wat wissel vanaf 10 tot 12 persent na gelang van die tipe voertuie wat hulle vervaardig asook hulle onderskeie finansiële posisies, op die pryse wat die publiek tans vir hulle voertuie betaal.

Ek moet egter daarop wys dat die voornoemde maksimum persentasie prysverhogings wat ek vir die individuele vervaardigers goedgekeur het, in alle gevalle heelwat laer is as die verhogings waarvoor hulle by die Pryscontroleur aansoek gedoen het en wat, soos ek reeds gesê het, ten volle geregverdig is.

Ek wil beklemtoon dat hierdie slegs die goedgekeurde

3.

maksimum persentasieverhogings is en dat die individuele vervaardigers self moet besluit of hulle besondere posisie in die plaaslike mark sodanig is dat hulle hul pryse met hierdie persentasies kan verhoog sonder om die afset van hulle voertuie te benadeel.

Die Nasionale Vereniging van Motorvoertuigverkopers, wat alle handelaars in nuwe motorvoertuie in die Republiek verteenwoordig, het na onderhandelinge met my onderneem om 50 persent van hulle kommissiegelde op die verhoogde deel van die verkoopprijs van nuwe voertuie waarop hulle normaalweg geregtig sou gewees het, prys te gee as 'n tasbare bydrae van hulle kant tot die stryd teen inflasie. Ek moet egter daarop wys dat aangesien die motorfabrikante se goedgekeurde persentasieverhogings op die verbruikersprijs van motorvoertuie van toepassing sal wees, daar geen regstreekse voordeel vir die publiek uit hierdie finansiële opoffering aan die kant van die betrokke motorhandelaars sal voortspruit nie maar dat die toegewing deur handelaars gemaak is ten einde die motorvervaardigers in 'n mate te help met die belangrike opofferinge wat die vervaardigers nou gemaak het.

Die feit dat die motorbedryf bereid was om onder die huidige omstandighede hierdie aanmerklike finansiële opofferinge in belang van die gesamentlike stryd teen inflasie te maak, is vir my 'n onmiskenbare teken van die hoë mate van verantwoordelikheid wat hy steeds in verband met belangrike sake aan die dag lê. Ek wil graag namens die Regering aan sowel die motorfabrikante as die distribueerders van motorvoertuie in ons land my opregte dank en waardering uitspreek vir hulle heelhartige samewerking met die Regering in hierdie uiters belangrike saak.

Ek wil ook die vertoue uitspreek dat die prysenswaardige voorbeeld wat die motorbedryf deur sy optrede in hierdie verband aan die res van ons sakegemeenskap gestel het, en wat in werklikheid veel verder gaan as die maatreëls van vrywillige prysdissipline wat in die Gesamentlike Aksieprogram teen Inflasie behels is, ook deur ander groepe van die sakegemeenskap nagevolg sal word.

In hierdie verband wil ek veral 'n baie ernstige beroep op alle plaaslike verskaffers van goedere en dienste aan die motorvervaardigers doen om die hoogste mate van selfbeheersing by die

4.

vasstelling van hulle eie pryse aan die dag te lê, en om dit steeds in gedagte te hou dat die motorvervaardigers, vanweë die bogenoemde verbintnisse ten opsigte van hulle prysverhogings, nie in 'n posisie verkeer om addisionele kostes waarmee hulle te kampe mag kry, sondermeer in die vorm van verhogings van die pryse van hulle voertuie te verhaal nie.

Ten slotte wil ek meld dat die Regering besluit het om die huidige perk met betrekking tot die betaling van 7.1/2 persent verkoopreg op motorkarre onmiddellik vanaf R3 050 na R3 475 op te skuif ten einde te verhoed dat die goedgekeurde prysverhogings van die motorfabrikante 'n onredelike las in die vorm van die betaling van bykomstige verkoopreg ten opsigte van sekere ligte tipe motorkarre op verbruikers sal plaas.

UITGEREIK DEUR DIE DEPARTEMENT VAN INLIGTING OP  
VERSOEK VAN DIE MINISTERIE VAN EKONOMIESE SAKE.

PRETORIA.

17 OKTOBER 1975.

# New car

prices <sup>STAR</sup>  
21/10/75

# roll in

Five of the major motor manufacturers have announced their new car prices following a decision by the Price Controller to allow a 10 percent increase.

The increase in the retail prices of motor cars were granted to the manufacturers to help compensate for the cost increases resulting from the devaluation on September 19.

Price rises have been announced by Alfa Romeo, Mazda, Volvo, Volks-

wagen/Audi and the commercial range of Chrysler.

Not all the manufacturers have increased their prices by the maximum of 10 percent, and those who have not said that their present increases do not take into account the full effects of the devaluation, and more increases are likely in the future.

Following on the agreement between the manufacturers and the Government, the 10 percent maximum increase is effective until the middle of next year, and the manufacturers have undertaken to absorb up to 30 percent of the cost increases.

## FULL IMPACT

Statements made by some of the manufacturers have said that they will not be passing on the full impact of the losses brought about by the devaluation to the consumer, but will assist the Government in all its anti-inflationary measures.

Some manufacturers have been reluctant to announce their price increases and are waiting to see what the general trend in increases is going to be. It is expected, however, that by the end of the month they will have announced their increases.

Mazda and Volkswagen further stated that the price increases would only affect the 1976 models in the case of Volkswagen, and the new stock in the case of Mazda.

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~~(2) 15/11/75~~  
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# Public is 'fed up' with business malpractices, seminar warned

(1) 247  
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ARGUS  
21/10/75

Financial Staff

**THE PUBLIC** — even the informed public — are genuinely fed up not only with the business malpractices of the minority but also with the not always completely honest high-pressure selling practices of the majority, says Professor R. R. Tusenius, director of Stellenbosch's Graduate School of Business.

Speaking as chairman of a NDMF seminar on Marketing within the Law in Cape Town, Dr. Tusenius

also said 'The free enterprise system will have a difficult task selling itself as long as the public continues to read with alarming monotony of cases where fraudulent manipulators succeed in stealing millions from creditors and shareholders, — especially if the system permits the same individuals to repeat their crimes time and again.'

He welcomed the steps by commerce and industry in South Africa to defend the free enterprise system, to educate the public about the advantages of free enterprise and to counter the wave of anti-free enterprise sentiments and propaganda flooding the Western world.

## OVERHAUL

However, when planning this campaign, it should be borne in mind that many aspects of the free enterprise system were in urgent need of an overhaul.

'Not only ignorance causes anti-profit and anti-free enterprise feelings among the public.

'There is more to the problem than informing the public that the pursuit of the profit motive by the individual generates a higher standard of living for the masses.

'Or telling them that much of today's record company profit increases that are daily headlined in the Press are in reality overstated or may even be losses after the effects of inflation have been taken into account.'

The campaign should acknowledge that some of the excesses of the marketing orientation era of the fifties and sixties have justifiably led in the seventies to the birth of consumerism.

The business community should demonstrate, especially in these times of inflation, that marketing and persuasion bordering on dishonesty were not synonymous

'The malpractices of the dishonest minority should be eradicated as soon as possible for the sake of the continued existence of the system of free enterprise.

## COMPETITION

'Those who restrain competition to the detriment of the public, who fix prices, who make excess profits, who mislead the public with false promises, should be severely dealt with.

'It is a sad but well-known fact that many professional crooks and law-evaders simply laugh at the law and at law-enforcement machinery.'

If present legislation was insufficient, the law must be changed. If the power or facilities of those whose duty it was to investigate alleged irregularities were insufficient, then those powers or facilities must be extended.

'In the long run the public will judge the system of free enterprise on the basis of what its experiences, not by what it is told.'

# Price control

Mar 23/10/75

## no answer

## says Steyn

Own Correspondent

PORT ELIZABETH — Many people in South Africa were maintaining a standard of living that they had not fully earned through productivity, the Secretary for Commerce, Mr G J F Steyn, told the biennial congress of the Public Servants' Association here.

Just as cancer could not be treated with simple remedies like aspirin, inflation was a disease which could only be treated with a painful operation.

Remedies like large-scale application of price control certainly would not be the answer to the problem, he said.

"On the contrary, the rigid use of this measure could well cause stagnation in the country's economy and may thus jeopardise the livelihood of those who are advocating its implementation in order to cure our economic problems."

Sacrifices in all sectors were needed and, while not opposed to people wishing to maintain a high standard of living, Mr Steyn urged such people to increase their own productivity sufficiently to fully earn the money spent to maintain such a standard.

The Government's efforts at combatting inflation were, in fact, aimed at an increase in productivity throughout the country's economy.

The Government had clearly stated that the battle against inflation in South Africa could succeed only if all groups—commerce, workers and consumers—made a positive contribution.

The anti-inflation programme required temporary sacrifices from each group in the community, and Mr Steyn stressed that without such sacrifices there could be no question of relieving the inflation problem.

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# Plan to educate the public

SUN. TIMES (EXTRA) 26/10/75

## on HP contracts

By NORMAN WEST

MR PETER BROWN, an instructional technologist in educational audio-vision videotapes, has offered to produce videotapes for showing in church halls and community centres to help educate people in the do's and don'ts of buying on hire-purchase.

This was made in response to the series of articles published in the SUNDAY TIMES over the last few weeks on alleged malpractices in the furniture trade — particularly with regard to buying on hire-purchase agreements

Professor W H Thomas, director of the Institute for Social Development at

the University of the Western Cape, has embarked on a project on research into consumer finance problems by sending out hundreds of questionnaires to households on the Cape Flats to study problems related to consumer finance and the Hire Purchase Act.

### First

This is not the first project of its kind and several guidelines to assist the uninitiated or unsuspecting consumer in the do's and don'ts of buying on hire purchase have been drawn up by such organizations as the Institute of Race Relations and the Legal Aid Clinic of the University of Natal, according to Mr Tim Jenkins, a research associate at the UWC Institute for Social Development

"Our problem has always been how to reach the masses effectively because this (buying on hire-purchase) has become a national social problem. That is why I pledge myself to work with Mr Brown on his mass education project by using videotapes," Mr Jenkins said

He has agreed to help draw up the script for the videotape with the help of Professor Thomas and the facilities of the Institute for Social Development at UWC

Mr Brown, who is a church warden of the All Saints Church, Muizenberg, said that he first hit on the idea when he read the series on hire purchase pitfalls in the SUNDAY TIMES

"My idea is to make available my services to

the broad community by manufacturing these tapes about the pitfalls that go with signing HP forms they do not understand

### Message

"I intend bringing the message home plainly and simply and possibly with the help I hope of the furniture trade

"The programmes will be educational in the sense that they will graphically illustrate on the screen, for instance, a

## TV tapes to explain 'fine print'

genuine HP form, how it should be filled in, what it means at face value and what the fine print means.

"I'll start by making my videotape machines and the tapes available to churches free of charge and have somebody well-known in the community, perhaps the priest or minister, to help explain the contents of the pamphlets we shall distribute afterwards

"With the help of people genuinely concerned with the problem, like social workers, community workers, church ministers, individuals, the Furniture Traders' As-

sociation and individuals belonging to other organizations, we can start with it this coming week and have the show on the road in no time at all," Mr Brown said

Following our exposé of these alleged malpractices, we have been inundated with calls and visits from individuals, furniture store managers and salesmen, each with his own story about his personal experience in the matter

We have only received one refutation of the examples of alleged malpractices we quoted

The managing director of a long-established city furniture store, Mr B Lees, said this week that the claim of Mrs Violet Davids, of Thames Walk, Manenberg, that she had never signed a hire-purchase agreement with his firm for the purchase of a fridge and a second-hand kitchen dresser and that the firm had traded in a fictitious second-hand fridge worth a fictitious sum of R55 "was not true"

When Mrs Davids requested the firm to send her a copy of her hire-purchase agreement, the firm sent her a handwritten copy of the original agreement

Mrs Davids made this handwritten copy available to the SUNDAY TIMES and remained adamant about two points on which our story on October 12 was based —

● She had "never signed any such agreement"

● She had never owned a second-hand fridge, which made "a mystery" of the R55 "trade-in" value allowed her



Mr Peter Brown...

"Let's educate the masses with videotapes."

One of the two allegations made by Mrs Davids has been cleared up by Mr Lees to the satisfaction of the SUNDAY TIMES.

We are satisfied that Mrs Davids did, in fact sign the original hire purchase agreements in her own handwriting as proved to us by Mr Lees

Mrs Davids could have been referring to the handwritten copy when she spoke to us

The firm also clarified that they have in fact traded in a second-hand fridge in the case of Mrs Davids — we have not seen any record of this yet but neither could we obtain any clarification on the matter from Mrs Davids whom we failed to find home this week.

However, she made a statement to the SUNDAY TIMES for publication at the time, to the effect that she had "never" owned a fridge to trade-in and even posed for a picture with the new fridge the firm had sold her

Mr Tim Jenkins, a research associate attached to the Institute for Social Development at UWC, will help with the script of the videotapes.

# Toyota hike car prices

*Cape Times 27/10/75*

**JOHANNESBURG.** — Toyota will raise vehicle prices to its dealers by between four percent and seven percent from today.

Mr Adcock, managing director of Toyota, said that Toyota dealers thought the country had reasonable stocks of vehicles at old prices and had been requested to cooperate with the Government in its anti-inflation campaign by ensuring that such stocks were sold at prices ruling last week.

"This stockholding will vary in individual areas from two to four weeks and, of course, the new prices on certain models will come into force earlier than other models, depending on the individual dealer stock situation," he added.

The Toyota price increases were specifically to cover steel price increases and other cost rises which became effective earlier in the year. To a relatively small extent they were designed to recover some devaluation losses as well.

"We will hold these prices for as long as possible," said Mr Adcock, "but it is only fair to state that there will be further increases as the company finds it necessary to cover additional loss directly connected with the recent devaluation of the rand."

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② 192



# Roelofse questions R2-m consumer plan

ARGUS 29/10/75

KEMPTON PARK. — The Government's plan to spend R2-million on a publicity campaign to educate the consumer raised many questions, Mr Eugene Roelofse, the former chairman of the Consumers' Council, said last night.

'Judging from Press reports we ordinary consumers are indeed an un-informed, ignorant bunch of wastrels. Presumably few of us think before we spend money, few of us try to live within our means, few of us try to buy the best quality and few of us compare prices.'

He said Dr Lawrence McCrystal, the Chairman of the Government's Inflation Committee, should be well placed to broaden the consumers' minds.

## CONSUMER LEADER

Dr McCrystal, an economist who is also director of the Grocery Manufacturers' Association, had an expert knowledge of the marketing policies of grocery manufacturers, he said.

However, he asked,

'Why did the powers-that-be not appoint a consumer leader as chairman of the committee which is going to educate us consumers?'

Mr Roelofse said it was nonsense for the Association of Chambers of Commerce (Assocom) to suggest that there was a 'rising tide of anti-business sentiment.'

'The sentiment which is rising is an anti-exploitation sentiment, an anti-price-juggling sentiment and an anti-fiddle sentiment,' he said.

Referring to Assocom's plans to spend R100 000 per annum to educate the consumer on the free-enterprise system, Mr Roelofse said the consumer already knew its advantages and appreciated its benefits — Sapa.

(1) 28 (247)  
(2) 150A  
(3) 247  
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# Licenseses

## Pursuing

Mercury - 5/11/75

## Price fix

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Mercury Reporter

**INDEPENDENT** licensees in the liquor trade are continuing with moves to fix minimum liquor prices, in spite of the Government's frosty reception to their pleas to impose retail price maintenance.

Although liquor trade officials are tight-lipped about the latest moves, I learn that the traders are confident that some form of price fixing will be introduced.

At a meeting of the Federated Hotel Associa-

tions of Southern Africa, which was held in Durban recently, delegates were assured that developments were in the pipeline and that a favourable result was expected.

Further details of the

associations' plans were not given at the meeting — which was closed to the Press — although representatives of the liquor trade's own publications were present.

Liquor traders have given some remarkable reasons to justify their plea for the introduction of retail price maintenance, which include statistics that South Africans consume twice as much alcohol a head today than they did in 1963.

Other reasons are given by David Magid, chairman of the Hotel and Liquor Traders of the Transvaal.

In the latest issue of *Hotelier*, Mr. Magid says that he "firmly believes" that alcoholism and the abuse of alcohol were directly linked to price-cuttings, loss leaders and to generally low prices to the consumer.

### ABUSE

*Hotelier*, which is the official journal of the Federated Hotel Associations of Southern Africa, further quotes Mr. Magid as saying that liquor abuse was mainly caused by lack of education in its use, easy accessibility, top gear marketing, and uneconomical and unrealistic prices.

Mr. Magid referred to a report by the S.A. National Council on Alcoholism, which revealed that the number of Whites treated at its clinics in the five years ended March, 1975 had increased by 111.3 per cent.

"These figures are only for those Whites who were treated. What are the actual figures?" Mr. Magid asked.

He claimed that the trade was told time and time again by officials

# Probe reveals

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# that rackets

# DO exist

SUN. TIMES (Extra) 9/11/75

# in HP deals

**THE ADMINISTRATION of Coloured Affairs has received several complaints from members of the public about undesirable practices in the furniture trade and has stated in a letter to a complainant that during investigations it had been found that suspect deals do, in fact, take place.**

A copy of the letter was made available to the **SUNDAY TIMES** by Mr Norman Middleton, CRC Executive Member in Charge of Social Welfare and Pensions, who has pledged his personal support in the campaign to bring to book those salesmen and traders who contravene the provisions of the Hire Purchase Act in their selling methods to

attention is being given to this aspect.

"At the request of the authority concerned, the firm in question has written back all interest that was raised on arrear payments with the result that the total debt of Mr Cloete was decreased by R106,30 — from R196,79 to R90,49

"From investigations conducted in various cen-

"The matter has already been discussed with representatives of the Furniture Traders' Association and finality should be reached shortly."

## Parliament

The letter also mentions that legislation is being contemplated during the next session of Parliament "with the purpose of combating undesirable conditions in the commercial sector in general."

I can also disclose that the matter had been raised with top police authorities in Pretoria.

This is confirmed in a letter dated October 30 by the Acting Commissioner of the South African Police Major General R Venter, who wrote that the matter was "receiving

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**By NORMAN WEST**

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the lower income group in particular.

The letter, signed by the Deputy Commissioner for Coloured Affairs, Mr A Kempen, also deals with the case of Mr and Mrs A

tres, it became abundantly clear that certain undesirable practices in respect of hire purchase and other credit transactions, exist in the furniture trade, which have to be

Avenue, Manenberg, who had been sold furniture without paying a 10 percent deposit and without themselves signing HP agreements, two expressed pre-requisites of the Act.

### Authorities

Their case was reported in the SUNDAY TIMES on October 19. The letter from the Administration was dated October 24 and mentions that the Administration had referred the complaints (and also the case of the Cloetes) to the relevant authorities. It reads, in part:

"The Department of Commerce has, for some time, been investigating alleged malpractices in the furniture trade as a result of complaints that had emanated from various sources

"A senior official was assigned to the investigation of the complaints in loco.

"During the investigation special attention was paid to the case of the Cloete family raised by you, and it came to light that the firm in question practises a very liberal sales policy. The family comprises 11 persons with an income of only R30 per week and it is evident that credit should never have been afforded this family," the letter states.

### Balance

Earlier this year, as reported in the SUNDAY TIMES, the Cloete family still owed a Long Street firm a balance of R209,01 on furniture bought on HP in 1971.

"The profit margin taken by the firm is not higher than that of other furniture dealers in the same area. The fairness of the profit margin in the furniture trade is, however, questionable, and at-

# Middleton offers to help police catch

## culprits

**MR NORMAN MIDDLETON, Coloured Persons' Representative Executive member in charge of Social Welfare and Pensions, this week offered to help the police in bringing to book furniture traders who are guilty of malpractices in their dealings with the public.**

Mr Middleton first read in the SUNDAY TIMES over the last few weeks about the alleged malpractices of certain salesmen and furniture stores dealing mostly with lower income Coloured consumers.

The SUNDAY TIMES exposed several cases where certain dealers in the retail furniture trade were apparently guilty of flouting the provisions of the Hire Purchase Act.

### Examples

We backed up our stories with documentary proof and actual examples of these alleged malpractices and at his request, we made certain documents available to

Mr Middleton, who in turn, referred the matter to the head of the Cape Town Branch of the Fraud Squad, Major Nic Ras

Major Ras told Mr Middleton this week that his men were busy on the matter, but that he encountered difficulties in obtaining evidence as the people who sometimes made allegations, changed their stories when approached by the police, and, on the other hand, the police were short of staff

### Obvious

However, Major Ras told Mr Middleton that he and his staff were "well-aware" of certain malpractices, but that it was "difficult to nail the culprits down."

"It is obvious to me, and also understandable, that the people would be reluctant to approach the police, because they are scared of the police and because they fear victimization by the fur-

niture stores who may find reasons to re-possess their furniture in retaliation for the people bringing their tactics to light

"I have, therefore, offered to help the Fraud Squad to obtain affidavits from people who feel they have been done in or been exploited. I would, therefore, make an appeal to all those people who have complaints in this regard to visit my office with whatever documentary proof they have and to make their statements to me.

### Assurance

"I give them my personal assurance that they need fear no victimization from salesmen and furniture dealers.

"I am in my office at Room 422, Metlife Buildings, Roeland Street (where the Administration of Coloured Affairs is housed) from 9am and can be telephoned at 45-3589 during the day and at 71-3013 after hours. People may also come and see me after hours at 29, Harford Avenue, Wynberg

"I am prepared to do everything in my power to have society rid of these exploiters of the poor," Mr Middleton said

Sun Times 9/11/75

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# Price-fix

247

Mercury  
14/1/75

# denial by firm

## Court Reporter

**KIMBERLEY-CLARK** of South Africa (Pty.) Ltd., of Johannesburg (represented by Mr. Dieter Dwenger), and Mr. Dwenger in his capacity as national sales manager, pleaded not guilty in the Durban Regional Court yesterday to contravening the Regulation of Monopolistic Practices Act.

It is alleged that between July, 1973, and January, 1975, Kimberley-Clark contravened the Act by entering into an agreement with Mr. Errol Chandler, managing director of Olivier and Green (Pty) Ltd., of Durban, to apply a business practice or method of trading which did or could have the effect of directly or indirectly compelling or inducing a reseller to observe specified retail prices.

The State alleges that, according to the agreement between the firms, Olivier and Green were to abide by the prices fixed by Kimberley Clark. In March, 1974, Kimberley Clark, in a letter signed by Mr Dwenger, threatened to terminate the agreement unless the prices set by Kimberley Clark were adhered to.

Mr. Chandler said in evidence that he first had discussions with Mr. Dwenger about Olivier and Green becoming official distributors of Kimberley Clark products in July or August, 1973.

### Policy

Mr. Dwenger explained Kimberley Clark's new marketing policy. According to this, the distributors would sell at the minimum prices laid down by Kimberley Clark, but could sell at higher prices if desired.

Mr. Chandler said he agreed to this because it meant his firm would receive supplies at competitive prices.

He said that some time later he received a letter from Mr. Dwenger telling him that other distributors complained that Olivier and Green were selling at prices below those published in Kimberley Clark's national price list.

Dwenger's letter, the company was not prepared to accept a situation where accredited distributors undercut the prices. This would develop into a price war which would threaten the stability. Kimberley Clark had tried to introduce.

Mr. Dwenger wrote that unless Olivier and Green promised to adhere to the prices, Kimberley Clark would be forced to terminate the agreement.

Mr. Chandler said he denied that his firm had not adhered to the fixed prices.

### 'Unlawful'

Mr. Chandler said that last January, he discovered that the agreement was unlawful and it was terminated.

Cross examined by Mr. G. Lotz (for the defence), Mr. Chandler denied that he had "gone running to the newspapers" through malice because of disagreement with Kimberley Clark.

He admitted that in June, 1974, his firm owed Kimberley Clark more than R56 000. He said his firm could not pay the money immediately, but it was not insolvent.

### Credit

He said Kimberley Clark had cut down on the credit allowed to Olivier and Green. Olivier and Green had paid off all money owed to Kimberley Clark by January.

In January, he had placed an order with Kimberley Clark for goods worth R6 000. He offered a post-dated cheque promising payment within 30 days.

Kimberley Clark

the order.  
Mr. Chandler said he wanted all or nothing.  
He denied "running to the newspapers" because Kimberley Clark limited his firm's facilities.  
Miss C. Thomas appeared for the State.  
The trial continues today.

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EMBARGO : 13TH NOVEMBER, 1975, AT 16h00

"THE PUBLIC IMAGE OF PRIVATE ENTERPRISE IN SOUTH AFRICA"

ADDRESS DELIVERED BY THE SECRETARY FOR COMMERCE AT THE 1975

ANNUAL GENERAL MEETING OF THE TRANSVAAL CHAMBER OF INDUSTRIES

(JOHANNESBURG, 13TH NOVEMBER, 1975)

I sincerely appreciate the invitation which the Transvaal Chamber of Industries has extended to me to address you today on behalf of the Honourable the Minister of Economic Affairs who unfortunately is not yet able to officiate at public functions

of/.....

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of this nature.

In the execution of my official duties I have frequently found it necessary to consult organised industry in general, and the Transvaal Chamber of Industries in particular, about various aspects of Government policy and other matters of direct concern to the industrial sector of our economy for which my Department is more specifically responsible.

I have, of course, not always been able to reach unanimity

with/.....

with our manufacturers in my frequent discussions and consultations with them. And that is also quite understandable since it is not always possible for the Government to formulate its policies in such a manner that it will at all times give full satisfaction to the needs and interests of the manufacturing sector.

But I would like to pay a tribute today to organised industry for the constructive spirit in which it has consistently approached my discussions with it on matters of wider national importance, and to thank our manufacturers for their ready willingness/.....

willingness at all times to be as co-operative as possible whenever I had to approach them for their assistance in the Government's search for practical solutions to problems which affected the stability and well being of the economy as a whole.

And, let me add immediately that it is also particularly because of the very encouraging reactions which I have so frequently experienced in the course of my periodic consultations with organised industry that I take the liberty this afternoon to raise at this annual general meeting of the

Transvaal/.....

Transvaal Chamber of Industries a subject which, in my opinion, has major implications not only for our manufacturers but also for all other sectors of our private enterprise economy.

It is my firm conviction that the business practices and policies of private enterprise have never before been subjected to such critical scrutiny by the consuming public in this country as has been the case during the past year or more. We have, in fact, witnessed the emergence in a South Africa of an entirely new psychological attitude amongst our consumers

in terms/.....

in terms of which the private entrepreneur is being blamed for a large part of our present economic difficulties and, more particularly, for the constant spiral of price increases with which we have been confronted in recent years. Some of these critics have even gone so far as to question the merits of our type of economic system which is based essentially on the freedom of the private entrepreneur to apply his financial and other resources in pursuit of the profit motive.

It is certainly regrettable that these general accusations

should/.....



should be levelled against private enterprise which has contributed so much towards our country's economic progress and the raising of the living standards of our people.

The South African economy has expanded enormously since the postwar period of rehabilitation and the re-adjustment of our country's economic activities to peacetime conditions. In fact we have experienced, in a relatively short period of little more than a quarter of a century, a major structural transformation of the economy which has not only led to a substantial diversification of our country's economic activities but has

also/.....

also brought about impressive increases in our total production of all types of goods and services.

Hierdie wonderlike prestasies van die Suid-Afrikaanse ekonomie is in 'n groot mate te danke aan die inisiatief en deursettingsvermoë van ons private ondernemersgroepe. En hulle bydraes tot die ekonomiese ontwikkeling van die land asook tot die skepping van werkgeleenthede vir ons bevolking en die verhoging van die lewensstandaarde van alle seksies van die gemeenskap verdien slegs die hoogste lof en waardering van die

kant/.....

kant van alle regdenkende persone in die land.

Ongelukkig het hierdie bydraes selde in die verlede veel publisiteit geniet, en is daar ook selde 'n ware bewustheid van die waarde van hierdie bydraes by die algemene publiek tuisgebring. Inteendeel, 'n groot deel van die algemene publiek tuisgebring. Inteendeel, 'n groot deel van ons bevolking het vir lengte van tyd 'n neiging geopenbaar om eenvoudig die funksies wat die private ondernemersgroepe in ons land se ekonomiese ontwikkeling vervul, te ignoreer behalwe wanneer hulle rede gehad het om te vermoed dat die private inisiatief en die ondernemer se strewe

na die/....

na die winsmotief tot uitbuiting van die verbruiker gelei het.

In wese het die openbare beeld van die private sektor in Suid-Afrika dus min konstruktiewe publisiteit onder die gemeenskap as geheel geniet juis op 'n tydstip toe die toestande, algemeen gesproke, gunstig daarvoor was dat die publiek 'n beter insig moes gekry het in die werking van ons soort van ekonomiese stelsel, en ook meer doelbewus ingelig moes gewees het oor die waardevolle bydraes wat die private ondernemersvorm en die winsmotief tot die ekonomiese ontwikkeling van die land asmede

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die/.....

die verhoging van ons mense se lewenstandaarde gelewer het.

In recent years, however, the public has become increasingly interested in, and also highly critical of the activities of our private entrepreneurs as the prices of most goods and services have constantly spiralled upwards with almost monotonous frequency. The consumer usually interprets any increases in the prices of his daily needs as acts of exploitation of the public by private enterprise, and feels that these constant price increases could easily be rectified by the imposition of direct

Government/.....

Government controls over the activities of the private entrepreneur as well as restrictions on his freedom to pursue the profit motive.

While it would obviously be unjust to attribute all price increases to acts of exploitation on the part of the private entrepreneur, we are unhappily confronted with a situation in which there are vast differences in the standards of business ethics and integrity of individual firms operating in this country. And nobody would be able to deny the fact that some of our firms - and they may well be in the minority - are so

intent/.....

intent on maximising their profits that they show scant regard for normally acceptable standards of business ethics in their dealings with the public, but prefer to follow pricing policies which can be described as nothing less than sheer exploitation of the consumer.

My Minister has already made it clear that he will act with all the powers at his disposal in order to protect the public against this form of exploitation. And, if the existing legal powers at his disposal are inadequate to enable him to do so, he would have no alternative but to seek additional powers from  
Parliament/.....

Parliament in order that the Government may be able to achieve its declared objectives and to fulfil its responsibilities towards the public.

However, equally regrettable as far as the public image of private enterprise in South Africa is concerned, is the fact that some of our private entrepreneurs (and they are, no doubt, again in a minority) have, in their efforts to raise their business turnovers and profits, found it expedient to introduce trade practices which they have copied mainly from  
foreign/.....

foreign companies operating under social and other conditions. vastly different from those of our own.

\* The introduction of these business methods and practices  
may well be regarded by our private entrepreneurs as an inevitable  
part of the present worldwide tendency towards progress, innovation and change. But some of these activities, although they may be acceptable in other countries with population compositions radically different from our own, simply cannot be adopted here in South Africa without evoking far-reaching reactions amongst our multi-national society and also casting serious doubts in the  
minds/.....

minds of our consumers about the business integrity of our private entrepreneurs.

Some of these business methods and practices are of such a nature as to represent nothing less than sheer deceit and exploitation of the consumer. The Government has, therefore, already decided to act against these malpractices, and legislation will be introduced during the early stages of the next parliamentary session in order to give effect to this decision.

This legislation will no doubt again be sharply criticised by private enterprise as another example of state interference  
in our/.....

in our country's economic life. However, our private entrepreneurs should realise that, throughout the Western world, the concept of consumer protection has now become firmly entrenched in the policy decisions of Governments. That does not mean of course that, in the formulation of Government policies, the interests of the consumer should at all times weigh more heavily than those of the private entrepreneur. But the social environment in which democratically orientated Governments normally perform their functions, has changed so radically during the past decade or two/....

or two that none of these Governments could ever hope to remain in power for more than a very limited period if they were to ignore their wider responsibilities towards the consuming public as a whole.

The responsibility for the protection of the interests of the consumer does not, however, rest solely on the shoulders of the Government. In most Western societies it has become a generally accepted principle that private enterprise, whose thousands of business decisions each day directly affect the interests of the consumer, likewise has a duty to serve the wider/.....

wider interests of the community. In other words, concurrently with his basic objective of conducting his business operations in such a manner as to maximise the profit position of his company, the private entrepreneur should also observe certain standards of ethical behaviour which would gain for himself the confidence and respect of the consumer and promote a favourable public image of private enterprise in its pursuit of the profit motive.

Unhappily, however, there are a number of private entrepreneurs in our country who, in their pursuit of the profit motive, consistently/.....

consistently ignore their wider responsibilities towards the community. And it is also particularly regrettable that the public image of private enterprise in South Africa, to whom all of us are so much indebted for its invaluable contributions towards the country's economic progress, should be so seriously damaged by the business practices and pricing policies of a minority of private entrepreneurs which cause grave injustice to the consumer.

The public image of private enterprise has suffered enormously/.....



enormously as a result of the pricing policies and trading practices of these firms. The Government fully subscribes to the concept of economic freedom for the private entrepreneur, and is reluctant to impose further controls which would curb this freedom of action which is such a fundamental feature of our type of economic system. But the Government cannot ignore its wider responsibilities towards the community as a whole. And I believe that private enterprise likewise cannot afford to be unmindful of its particular share of these wider responsibilities.

The Government/...

The Government would prefer not to impose further restrictions or controls on the operations of private enterprise in South Africa if this could be avoided. In particular, the Government does not wish to take action in response to the prevailing consumer criticism of private enterprise which would make it impossible for private enterprise to fulfil its proper functions as the prime generator of economic progress in South Africa.

I have already referred to the radically changed psychological climate of public opinion in South Africa in which both

the Government/....

the Government and private enterprise have to conduct their operations at present. It is only natural that, under the prevailing conditions of inflation in our country, every section of the community should be determined to preserve its living standards against the erosive effect of constant price increases. And this could, of course, happen only if the income levels of all sections of the community were consistently increased in order to compensate them for successive price increases.

In this/.....

In this common struggle for the preservation of living standards through commensurate increases in income levels, the lower income groups of our society frequently find themselves in a less advantageous position than the higher income groups which, it so happens, embrace a large section of the private entrepreneurs in our society. It is no wonder, therefore, that the consumer with relatively limited financial means at his disposal has come to regard the present common struggle for the preservation of living standards and levels of income as a

vicious/.....

vicious circle of legitimised robbery in terms of which every section of the community, other than himself, tries to enrich himself at the expense of everybody else, including the consumer. And this frame of mind on the part of the consumer, which I do not necessarily want to defend as a valid interpretation of the real causes of our problem of inflation, has inevitably caused our lesser priviledged people to argue that, if everybody in our society had to make a positive contribution in the form of personal sacrifices towards our collective campaign against inflation, the higher income groups (with which the consumer invariably /.....

invariably also associates most of our private entrepreneurs) could easily sacrifice a significant portion of their earnings without suffering any real hardship or a meaningful decline in their living standards. The consumer also consistently argues that sacrifices of this nature would help materially to lessen the hardships which he has to endure under the constant stresses of inflationary price increases.

The income levels of all sections of the population - regardless of whether they earn a livelihood in the form of wages/.....

wages, salaries or all types of entrepreneurial remuneration - must necessarily be related to their respective contribution to the gross domestic product, and should at no time be acquired in a manner which imposes a burden on the rest of the community.

If, therefore, I am correct in my assessment that the public image of private enterprise in South Africa has never yet been as unfavourable as it is at present, the question may well be asked as to whether private enterprise, in its pursuit of higher profits as a means of protecting its income levels against the erosion/.....

erosion of inflationary cost and price increases, is not perhaps trying to achieve this objective at the expense of other sections of the community.

I do not wish to suggest for one moment that this is an accusation which could validly be levelled at all our private entrepreneurs. But I am sure you will know from personal experience that the behaviour of human beings is rarely judged by the impeccable conduct of the vast majority of the members of our society, but more often than not is condemned solely

because/.....

because of the misdemeanour of a relatively few people in our midst.

And if, as I sincerely hope will be the case, private enterprise, should, on reflection, share my feelings of concern about its presently unfavourable public image in South Africa, our private entrepreneurs would simply have to find a formula in terms of which the malpractices of the small minority in their midst could be eradicated from our economic system.

In particular, private enterprise in South Africa should  
seriously/.....

seriously consider whether the time has not arrived for it to impose on its members certain clearly defined codes of business ethics similar to the standards of behaviour and ethical conduct which are being prescribed by our various professional organisations for those wishing to practice these professions in South Africa.

Successful participation in our various sectors of industrial, commercial and service establishments at present demands exceptionally high qualities of proficiency from our private  
entrepreneurs/.....

entrepreneurs which place them in the same category as those people who wish to practice various professions in our country.

And, if the latter have to comply with certain clearly defined standards of ethical conduct administered and enforced by the various professional organisations in South Africa, it may well be possible for the individual organisations representative of private enterprise in South Africa to impose similar standards of business ethics on any firm wishing to obtain a license for the conduct of any form of private sector activity in this country.

The public/....

The public image of private enterprise in South Africa would be greatly improved if leaders from our private sector, such as the many prominent industrialists who are associated with the Transvaal Chamber of Industries, would be prepared to convene a national convention of all sectors of private enterprise in order to explore the possibility of securing acceptance on a sectoral basis of the concept of the formulation of a detailed code of ethical conduct towards the consumer for each sector.

The Transvaal Chamber of Industries, and its national counterpart/....

counterpart, namely the South African Federated Chamber of Industries, have already on many occasions in the past displayed a commendable sense of responsibility as well as a deep receptiveness of mind towards appeals by the Government for concrete action in respect of matters of national importance.

It is for this reason that I take the liberty on this occasion to once again address an urgent appeal to organised industry to exercise the necessary leadership in drawing all sectors of private enterprise together in a concerted move to eliminate from its

operations/.....

operations those practices and policies which, rightly or wrongly, at present cast such serious doubts in the minds of the community as to the business ethics and standards of integrity of our private entrepreneurs.

I have the highest regard for the undisputable qualities of leadership of all our manufacturers who belong to the Transvaal Chamber of Industries. And I wish the Chamber great success in whatever it may decide to do in an attempt to restore the public image of private enterprise in South Africa.

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# R1100 fine for price fixing

Court Reporter

**KIMBERLY-CLARK of South Africa (Pty.) Ltd. and its national sales manager, Dieter Dwenger, were fined a total of R1 100 by Mr. C. J. van Zyl in the Durban Regional Court yesterday for contravening the Regulation of Monopolistic Practices Act.**

The company was fined R1 000 and Dwenger, was fined R100 (or 100 days).

They were convicted of contravening the Act between July, 1973, and January, 1975, by entering into an agreement with Mr. Errol Chandler, managing director of Olivier and Green (Pty.) Ltd., of Durban, and applying a retail practice or method of trading which had the effect of directly or indirectly compelling or inducing Olivier and Green to observe specified prices.

Passing sentence, Mr. van Zyl said price-fixing struck at the very roots of fair competition and the industrial welfare of the country.

The regulations under the Act had been framed to prevent what had happened in this case

It had been argued that the general public had not been affected because the goods were distributed to industry. This was incorrect because industrialists and hoteliers had to pass

on their costs to the consumers.

The Court took into account that the offence was not prevalent, and that Kimberly-Clark had rectified matters as soon as it was realised that their marketing policy could be interpreted as price-fixing

Mr. van Zyl, said that although the Court took into account all the mitigating factors in favour of the accused, it also had to take into account the deterrent effect of the sentence.

Dr. Mouton was commenting on the conviction in the Durban Regional Court of Kimberly-Clark of South Africa and its national sales manager, Mr. Dieter Dwenger, of contravening the Act

Dr. Mouton, who attended the trial said he hoped the conviction — the second since the regulations were gazetted in 1969 — would deter other suppliers from interfering with free market competition. He said it was difficult to obtain convictions because of lack of evidence

Dr. Mouton said that businessmen came to the Board of Trade and Industry and complained that they were victims of the practice of resale price maintenance.

These same people became wary when investigations were being made, as they did not want to damage their relationship with the suppliers.

He said the regulations which hit resale price maintenance had led to the many commodities including clothes, cigarettes and groceries becoming cheaper to the consumer

The regulations had helped open the door to supermarkets and discount houses and allowed the "price wars" which benefited consumers and allowed effective price competition at the retail level

## COURT DECISION IS WELCOMED

Court Reporter

**THE conviction of a Johannesburg manufacturing company in Durban for contravening the Regulation of Monopolistic Practices Act was yesterday hailed as a "blow struck for the interests of consumers," by Dr. J. Mouton, a member of the Board of Trade and Industries.**



ARBUS 14/11/75

# City price offenders sentenced

247

IN separate trials in the Magistrate's Court, Cape Town, today, a general dealer and a cafe owner were fined for selling goods at more than the controlled price.

The items involved were sugar and yellow margarine.

A Salt River general dealer, Mohamed Cassiem Mowzer, was fined R50 (or 25 days' imprisonment) after being found guilty of selling 1 kg of white sugar at half a cent more than the controlled price.

Mowzer trades as M. C. Mowzer, General Dealer, in Salt River Road, Salt River.

He pleaded guilty to the charge.

The State alleged Mowzer sold 1 kg of mill packed white sugar to Mr A. P. de Beer on May 15 for 17c when the controlled price was 16½c.

## MARGARINE

The owner of the Good Hope Cafe in Salt River was fined R30 (or 15 days) after being found guilty of selling Rama yellow margarine at 2c more than the controlled price.

Mohamed Norodien of London Road, Salt River, was fined a further R30 (or 15 days' imprisonment) for displaying for sale packages of sugar, yellow margarine and cigarettes — articles which are subject to price control — without marking them with their retail prices.

## WEIGHTS

He was fined a further R30 (or 15 days' imprisonment) for possessing or using in his cafe three 1 kg and two 500 g metric weights which had not been assized or reassized.

The State alleged Mr Norodien sold 250 grams of Rama yellow margarine on May 14 to Mr S. P. Horne for 25c when the controlled price was 23c.

Norodien pleaded guilty to all three charges.

Mr F. A. H. Johl was on the Bench and Mr P. D. Theron appeared for the State.

Do not write  
in this  
margin

Cape Times 14/11/75 (247)

**JOHANNESBURG.** — The Price Controller, Mr G J J F Steyn, yesterday came out strongly on the side of the consumer attacking "deceitful" business practices.

He said that some business methods and practices used by private entrepreneurs were of such a nature as to represent nothing less than sheer deceit and exploitation of the consumer.

Mr Steyn was addressing the Transvaal Chamber of Industries on behalf of the Minister of Economic Affairs, Mr

J C Heunis who is not yet able to attend public functions.

He said the Government had decided to take action against these malpractices and legislation would be introduced at the next Parliamentary session.

This legislation would no doubt be sharply criticized by private enterprise as another example of State interference in the country's economic life, he said.

"However our private entrepreneurs should realize that, throughout the Western world, the concept of consumer protection has now become firmly entrenched in the policy decisions of governments," he said.

This did not mean that in the formulation of Government policies, the interests of the consumer should at all times weigh more heavily than those of the private entrepreneur.

"The responsibility for the protection of the interests of the consumer does not, however, rest solely on the shoulders of the Government. In most Western societies it has become a generally accepted principle that private enterprise, whose thousands of business decisions each day directly affect the interests of the consumer, likewise has a duty to serve the wider interests of the community," Mr Steyn said.

"In other words, concurrently with his basic objective of conducting his business operations in such a manner as to maximize the profit position of his company, the private entrepreneur should also observe certain standards of ethical behaviour which would gain for himself the confidence and respect of the consumer."

There were, however, a number of private entrepreneurs in South Africa who consistently ignored their wider responsibilities towards the community, he said.

"The public image of private enterprise has suffered enormously as a result of the pricing policies and trading practices of these firms," he said.

# New Law to allow 'cool-off'

SEN. TIMES EXTRA  
16/11/75  
247

**A NEW Consumer Credit Act to replace the present Hire Purchase Act will protect purchasers against high-pressure salesmanship by providing a seven-day "cooling off" period, during which they can cancel an HP deal.**

The price controller, Mr G J F Steyn, said on Thursday that some business methods and practices of private entrepreneurs were such as to be no less than sheer decent and exploitation of the consumer.

Addressing the Transvaal Chamber of Industries, Mr Steyn said that the Government had decided to take action against these malpractices and that legislation would be introduced at the next session of Parliament.

Mr Steyn's statement came almost a week after the SUNDAY TIMES revealed for the first time that such legislation was being contemplated with

the purpose of combating undesirable conditions in the commercial sector.

One of the main features of the bill, which will be in the interest of the purchaser, is the inclusion of a "cooling-off" clause which will allow the purchaser to terminate an agreement at any time not later than seven days

## BY NORMAN WEST

of the date of delivery of the goods to which the agreement relates.

This clause will apply only to goods bought by an agreement signed at a place other than the actual business premises of the seller.

### Glib

In a case where the agreement is terminated, the seller shall be obliged to refund the amount paid by the purchaser.

This clause is presumably intended to allow buyers who have been "pressured" into signing

agreements by glib-tongued salesmen to "think it over".

In the past, a purchaser's signature committed him finally to the purchase. Unlike at present, the new Act will apply to all instalment purchases, that is where goods are paid off in two or more instalments

As revealed in the SUNDAY TIMES in recent weeks, some traders sold goods to people on legally invalid hire-purchase agreements which demanded no deposit, but charged interest on the balance of the payments.

Had it been a legal HP agreement, Section 18 of the HP Act would have afforded such a purchaser legal protection against being sued in a civil court for non-payment in terms of the provisions of the Magistrates Courts Act which permits civil imprisonment to enforce payments of money over-

due on goods bought on open account, that is without deposit or with voluntary nominal deposit.

Thousands of people have been sued in civil courts or even imprisoned for non-payment of instalments, on which they thought were HP agreements but were in fact open accounts because they had not paid the required 10 per cent deposit.

In the case of a legal HP the seller could repossess the furniture or other goods (which remain the property of the seller until the agreement, if there is a legal one, terminates).

### Loophole

But certain furniture traders have exploited this "loophole" in the Act and have sometimes deliberately sold furniture without deposit, which gave them the right to bring a civil case against defaulters because the account, although supposedly an HP agreement, is in fact, in the eyes of

the law, an open account, which immediately exposes the purchaser to civil action and/or imprisonment.

I have in my possession a letter dated November 6, 1975, from the Secretary of Commerce which states categorically that "if a deposit is not paid, the agreement would not be enforceable until such time as it is paid (in the case of a hire-purchase agreement, a 10th of the cash price MUST be paid)".

Because few of those in the lower income group could afford "a 10th of the cash price" of goods sold them, in many cases in excess of what they can afford anyway, unscrupulous traders allowed their even more unscrupulous salesmen to sell the furniture without the 10 per cent deposit, making it easier for the seller to threaten to sell the furniture by court order and still sue for the balance of the price obtained at an auction held by the messenger of the court.

If legislation is passed next year and the proposed Consumer Credit Act of 1976 becomes law, the "open account" loophole would be effectively closed.

# THIRD CASE OF ITS KIND IN SA LEGAL HISTORY

By Vic Hanna  
Financial Editor

Sun, Tris (F.R.)  
16/11/75  
2177

## GUILTY

KIMBERLY Clark, the producer of paper products, and one of its employees, Dieter Dwenger, were this week found guilty of contravening the Regulation of Monopolistic Practices Act. The company was fined R1 000 and Dwenger, in his capacity as national sales manager, was fined R100.

Evidence laid before the court was first publicly disclosed by Tribune Finance on February 2, this year.

The State case was hinged on a letter written by Dwenger to Olivier and Green, a Durban distributor of Kimberly Clark, which indicated that unless Olivier and Green confirmed to certain prices it would have its distribution agreement cancelled.

### Roots

The magistrate, Mr C. J. Van Zyl, said in his judgment that the contravention of the Act by Kimberly Clark "struck at the very roots of fair competition and the economic structure."

During the hearing, Mr Gideon Lotz, counsel for Kimberly Clark and Dieter Dwenger, told the court that the offence was an isolated error of judgment made by an employee acting beyond the bounds of his brief.

After the case had

## Kimberly Clark fined R1000, employee R100 over attempt to peg distributors' prices

ended, the main State witness and managing director of Olivier and Green, Mr Errol Chandler — praised by the magistrate for giving his evidence "very well indeed" — said that the conviction disproved Kimberly Clark's allegations made at the time of the Tribune report in February.

The paper firm had accused Olivier and Green of acting "maliciously" and "mischievously."

### Opportunity

"We are now prepared to afford Kimberly Clark a further opportunity to tender its apologies and

should that not be forthcoming we shall pursue the matter to its logical conclusion," Mr Chandler said.

The case was followed by a senior member of the Board of Trade, Dr D. J. Mouton. He flew down from Pretoria to attend the case.

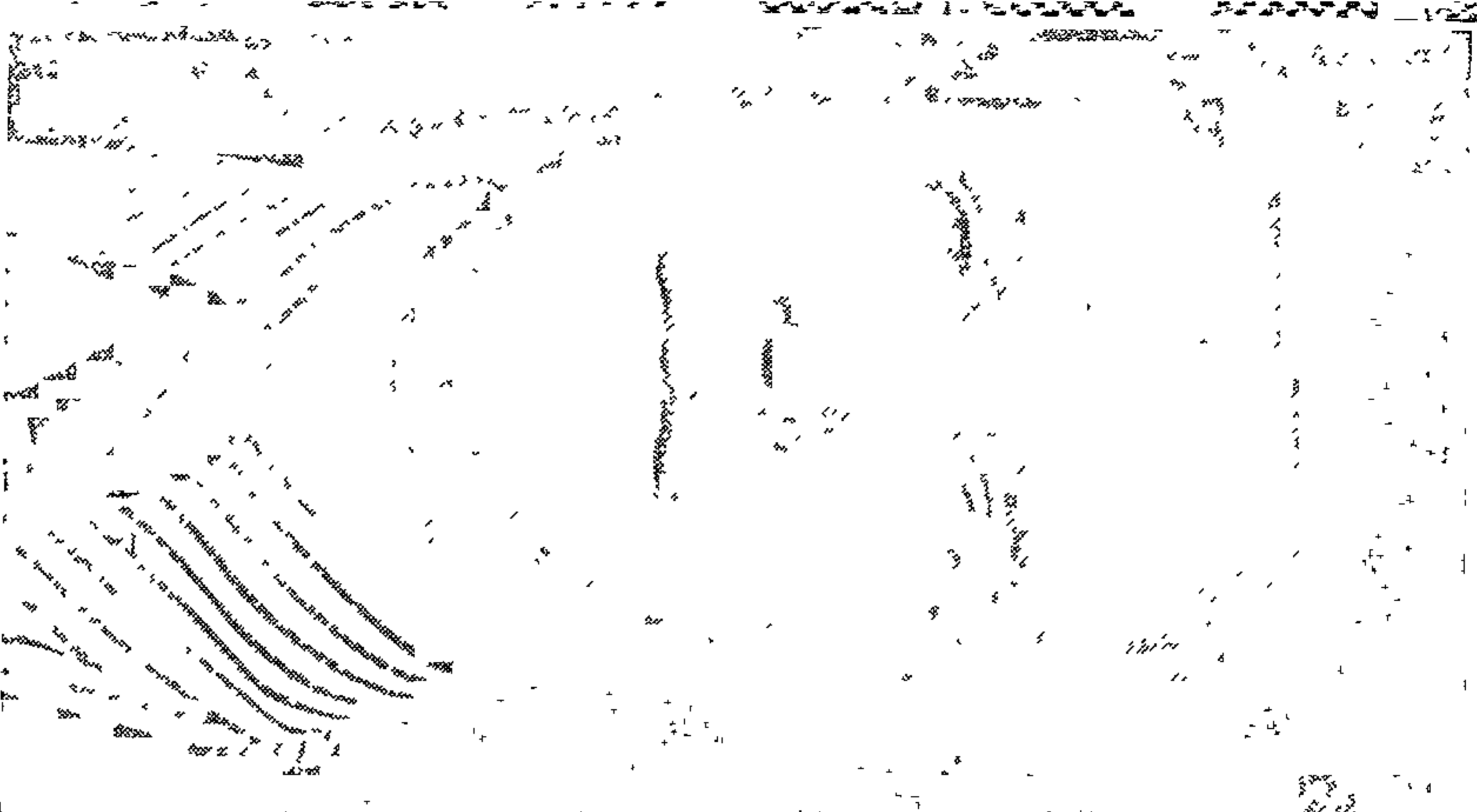
Dr Mouton said later that the conviction should prove a deterrent to others who practise resale price maintenance in South Africa.

"We have great difficulty in bringing cases of this nature to court because of a lack of evidence," he said. "It is for this reason that I appeal to people to approach us at the Board of Trade before speaking to the Press."

### Efforts

"Once matters of this nature are aired in the Press it gives those who contravene an opportunity to cover their tracks. We would like to nail offenders before this happens."

Dr Mouton said that both the cases investigated by certain John



DIETER DWENGER... sales manager  
fined R100

## Agent claims RPM by paper giant

Financial Editor  
The definition of Kimberly Clark's resale price maintenance products has been found to be in breach of the Act, a court has found. The court's decision is a landmark one, as it is the first time a court has found a company in breach of the Act. The court's decision is a landmark one, as it is the first time a court has found a company in breach of the Act. The court's decision is a landmark one, as it is the first time a court has found a company in breach of the Act.

lashback to Tribune Finance, Feb. 2, this year

Truckey and Mr Chandler deserved "a badge" for their efforts.  
A spokesman for Kimberly Clark said that if Dr Mouton likened the Kimberly Clark case to price fixing in supermarkets affecting consumers he "was treading on dangerous ground."  
**History**  
"The offence was committed by a company in its dealings with industrial customers only," he said.  
The Kimberly Clark case is the third of its kind in South African legal his-

DR D. J. Mouton

# Give buyers

# protection.

says AA <sup>for</sup> 17/4/75

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The Automobile Association has asked the Government to amend the Hire Purchase Act and the Price Control Act to give car buyers better protection.

The association, in a memorandum on warranties to the Department of Commerce, says an analysis of new car warranties now offered suggests they are worded so as to afford the manufacturer far greater protection against claims than is extended to the purchaser.

New car warranties are heavily weighed against the purchaser and their acceptance virtually deprives purchasers of their rights under common law, the association adds.

Restrictive clauses abound and the seller in effect becomes the sole judge in his own cause as to what constitutes a claim under the warranty and what is excluded through "fair wear and tear".

The association asks that the Price Control Act, which at present protects buyers of private cars on terms exceeding three months against the inclusion of "certain objectionable and restrictive conditions" in contracts of sale and in warranties, be amended to extend the same protection to buyers for cash or on other terms.

On the Hire Purchase Act, the association asks that a criminal sanction be provided to cover cases where, specified, prohibitive, offensive clauses have been included in contracts of sale.

Mercury  
Correspondent

*Mercury*  
*1971/75*  
JOHANNESBURG — There was no law against cutting the price of petrol, said Mr. Raymond Ackerman, chairman of Pick 'n Pay, yesterday.

He was responding to opposition to his decision to sell petrol at 0.5c below the normal price per litre at the Boksburg hypermarket petrol station which opens today.

"We feel the price of petrol is as flexible as the price of food," he said.

"Throughout Western Europe petrol price cutting is as common as cutting the price of food. If we can sell more petrol at lower prices and make a profit, there is nothing to stop us," he said.

But by selling petrol at a cut price Pick 'n Pay are going against the advice of their suppliers, Trek Petroleum.

Mr. Sarel Steyn, general manager of Trek Petroleum, said yesterday he had warned Mr. Ackerman he could not cut the price of petrol because it was controlled by an agreement between the Motor Industries Federation, the Gov-

# PETROL PRICE CUTS LEGAL, SAYS ACKERMAN

ernment and the petrol companies.

"We will have to take action against Mr. Ackerman if he sells petrol at a cut price," he said.

Meanwhile, two chain stores in Johannesburg have come out in strong support of Mr. Ackerman's decision.

Mr. Steven Sinoich, food buyer of Checkers, said yesterday that Checkers would enter the "petrol price war" and sell multigrade oil at cost price from today. Their price for oil is now 62½c for five litres.

Mr. Ken Coote, marketing director of OK Bazaars, yesterday praised Mr. Ackerman for taking the lead.

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Mercury 1911/75

# NEW LAW TO HELP PROTECT BUYER

Mercury Reporter

THE PRICE Controller and Secretary for Commerce, Mr. Joep Steyn, told a meeting in Durban yesterday that South Africa was likely to get new legislation to do away with monopolistic practices.

And he expected the Trade Practices Bill, introduced in Parliament for the first time this year, to be passed at the next session.

The Bill was aimed at protecting consumers against "backyard sales" and other undesirable practices which were taking place in South Africa.

"You would be surprised if you knew the type of business practices we have seen develop in this country which are being introduced from overseas."

Mr. Steyn said he had told companies here not to follow these methods.

① 247

# Overcharged for tobacco, paraffin

247

19/11/75  
The attorney general of the Transvaal's request to prosecutors to ask magistrates to impose heavy sentences for contraventions of the Price Control Act, was put into practice yesterday when a few cents overcharged cost two people more than R100 each.

A circular sent to prosecutors this month said no admissions of guilt were to be accepted in future and alleged offenders were to be summonsed to court.

Almost immediately several cases where shopkeepers were heavily fined for price-control contraventions were heard.

In the Randburg Magistrate's Court yesterday two shopkeepers who had overcharged by a few cents were found guilty of contravening the Act and fined.

## UNMARKED

Appearing before Mr M P. Prinsloo. Mr P. Paraskavopoulos of Verwoerd Drive, Randburg, pleaded guilty to two counts of overcharging for price-control tobacco and for failing to mark a further 37 packets of tobacco with their set price.

Mr Paraskavopoulos over-charged 4c for 100g

of tobacco which had a set price of 36c and over-charged a further 3c for 50g of tobacco which had a set price of 36c

He was found guilty and charged R120 (or 70 days).

On a separate charge of failing to mark packets of tobacco, Mr Paraskavopoulos was fined a further R80 (or 40 days)

Mr A R de Silva of Pretoria Road, Wynberg, was fined R150 (or 80 days) for over-charging for paraffin

Mr de Silva sold 750 ml of paraffin to Inspector Frank Ross of the Price Control Board for 20c. The fixed price is 13c.



# THE BIG CRACKDOWN

Sun TRIBUNE 23/1/75

By Vic Hanna Financial Editor

THE BIG CRACKDOWN on deceitful trade and business practices comes next year. A Bill introduced in Parliament last session has been tidied up and Department of Commerce officials hope it will have a trouble-free passage next sitting.

The Bill, which has had about 100 amendments made to it by a select committee, incorporates some of the toughest consumer legislation yet seen.

Advertising practices fall under its ambit. The Government intends to tighten up on what — and what not — an advertiser can say.

The Bill will also incorporate the provisions of the Trade Coupons Act and will clamp down on current legal, but shady, selling techniques.

The Secretary for Commerce, Mr Joep Steyn, has mentioned the introduction of this kind of consumer protection legislation several times this week.

The Bill will provide for a high-powered team of investigators to roam the country seeking out contraventions of the legislation. And it will act on complaints received from the public. The investigating team will include several highly qualified people capable of handling some of the more technical aspects of the legislation.

The Bill is part of a world-wide trend indicating the importance of the consumer in the economy. Although some countries have "gone too far with consumer protection legislation — some of it bordering on the ridiculous" — the intention is not to interfere too severely with

**Revised  
Bill  
gets  
tough  
to  
protect  
the  
consumer  
from  
deceitful**

**practices in business**

Mr Joep Steyn . . . in the interests of the consumer

private enterprise, a departmental source said.

The legislation is aimed at eliminating practices intended to mislead the consumer.

Other than tightening up on advertising copy, the Bill seeks to prevent, among other techniques, referral selling. This is where a customer is encouraged to enlist other potential customers on behalf of a seller.

At the moment, the Newspaper Press Union has a strict code of advertising

ethics but in certain instances the Department of Commerce feels there may be a case for intervention.

This applies to advertisements carrying wording specifically designed to mislead the reader.

The legislation will also allow for the setting up of an advisory committee which will meet regularly to discuss matters covered by the legislation.

Mr Steyn has indicated the private entrepreneur, in his desire to maximise his profit potential of his

business, may not be acting in the best interests of the consumer. It is this conflict of interest that the legislation seeks to cover.

A commission of inquiry is investigating the Regulation of Monopolistic Practices Act, which could result in amendments to the Act or the introduction of new legislation in this field. But the commission was appointed only recently and is not expected to report to ministerial level until well into the new year.

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The Steyn Commission have taken on a mammoth task. Will they be able to see the wood for the trees?

# Monopolies under a microscope

Judging by their 18-point questionnaire, former Chief Justice Lucas Steyn's Commission of Inquiry into the Monopolistic Conditions Act intend to leave no stone unturned. Indeed, their whole approach suggests nothing less than a thorough re-appraisal of SA's anti-restrictive trade practices policy.

Nothing is assumed, respondents are urged to get right down to fundamentals. Even the case for competition in a country like SA is to be questioned (a crucial point for there are disciples of *dirigisme* lurking in government departments and business boardrooms who insist competition is a "luxury" many of our industries cannot afford) Should a specific objective of government policy be to sharpen competition? Should legislation be specifically designed for this? How else could competition be enhanced? And so on.

Respondents are also asked to pinpoint sectors where not enough competition exists and to suggest remedies; and to give their views on the different issue of economic concentration, outlining its advantages and disadvantages.

Actual examples are called for that would illustrate these pros or cons "in the light of the economic, social and political conditions pertaining to the Republic of SA". The Commission go on to raise the crucial question whether Pretoria should be empowered to act against economic concentrations, even if these do not restrict competition — and whether government should be empowered to block mergers and take-overs.

Other questions relating to the present Act concern, for instance, the criteria for judging whether or not competition is being restricted; whether the Board of Trade and Industries should make investigations on its own initiative instead of only being directed to do so by the Minister of Economic Affairs; whether a more precise test than "the public interest" can be suggested to absolve particular restrictive trade practices; whether investigation and surveillance should be carried out not by the BTI but by some other body,

and whether the Act itself should specifically outlaw certain restrictive practices like boycotts, exclusive dealing arrangements, collusive tendering and the like.

The questionnaire is far-reaching and no doubt when all the answers are in (and oral evidence has been heard) Steyn and his 10 commissioners will be well placed to assess the need for any changes in legislation or policy

## The root of the problem

The difficulty, of course, will be to see the wood for the trees. This newspaper's view (see, for instance, *FM* November 17 1972) is that the crucial issues are not imprecise definitions of monopolistic conditions and of the public interest, lack of any outright prohibitions of restrictive practices (except RPM which is outlawed under a regulation in terms of the Act); the government's impotence to vet proposed mergers, and some of the other issues with which the Commission appear to be concerned.

The root of the problem, we believe, is the failure to *implement* policy, not the policy itself.

Indeed, SA's restrictive trade practices policy — insofar as it is enshrined in the Act — is admirable. Before any deal or business practice can be condemned as restrictive, government's investigators must provide concrete evidence that it is so (or calculated to be so); there must be firm evidence, for example, that the deal or practice restricts output, limits production facilities, maintains prices, or prevents innovation.

## Abusing economic power

There is no possibility that a deal will be condemned simply because it *might* do one of these things — no possibility of a merger, say, being stopped because an official *suspects* it might restrict trade, or of action being taken against a firm simply because it *possesses* economic power, even though it does not *abuse* it

Taking this a stage further, we believe that concentrations of economic power (for example Sanlam, Anglo American,



Steyn . . . leaving no stone unturned

the Old Mutual) as such are *prima facie* neither desirable nor undesirable. The point is they should not be allowed to abuse such power. If they don't they should be left alone, if they do (and by abuse we mean restricting competition, nothing else) the particular practice complained of should be dealt with in the normal way

That is the first point. And it cannot be over-stressed because in SA (as in many other countries) there is a dangerous trend towards more and more *arbitrary* government interference with business

On the other hand, once the existence of a restrictive trade practice has been established by the Board, the pendulum swings the other way: there is a presumption that something ought to be done about it. Corrective action is only not taken if the Board is satisfied the offending monopolistic condition is in public interest

In other words, there is a proviso (as there surely must be, since the benefits of a particular restrictive trade practice *can* sometimes outweigh its disadvantages) but this requires there to be a demonstrable net gain to the public

Expert observers have testified to the

Act's well balanced approach and it would be a great pity, we believe, if this were to be disturbed

Having said that, it is also true that it is not much use having a first-class anti-monopoly policy if it is not implemented. Unfortunately, everyone agrees there are heaps of damaging restrictive practices in this country that, for one reason or another, never get near the BTI. Indeed they never get even as far as the Departments of Commerce or Industries (to which complaints must be referred) because of the belief that in the end nothing will be done.

Two things can and ought to be done about this

● A separate anti-monopolies body should be created. The BTI has loads of other work (as witness its latest 70 page annual report) and it is humanly impossible for its seven members (only five at the moment) and total staff of 25 also to devote enough attention to the Monopolistic Conditions Act. The fact is there is not one person at present whose sole duty is to investigate and police restric-

tive practices.

The body should be granted status equal to that of the BTI and its chairman should be a member of the PM's Economic Advisory Council so that he can ensure that the need to encourage competition is something that filters into official thinking on *all* economic matters.

To date the Board has largely concentrated on alleged impairments of competition in the private sector. However it is vital that limitations on competition resulting from government policy or government agencies come under independent scrutiny. Shipping policy (*FM* last week) is a case in point.

Such a new regulating body should operate in the full glare of Press publicity so that its precepts and actions become business bywords. This would help to ensure that the businessman's natural urge to temper competition is moderated by fear of effective official counteraction and public censure.

● The body should be empowered to act on its own initiative. The Minister of Economic Affairs' two Departments —

Commerce and Industries — have too many vested interests in restricting competition in one way or another (take the TV industry for example) for him to be an independent arbiter of what ought and ought not to be referred to the BTI (or any other anti-monopolies body).

There is also the point that the whole procedure of a complainant having first to refer to the Department, having to wait for a Ministerial directive to the Board (which might never come), and then having to wait for an investigation to get under way, is exceedingly time-consuming and often enough to deter injured parties. And even where the Department itself manages to satisfy the complainant, the restriction placed on the offending party is neither legally binding nor made public. So it will not necessarily deter others from similar practices.

So: let's have a powerful, autonomous anti-monopolies body and leave it at that. It could spell the end for hundreds of harmful restrictive practices — yet the great advantages of the Act's present broad approach would be preserved.

GENERAL

# HP for the *Mercury 28/11/75* homelands

African Affairs Reporter  
AFRICAN businessmen  
will now be able to sell  
durable articles in the  
homelands on hire pur-  
chase, a facility they did  
not have before.

The Bantu Investment  
Corporation has an-  
nounced a scheme  
whereby it will discount

hire purchase contracts  
to help African business-  
men.

Approved businessmen  
may sell goods such as  
stoves, radios and fridges  
on hire purchase and the  
BIC will finance them so  
that stocks can be re-  
plenished and turnover  
increased.

(1) 101  
(2) 28  
(3) 247

# Two shopkeepers fined

Cape Times 28/11/75

747

Staff Reporter

TWO SHOPKEEPERS were yesterday fined in the Cape Town Magistrate's Court for failing to mark prices on packets of yellow margarine and cigarettes

Gabriel Economopoulos, who owns a cafe in Main Road, Three Anchor Bay, and Essack Partinker, who owns a shop in Portland Road, Salt River, appeared before Mr F A H Johl in separate trials.

Mr Anton Frederick de Beer, a price control inspector of the Department of Commerce, who gave evidence in both cases, said that when he went to their shops earlier this year there were no indications on the packets of cigarettes and yellow margarine nor on placards of the prices of the articles

Mr Abdullah Partinker, manager of the shop and Essack Partinker's son, was last week fined for overcharging Mr De Beer

two cents on a packet of margarine.

During the trial of Economopoulos, Mr De Beer said it would take a lot of time for him to show the court how many cases the Department of Commerce was dealing with

"We get a lot of complaints from the public of overcharging and not so much of not price-marking because the public just doesn't know," he said. "This is giving us a full-time job"

He said that not marking the products was as serious as overcharging as the public could not check on how much they were charged at the till.

Mr Johl said the Attorney-General had ordered these contraventions to come before court because of the seriousness of the charges, because of the anti-inflationary drive, and to protect the public

He fined Economopoulos R100 (or 50 days)

In the second trial he fined Partinker R50 (or 30 days)

Mr P. D. Theron prosecuted in both cases.

# Insurance 'monopoly' appalls

## Tucsa

By JOHN IMRIE  
THE Trade Union Council of South Africa has reported the insurance industry to the Price Controller for coming to what it regards as a "monopolistic price-fixing agreement, which is detrimental to the public interest."

In terms of the agreement competing companies will not quote a lower rate when a policy falls due unless the company carrying the risk increases its premium by more than 20 per cent.

All except six of the 51 companies belonging to the Insurance Association have pledged support for the agreement which is said to be aimed at ending a rate-cutting war.

However, Tucsa's general secretary, Mr Arthur Grobbelaar, said yesterday he was "appalled" at the agreement which was a "blatant attempt to restrict free competition and thereby raise prices."

He said Tucsa had raised the matter last week with the Price Controller, Mr Joep Steyn, who had taken a serious view of the report made to him and had agreed to "institute an investigation to determine whether or not this agreement was against the public's interest."

Mr Grobbelaar said that in effect the agreement permitted the insurance companies to increase their premiums on short term insurances by 20 per cent before competition was again allowed.

Tucsa intended raising this monopolistic aspect with the Minister of Economic Affairs and would ask the Price Controller to also investigate whether the agreement did not contravene the principles of the Collective Programme of Action Against Inflation.

Mr Rodney Schneeberger, manager of the Insurance Association, was not available for comment.

① 247  
② ~~63~~

# 'Fair deal' furniture pact

Mercury 9/12/75

Mercury Correspondent

PRETORIA — The organised furniture trade in South Africa has assured the Minister of Economic Affairs, Mr Heunis, that it will in future closely follow a well-delineated "code of ethics"

This assurance follows an investigation by the Price Controller in which it was found that many furniture dealers were guilty of unethical business dealings.

Mr. Heunis said that the Price Controller had fully discussed the exploitation of the public by unscrupulous dealers with the Furniture Traders' Association.

As a result the Association had now given firm undertakings on behalf of all its members that they would in future faithfully apply certain principles embodied in a comprehensive code of business ethics which had been adopted by the body.

The Association had also undertaken to solicit the co-operation and support of non-members, who handle only about 10 percent of the volume of retail furniture sales in the country, for the implementation of the code of business ethics, Mr. Heunis said yesterday.

Among the principles to be followed was that furniture traders would, at all times, indicate on every article offered for sale, and also in every

advertisement, catalogue or publication, the cash price of the article — the price upon which finance charges could be levied in terms of the Limitation and Disclosure of Finance Charges Act of 1968

They also agreed that once an order for an article had been received, the price of the article on the order would not be increased by the trader for any reason whatsoever.

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12 74

# Spares prices down in months

Nov 11/12/75

(1) 28  
(2) 247  
(3) 192

you feel should be added to the course?

Harvey Thomas, Motor Editor

The Government has set the motor industry a time limit to adjust its profit margin on spare parts. This means that in the next few months the price of some parts will come down.

The Minister of Economic Affairs, Mr Chris Heunis, announced last night that the Government had clamped down on motor spares prices and car repair costs. This followed meetings with the motor manufacturers and an investigation by the Price Controller, Mr Joep Steyn, into the profit margins on motor repair parts.

I understand that Mr Steyn told manufacturers that he knew of instances where certain manufacturers were making profits of about 400 percent on what the trade calls "captive parts" — parts that only a manufacturer can supply for his vehicle.

Included in this category are items such as body panels.

Today's spokesman for the Price Controller's Office in Pretoria said that the Government plan to clamp down on spares price, and car repair costs was a complicated exercise that would be difficult to explain to the public. He said that he was unable to elaborate on how the plan was to be implemented as it would involve a vast amount of detail.

"The Minister did not wish to burden the public with all the details but the end result will be a reduc-

4 satisfied with your present tutor? Yes/no

5. your opinion should the aim of feel these goals were achieved during the



# Govt launches

# 4-point curb

# on car costs

Rev 11/12/75

247

led to

the course?

John Patten, Political Correspondent

The Minister of Economic Affairs, Mr Heunis, has announced several major steps by the Price Controller to control the prices of motor spares and motor repair work.

In a statement issued last night, Mr Heunis listed four actions to achieve this goal:

● The Price Controller has entered into a firm agreement with motor manufacturers, which will "eventually have the effect of reducing the prices of certain spare parts and keeping such prices at reasonable levels" The prices will be reviewed annually,

● The Price Controller has entered into arrangements with importers and wholesalers of motor spares, and with local component manufacturers, to ensure their prices will also be kept at reasonable levels,

● He was entered into a firm agreement with the Motor Industries Federation and the Motor Chamber of the Afrikaans Handelsinstituut (the representative bodies of garages) under which prices will not exceed the suggested maximum selling prices of manufacturers and other suppliers.

● Garages will also not increase their existing tariffs for repair work to vehicles without the approval of the Price Controller

### COMPLAINTS

Mr Heunis said that if garages' cost structures enabled them to do so, they were expected by the Government to reduce selling prices for spares and their repair charges.

The Minister indicated that these steps had been taken following numerous complaints from motorists about excessive prices for motor spares.

4. Are you Comment

your present tutor? Yes/no

He said the Price Controller's report revealed that motor manufacturers were not realising excessive profits on their total operations or on new car sales, but profits on spares, in many cases, were excessive.

This meant the owners of used vehicles were subsidising the prices of new vehicles and the buyers of new vehicles

### BALANCE

This was a situation which "could no longer be condoned by the Government," Mr Heunis said

In reaching an arrangement, the Price Controller had the difficult task of striking a reasonable balance between what would normally be acceptable to the motorist, fair prices for vehicle spare parts, and the actual cost to the motor manufacturers of stocking and supplying the spares, allowing for a reasonable profit margin.

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(b) Do you year?

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**Petrol price cut**

# Petrol price cuts in re of S.A. like

FROM PAGE 1

MIF, which represents filling station owners, was "Our petrol sales at the hypermarket brought us a very solid profit. If we can do it, why can't they?"

But Mr. Ray Taverner, the M.I.F. president, said he would do his utmost to keep the many thousands of small operators in business. "We will not allow their living to be undermined and we will take every step open to us to insure they stay in business."

Mr. Steyn of Trek said he had been most upset by the judgment but had ordered the immediate resumption of petrol supplies to the Boksburg hypermarket.

He said his company still had more than nine years to run on their supply agreement with the hypermarket and they would honour that.

"But I believe that if discount petrol sales become widespread the country will suffer. Petrol is a strategic commodity and if the price goes down, then of course, the demand goes up," Mr. Steyn said.

The Automobile Association said yesterday the judgment could only benefit the motorist.

A spokesman said the hypermarket had proved that it was possible to achieve profitability on a product with a large turnover even if the product was being sold at a reduced price

year :

## Mercury Correspondent

**JOHANNESBURG - A Court decision to allow Pick 'n Pay to continue discount petrol sales at their Boksburg hypermarket could herald the breakthrough for cheaper petrol throughout the country.**

The company's chairman, Mr. Raymond Ackerman, said yesterday he believed the judgment had set a precedent for future negotiations with oil companies and was a boost for his plans to set up discount petrol sales in all major centres.

A rival supermarket chain, OK Bazaars, said the court's decision had reinforced their plans for future petrol discount sales—but the Motor Industries Federation (M.I.F.) vowed to take every possible step to stop what it called "the further erosion of the stability of the industry."

Mr. Sarel Steyn, general manager of Trek Petroleum, whose company lost yesterday's battle to stop Pick 'n Pay's cheap petrol sales, said widespread discount petrol would harm the country.

Trek Petroleum was ordered to continue supplies of petrol to Pick 'n Pay's Boksburg hypermarket in a judgment by Mr. Justice G. A. Coetzee in the Johannesburg Court yesterday. He also ordered Trek to pay the cost of the action.

### Cut off

The dispute arose when Trek cut off supplies of petrol after it learned that the hypermarket was selling it at half-a-cent a litre less than other stations.

In his judgment, Mr. Justice Coetzee said Pick 'n Pay had sold petrol "in conformity with its general policy."

Consequently, almost overnight goodwill had built up, and the hypermarket had become one of South Africa's largest single sellers of petrol. However, supplies had been cut off on December 2.

The Judge said the relevant regulation in the National Supplies Procurement Act stated that

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3 Energy

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For release: 19K00

PRESS STATEMENT ISSUED BY THE HONOURABLE  
THE MINISTER OF ECONOMIC AFFAIRS

(1) 28  
(2) 247

MALPRACTICES IN THE SALE OF FURNITURE  
AND HOUSEHOLD APPLIANCES

In a press statement issued by me on 13 August 1975, I indicated that the Price Controller's investigation into the operations of our furniture dealers which was instituted as a result of numerous and consistent complaints by individual consumers and consumer organisations throughout the country that the public was being seriously exploited by many of these dealers, had revealed that a large number of them were adopting practices which were totally inconsistent with normally accepted codes of business ethics.

I also stated at the time that the Price Controller had discussed this matter fully with representatives of the Furniture Traders' Association and had requested them to submit to him urgently constructive and acceptable proposals for the immediate removal of the aforementioned malpractices.

In response to the aforementioned request, the Furniture Traders' Association has now given firm undertakings on behalf of all its members that they will henceforth faithfully apply the following principles embodied in a comprehensive Code of Business Ethics which has been adopted by the Association. The Association has also undertaken to solicit the co-operation and support of co-members, who handle only approximately 10 per cent of the volume of retail furniture sales in the country, for the implementation of the Code of Business Ethics.

1. Furniture traders will, at all times, indicate on every article offered for sale, and also in every advertisement, catalogue or publication, the cash price of such article, that is the price upon which finance charges may be levied in terms of the Limitation and Disclosure of Finance Charges Act of 1968.
2. Once an order for an article has been received, the price of that article in respect of that order will not be increased by the trader for any reason whatsoever.
3. A buyer who has offered to purchase an article in a manner other than on a cash sale basis, shall have the right to cancel such an order within 48 hours after placing such order, or before delivery of the article to the buyer has taken place, whichever is the latest. Traders undertake to refund all monies and/or return all goods received from the prospective purchaser provided that floor coverings, soft furnishings or any other goods, cut or made to order or specially ordered on the specific instance and request of the purchaser shall be excluded from this undertaking, if the order is not cancelled within 48 hours of placing such order, or before such goods were made or cut to order, whichever is the soonest.
4. In the case of articles sold on a lay-by principle the cash price of the article and its description will be furnished to the buyer in writing and such cash price will not be increased by the seller before delivery is made to the buyer. Traders will also state clearly to lay-by purchasers the period over which the lay-by instalments are to be paid and the date on which payment of such instalments are to be made. Should

- the lay-bye purchaser, at any time during the duration of the agreement wish to cancel the lay-bye agreement, traders will refund all monies received from such purchaser without deducting any costs or administration fee. However, this undertaking is subject to the condition that floor coverings, soft furnishings, or any other goods cut or made to the specific order of the purchaser are excluded from this undertaking if cancellation of such an order does not take place within 48 hours of placing the order or before such goods are cut or made to order, whichever is the soonest.
5. Traders will, before the final acceptance of an order, make all possible endeavours to establish whether a prospective buyer will be able to fulfil his obligations in terms of the order and they also undertake to comply with the requirements of the Hire Purchase Act 1942. Traders also undertake to make available to special customers only who have current and/or paid up accounts with them, the concessions in respect of the minimum prescribed deposits, and to exercise diligent control on the extension of these concessions to buyers, but in no instance will the maximum period of repayment of 24 months be exceeded.
  6. Traders will inform all their employees of the disciplines and ethical standards embodied in the aforementioned Code of Business Ethics and will exercise strict control to enforce the conditions as set out therein.
  7. Voluntary repossession as a remedy will only be exercised by traders as a measure of last resort. If a voluntary repossession is made, the goods will be retained by the trader for a period of at least 21 days from the date of the repossession in order to grant an opportunity to the buyer to meet his obligations

and to comply with the terms of the existing agreement. On cancellation of the agreement, and after being convinced by the purchaser that he is unable to meet his obligations, traders will not take any further action against such purchaser.

8. The Furniture Traders' Association will be informed by its members of all branches of their individual business premises where the emblem, which signifies adherence to the Code, is being exhibited.
9. An official of the Furniture Traders' Association will have the right to inspect all the business activities of emblem holders in order to investigate any complaints that may be received from the public.
10. A Review Committee, consisting of members of the Association, will consider steps against emblem holders who are found not to have complied with the provisions of the Code.

In addition to this Code of Business Ethics, the Price Controller has also entered into a firm arrangement with the Furniture Traders' Association which would have the effect of ensuring that the prices of furniture and household appliances would in many instances be substantially reduced and would in future be kept at reasonable levels.

I am confident that, provided these arrangements between the Price Controller and the Furniture Traders' Association are faithfully implemented by all furniture dealers, the malpractices referred to above will be eliminated in the country. However, I wish to emphasise that the Government will not hesitate

to take very strong measures against any trader who is not abiding by the principles embodied in the abovementioned arrangements.

The issue by the Furniture Traders' Association of the emblem referred to above, and the display of the emblem by furniture dealers who have committed themselves to the aforementioned Code of Business Ethics, will enable the buying public to identify those dealers who have undertaken to abide by the Code.

Whilst dealers who are not emblem holders need not necessarily be exploiters of the buying public, it would be virtually impossible for the potential buyer to establish the bona fides of non-emblem holders before a transaction has been concluded.

It would, therefore, be in their own interest for members of the public who wish to purchase furniture and other household appliances to give preference to those dealers who are holders and exhibitors of the emblems which will be issued by the Furniture Traders' Association only to those dealers who comply in all respects with the Code of Business Ethics.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE  
MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

8 December 1975

# Petrol price war finally fizzles out

SOUTH AFRICA'S on-off petrol price war finally fizzled out on Saturday morning when the Esso filling stations on the West Rand were ordered to increase their prices to match other garages.

The directive, from Johannesburg, reached most of the garages in the Boksburg-Benoni-Kempton Park area competing against the hypermarket too late on Friday to be put into effect.

The managers did, however, change their prices before the start of trading on Saturday, ending the price war which the oil com-

pany fought over two periods for a total of nine days.

During these periods the company subsidised the outlets concerned for the 0,50 a litre drop in price.

The decision to revert to the agreed price came after a meeting between the Motor Industries Federation, all the petrol companies and representatives of Government departments last week.

After the meeting a statement was issued by the Minister of Economic Affairs, Mr J. C. Heunis, announcing the oil companies' decision to make all

their outlets keep to the agreed price, with the exception of the Boksburg hypermarket, which had won a court order to have petrol supplied to it.

Although the move had met with almost total disapproval from motorists, some people must be relieved that the oil company has backed down.

They are the petrol pump attendants, who have had to carry the boards advertising cheaper petrol backwards and forwards as the company first cut, then increased, then cut again and finally increased its petrol prices in the last month.



# Court challenges on cut-price petrol

RDM 24/12/75

By ERROL SYMONS

IN a second court action arising from the sale of petrol at a reduced price, counsel representing two garage-owning companies and BP Southern Africa (Pty) issued challenges to one another on behalf of their clients, in the Rand Supreme Court yesterday, to cancel the contract between them.

The urgent action before Mr Justice Myburgh arises from the decision by Van der Merwe's Garage (Pty), Brits, and Van der Merwe's Garage (Thabazimbi) (Pty) to sell petrol at 0,5 cents per litre less than the usual price.

A director of the companies, Mr T. H. van der Merwe, of Brits, asked the court to order BP to deliver petrol in terms of agreements

Mr E Morris SC, for the garages, challenged BP to cancel a contract it has with the Brits garage, so that it could obtain petrol from another source if BP considered the company to be in breach of the contract.

The companies were not in breach of any contract, he said.

Mr J Kriegler SC, for BP asked for time to prepare for argument BP only became aware of the application yesterday. He said no harm would be done for the court to grant a temporary order compelling the Brits garage to "stick to the contract," or cancel

Mr Morris suggested that an order be granted postponing the application and compelling the oil company to supply petrol, reserving it the right to can-

cel the contract with the Brits garage if the garage was in breach of contract.

He had explained that there was a contract between the Brits garage and the oil company, but no written agreement concerning the Thabazimbi garage.

Mr Justice Myburgh said he would give judgement on the terms of a postponement at 11 30 am today.

The two garages started selling petrol at the cut price last Friday. This week BP told Mr Van der Merwe that full supplies would be cut until he restored prices to the alleged prescribed level.

Mr Morris argued yesterday that BP averred incorrectly that the Department of Commerce had fixed a price.

In terms of the agree-

ment, the Brits garage was obliged to sell at a price fixed by a "competent authority."

The oil company had not fixed a price, but sent a telex fixing prices yesterday morning after papers in the application had been served, he argued.

If BP considered there was a material breach of the contract it should cancel and claim damages, but what the garage was doing did not entitle BP to cancel.

Mr Justice Myburgh asked whether in order to "keep the pipeline open," he could issue a rule nisi compelling the oil company to deliver pending the determination of the dispute.

Mr Kriegler said this would be to compel BP to enter into a new contract.

Mr Van der Merwe wanted an order compelling BP to supply in breach of the contract. If the court granted a temporary order compelling the oil company to supply pending determination of the action in March or April, it would have serious implications for the oil companies and the country.

Mr Kriegler said BP needed time. There were factual issues and other matters to be traversed. A great deal of investigation was necessary.

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# Coal firms STAR 24/12/75 deny price 'surcharge'

An allegation that South African domestic coal prices were boosted to cover colliery development costs for the export trade has been refuted

The denial was issued by Mr S R Baker, the assistant managing director of the Transvaal Coal Owners' Association.

He was replying to a statement by Mr W Barnard, Johannesburg's electrical engineer.

For the past 10 years, the city council enjoyed a 50 percent discount. But under its new contract with the TCOA it will pay the normal price.

Mr Barnard said there was a chance that a deal with a small Bethal colliery — which did not aim for export — would save the city R50-million over the next 10 years.

## CONTROLLED

Mr Baker said: "So that there can be no misunderstanding, the TCOA wishes to inform both the public and members of the Johannesburg City Council that "Under its new contract with the municipality, coal is sold at the controlled price determined by the Price Controller, which is a very low price by international standards.

"No surcharge is added to that price to cover costs associated with exports.

"The controlled price is not calculated on a basis of subsidising the cost of coal produced for exports.

"The prices for coal in the export market are always higher, and generally substantially higher than the prices at which comparable coal is sold in South Africa."

# BUSINESSMEN USE INFLATION AS A COVER

Tribune Reporter

RACKETEERING businessmen, using inflation as a lever, have cheated a "brainwashed" public out of millions of rand this year. But shoppers will retaliate in 1976 with a massive consumer backlash.

This is the opinion of Eugene Roelofse, the controversial former director of the Co-ordinating Consumer Council.

Arthur Grobbelaar, secretary of the influential Trades Union Council, backed Mr Roelofse's contention that inflation was the best thing to happen to some businessmen "who have eyes only for the cash-registers."

Said Mr Grobbelaar: "We are aware that exploitation in South Africa is rife.

"Consumers are being cheated daily by unscrupulous businessmen. The social dangers — specially among the Blacks — of this practice are immense."

Mr Roelofse, an outspoken critic of malpractices in commerce, said this week the public had become an easy market for exploitation.

"Inflation-mania, where the consumer actually expects prices to rise, has hit South Africa. The public is an easy target now," he said.

Mr Roelofse continued: "Inflation, and more particularly the Government sponsored anti-inflation programme has made the consumer feel guilty about inflation. The blame has been put on housewives and shoppers

"Directly or indirectly, the consumer has been told that the fight against inflation consists of following a series of household hints, which is all the anti-inflation campaign has come forward with.

"In the process the consumer becomes more confused than before."

Stressed Mr Roelofse: "And a confused consumer is easy meat for a con-trick."

Mr Roelofse said the price controllers were powerless to protect consumers against exploitation.

"These factors have opened up new vistas for enterprising racketeers — in big and small businesses. It is not just over the counter that exploitation is taking place

# THE CHEATS

## But housewives are ready for war against racketeers says bitter Roelofse



### QUOTE

by Eugene Roelofse (left).

It is not just over the counter that exploitation is taking place. Large companies are also climbing in when tendering for projects or supplying goods on a large scale

Large companies are also climbing in when tendering for projects or supplying goods on a large scale."

Mr Roelofse also criticised price wars which he said help to complicate the situation further.

"Some price wars are used to con the public. They are a good excuse to re-mark goods," he said.

Scientific studies have shown that a housewife

cannot remember more than 10 prices. What chance does she stand in a store selling more than 12 000 items? he asked.

Mr Roelofse predicted the public was fast becoming fed-up.

"The public is beginning to question the credibility of the commercial sector and the Government

"Next year will see a tremendous consumer

backlash after the Christmas rush. Consumers will become more selective and trade will slump during the first quarter."

Mr Grobbelaar said although much had been done recently to stop exploitation of Blacks by furniture and car salesmen, other racketeers were still operating

Blacks already regarded White shopowners with suspicion and as prices shot up Black consumers became more and more convinced that they were being cheated.

"Price changing also causes a lot of ill feeling.

"Black consumers find it hard to understand why if they pay R1 for an article one week the price could drop to 75c the next week.

"Why, they ask, couldn't it be 75c in the first place. They reason that the shopowner must have been cheating during the first week. It damages race relations."

Both Mr Roelofse and Mr Grobbelaar called for the establishment of a more powerful consumer protection body.

# Govt faces car - price showdown

NM 30/12/75.

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Mercury Correspondent

**JOHANNESBURG—Car manufacturers face a major showdown with the Government over the Price Controller authorising price increases of up to 16 percent for tyres supplied to the industry.**

Car prices will now probably soar far beyond the 25 percent jump forecast for the second half of 1976, and some manufacturers are considering asking the Government to allow car prices to go up at once.

The storm began with the announcement yesterday by the South African Tyre Manufacturers' Conference that the Price Controller had approved a 9,8 percent increase in the retail price of tyres, effective from Thursday.

The conference also said price increases on tyres bought by car manufacturers for fitting to new cars had been approved, although it refused to say what the increases were.

But it was learned that the manufacturers would have to pay an extra 16,14 percent for tyres.

With profit margins on some popular makes already less than R100 a car, many manufacturers called the situation "desperate."

Sources said that, in line with the anti-inflation campaign, the industry had agreed to hold car prices until June, in the face of rising costs.

Last month the Government clamped down on motor spares prices which manufacturers traditionally use to subsidise the price of new cars.

Now, the sources said, the Government had delivered a harder blow by increasing tyre prices and was falling down on its side of the anti-inflation agreement.

Mr. John Grant, managing director of Illings Mazda, said the industry may have to

ask the Government to scrap the present car-price freeze.

"Escalating costs are threatening to drown the industry unless we are allowed to pass some of the increases on. When the price freeze expires, it will release a flood of demands from the industry for huge increases," he said.

Mr. Colin Adcock, managing director of Toyota, said: "I am extremely disappointed that an increase in tyre prices of this magnitude has been allowed when the motor industry is doing its best to keep prices down."

Mr. Adcock said the industry would probably consider whether to approach the Government for a lifting of the price freeze when its association meets next month.

Other spokesmen agreed that rising costs could add more than R1 000 to a car now costing R3 000 by the second half of the year.

DD 30/12/75

# Car makers bitter after tyre rises

JOHANNESBURG — Car manufacturers moved towards a major showdown with the Government yesterday after the Price Controller authorised price increases of up to 16 per cent for tyres supplied to the industry.

Car price increases will now probably soar far beyond the 25 per cent jump forecast for the second half of 1976 and some manufacturers are considering asking the government to allow car prices to rise immediately.

The storm began with the announcement yesterday by the South African Tyre Manufacturers' Conference that the Price Controller had approved a 9,8 per cent increase in the retail price of tyres, effective from January 1.

The conference also said increases in the price of tyres bought by car manufacturers for fitting to new cars had been approved but refused to say what the increases were.

It was learnt manufacturers would have to pay an extra 16,14 per cent for tyres.

With profit margins on some popular car models already less than R100 a car, many manufacturers agreed the situation was now desperate.

Industry sources said that, in line with the anti-inflation campaign, the industry had agreed to hold car prices until June next year in spite of rising costs.

Last month, the government clamped down on motor spares prices which manufacturers had traditionally used to sub-

sidise the price of new cars.

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Mr Adcock said the industry would probably consider whether or not to approach the government for a lifting of the price freeze when its association met next month.

Other spokesmen agreed that the rising costs being forced on the industry could add more than R1 000 to a car now costing R3 000 by the second half of next year.

Industry problems were

being compounded by disappointing December sales blamed, in part, on the

public spending its money on television sets, the spokesmen said. — DDC.

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# Five cafe

# owners

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# sentenced

FIVE cafe owners were each sentenced to a fine of R60 (or 60 days) when they appeared before a Wynberg magistrate yesterday charged with contravening the Price Control Act.

Essack Khalpe, 45, of Victoria Road, Southfield, E. A. Aklekker, 53, of Coronation Road, Plumstead, Aquino Gomes Jardim, 51, of Central Cafe, Victoria Road, and F. Avin, of Avin Stores, Victoria Road, were all found guilty of failing to mark packets of yellow margarine and sugar, displayed for sale in their shops, with the controlled retail selling price.

In his defence, Avin said he had mislaid the list of prices. "I intended replacing it," he said.

The fifth cafe owner, D. J. P. Das Neves, 31, of Good Hope Cafe, Victoria Road, Southfield, was found guilty of displaying 18 packets of potatoes and six packets of onions without marking the net weight of the articles on the wrappers.

Miss W. van Greunen was on the bench. Mr D. A. Gordon prosecuted.

# And now they pay the high price of overcharging

S XP \$ 11/1/76  
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A 1½c CIGARETTE has burnt a R100 hole in a Johannesburg shopkeeper's pocket.

Mr M. Suliman, of Westgate Fruiterers, Anderson Street, charged a customer 3c for the cigarette. He was fined R100 or 50 days in the Johannesburg Magistrate's Court this week.

The court netted R1 000 in fines when Mr Suliman and 11 other shopkeepers and assistants were found guilty of overcharging a total of 39c on various items.

When I interviewed him, Mr Suliman was philosophical about the most expensive cigarette he ever sold.

"The law is the law and I'm not complaining," he said.

"But the method used to catch me was unfair.

"After I sold the cigarette to the customer, he returned with a price-control inspector who'd been waiting outside.

"The customer was a decently dressed Black man. I would have given him the cigarette for nothing if he'd had no money. But he had a 5c piece, so why ask for one 1½c cigarette? This is why I overcharged him."

The owners of Ken Valley Fruit Market, Bez Valley, also complained of "trick tactics" used to trip them up.

Mr A. J. da Paixao was fined R100 or 50 days, and his wife R25 or 15 days, for charging 15c instead of 13c for a bottle of paraffin.

"I'm very angry," said Mrs Lina da Paixao, on the verge of tears. "I wouldn't dream of making a dishonest profit. I work very hard for my money."

**Twelve Johannesburg shopkeepers were fined a total of R1 000 this week for overpricing goods by 64c. Express Reporter CLARE STERN asks some of them why they did it.**

Mrs Da Paixao said she was alone in the shop when a Black man walked in and asked for a bottle of paraffin. He was followed by a price-control inspector who first wanted tomatoes, then bananas.

"I didn't know which way to run first and confused the price of the paraffin," she said.

"The inspector wouldn't believe I had made a mistake. He walked out of the shop laughing."

Mr J. P. Perreira, owner of Rowallan Cafe, North Street, was fined R100 or 50 days for charging a total of 68c instead of 64c for a bottle of guava juice, a Coca-Cola and cigarettes.

"I'm not saying anything," he fumed.

"If the inspectors want money for nothing I don't mind, I pay"

Mr A. M. Silva, who owns L. M. Snack Bar in Commissioner Street, was fined R150 or 75 days for charging 30c instead of 20c for a bottle of Appletiser.

He laughed when I interviewed him.

"I have a jewellery business as well. I don't need to make a profit on a bottle of Appletiser."

He invited me inside the kitchen and said, "Look, all these people working here are refugees from Lourenco Marques

They understand very little English.

"The assistant who sold the drink is also a refugee. The table price is 30c and the take-away price 20c. She consulted the wrong price list"

Seven others were fined. They are:

Mr F. E. R. de Ponte, owner of Rhodes Park Garden, and Kensington Supermarket, fined R100 or 50 days for charging 20c instead of 17c for a bottle of paraffin. His assistant, Mrs Zulmina da Silva, fined R52 or 15 days.

An assistant at Continental Superette, De Villiers Street, fined R25 or 15 days for charging 17½c instead of 17c and 43c instead of 42c for packets of sugar.

Mr Song Leung Yong, owner of Seville Tearoom, Kensington, fined R100 or 50 days for charging 16c instead of 10c for a bottle of paraffin.

Mr P. Douvaras of New Station Cafe, Wanderers Street, fined R100 or 50 days, and his assistant, Veneta Makhahu, fined R100 or 50 days for charging 30c instead of 28c for a packet of margarine.

Mr Andreas Theocarus, of Frigor Foods, fined R150 or 75 days for charging 25c instead of 17c for a bottle of paraffin.

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## *Fines for shortweight* STAR 22/1/26.

An inspector of the Department of Weights and Measures, weighed 10 packages of dripping fat on a butcher's own scale on September 25 and found them 480 grams short of the five kg re-

presented, he told a Johannesburg Court yesterday P R da Silva of North Street Butchery, North Street, Johannesburg, pleaded guilty and was fined R150 (or 75 days)

Ivan Leko, of the Italian Lunch Box, Anderson

Street, Johannesburg, pleaded guilty to selling 250 grams of yellow margarine at 33c instead of the maximum price of 28c He was found guilty and fined R120 (or 60 days)

F P de Canha, of Vallei Cafe, Eikenhof, Johannes-

burg, pleaded guilty to selling 700 ml of paraffin for 15c instead of the maximum 13c He made that sale to price controller Mr Daniel Ross, on September 22 last year He was fined R100 (or 50 days)



# Trade abuse crackdown by Govt

STAR 30/11/76

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John Patten,  
Political Correspondent  
CAPE TOWN — The Government has re-introduced tough legislation aimed at cracking down on commercial malpractices and exploitation of consumers.

The Trade Practices Bill dropped through lack of debating time at the end of the year's parliamentary session, was published today in the same form as last year.

It is expected the Government will push the Bill through this year, especially as it is now two years since this legislation appeared on the parliamentary order paper.

The Minister of Economic Affairs, Mr Heunis, indicated when introducing the Bill last year that the Government wished to give the Department of Commerce the necessary machinery to identify un-

desirable trade practises and to recommend action against them

The Bill was referred to a select committee last session, and returned to the order paper in an amended form, but too late to be debated. The select committee's amendments are again part of the Bill before Parliament this year.

The legislation will enable the department to deal with cases of false or misleading advertising and will prohibit the delivery, sale or publication of trade coupons.

Fines of up to R2 000 or up to two years' imprisonment or both are provided in the case of contraventions.

The Bill provides for the establishment of a trade practices advisory committee of between nine and 15 members, which can delegate powers to inspectors.

The inspectors will be able — if the legislation is passed in its present form — to open packages or examine any book or other document relating to any business.

# THE SOUR TASTE OF

# OVER-CHARGING

## 14 shopkeepers are fined up to R200 or 100 days jail

By HAZEL PILLEMER

**OVERCHARGING one cent for a packet of sugar has left a sour taste in the mouth of a Johannesburg shopkeeper.**

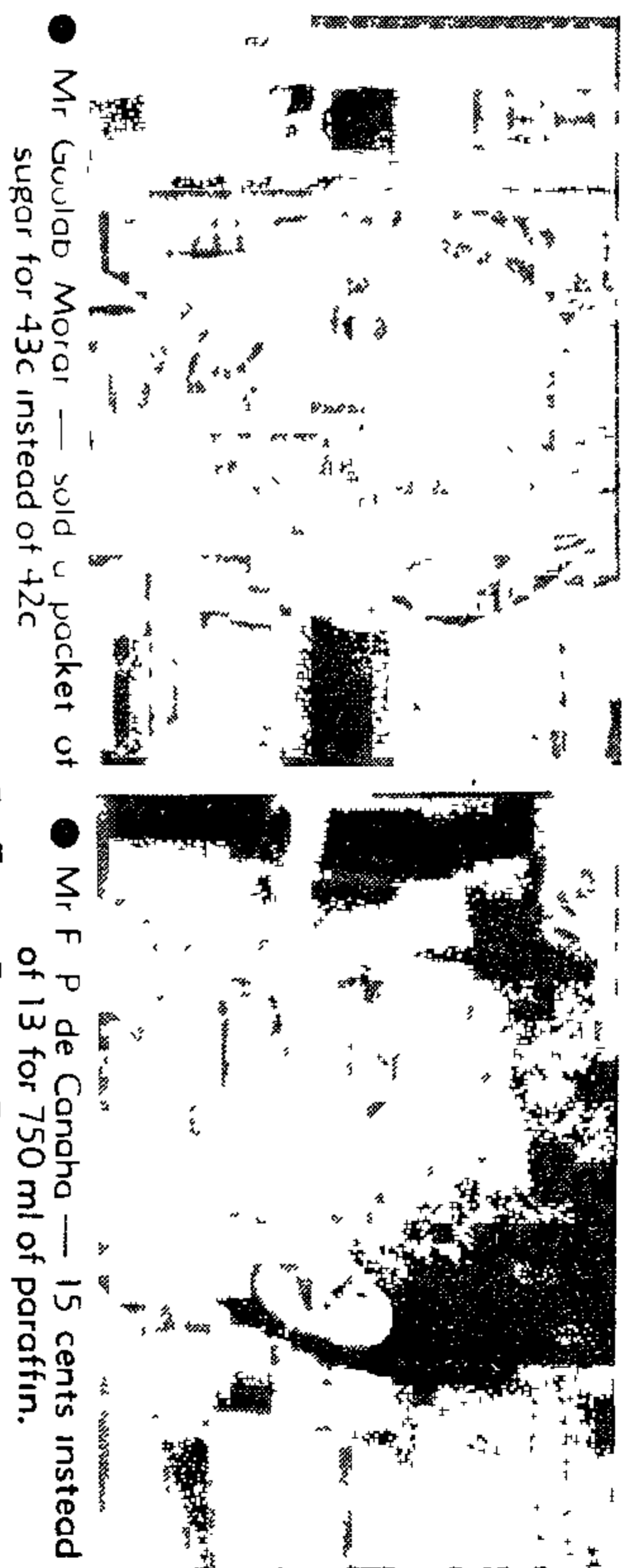
He is Mr Goolab Morar, of Goodwill Supply Store, 74 Mint Road, Fordsburg, who was fined R100 or 50 days this week for selling one 2,5 kg packet of white sugar for 43c instead of the fixed price of 42c.

Mr Morar and 13 other shopkeepers and assistants were found guilty in the Johannesburg Magistrate's Court of over-charging on various articles.

Yesterday Mr Morar, who has been a shopkeeper for 25 years, told the Express he had never been in court for over-charging before. "I don't usually sell 2,5 kg packets of sugar and I didn't realise it had gone down one cent. If I'd wanted to cheat anyone I would have charged a lot more than one cent extra."

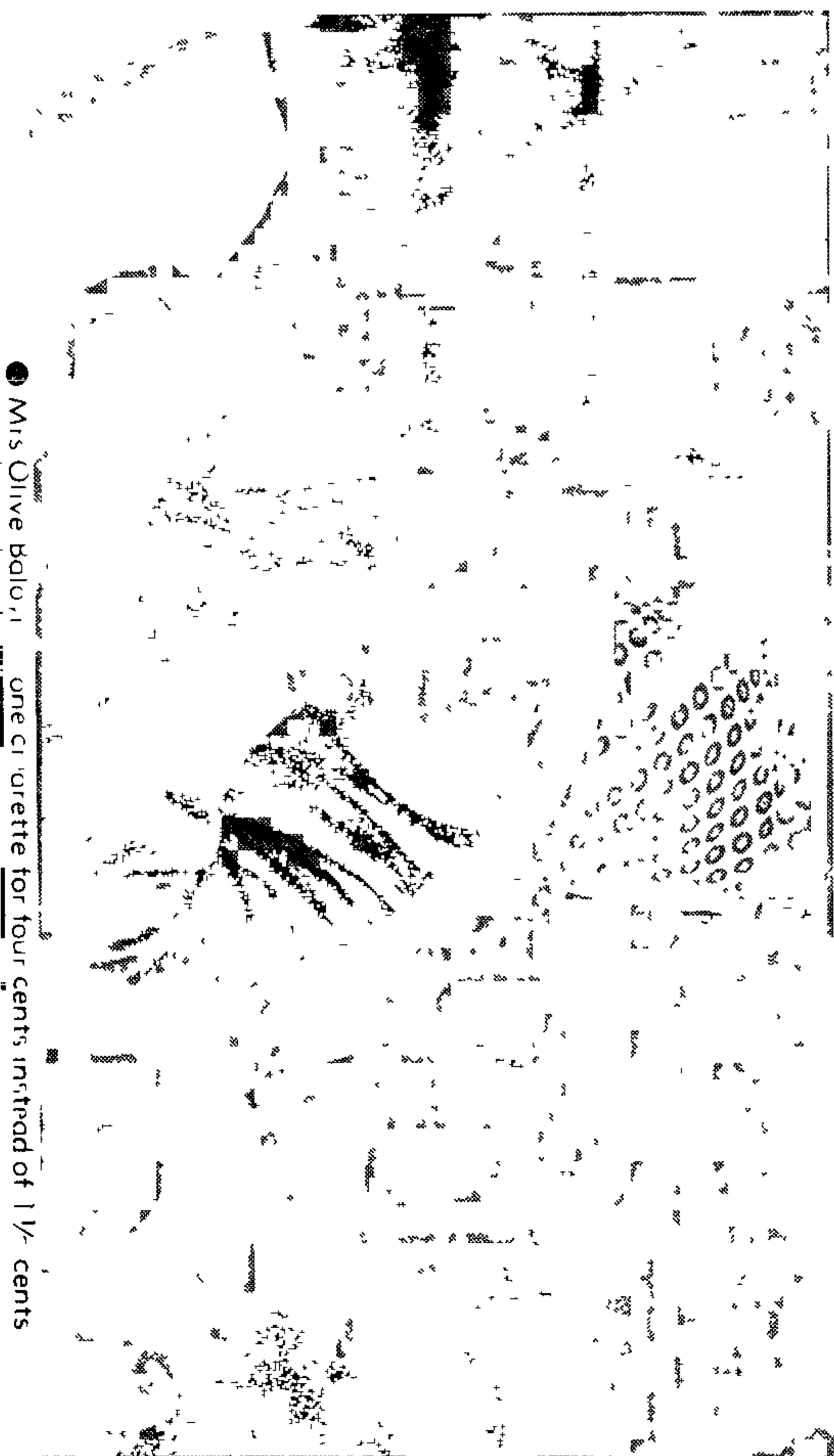
Mr Edgar Mills of Victory Fruitlers, Central Road, Noordgesig, Soweto, was fined R100 or 50 days for charging three cents instead of the fixed 1 1/2 cents for a loose cigarette.

"I have now stopped selling loose cigarettes", he said "But before I was 'trapped' I used to sell single cigarettes for three cents when children came in to buy them."



● Mr Goolab Morar — sold a packet of sugar for 43c instead of 42c

● Mr F P de Canha — 15 cents instead of 13 for 750 ml of paraffin.



● Mrs Olive Baloi, one cigarette for four cents instead of 1 1/2 cents

"I think it's terrible for such young children to smoke and I charged them that much to discourage them from smoking," he said.

Mr Mills admitted however, that the 'trap' had been an adult African.

Mr Mills' brother, Darrol Mills, of Mills Enterprises, Central Road, Noordgesig, Soweto, and his 17-year-old assistant were fined R100 or 50 days and R25 or 15 days respectively, for the same offence.

### 'No crook'

An Illovo shopkeeper Mr A. Argyrou, proprietor of Illovo Stores, 6 Central Avenue, and his assistant Mr H. Solomon were fined R100 or 50 days and R50 or 25 days respectively for selling one litre of paraffin at 25 cents instead of the fixed price of 17 cents.

Mr F. P. de Canaha, of Vallei Cafe, Eikenhof, was fined R100 or 50 days for selling 750 ml paraffin for 15 cents instead of the fixed 13 cents.

"Everyone calls me a crook," he said, "but I'm not — I just made a mistake. I just didn't know the correct price."

### 'Alone'

Mr Lala Govind, of D. Pharoo and Sons, 63 (b) Bree Street, Fordsburg, was fined R100 or 50 days for selling 1,25 kg of white sugar for 45 cents instead of the fixed price of 42 cents.

"I'm 60 and this is the first time I have been in court in my life," he told the Express. "We usually sell only five and 10 cent packets of sugar."

"I was alone in the shop when an African came in and asked for 2,5 kg of sugar. I didn't know the price so I asked him and he said 45 cents. So that's what I charged him."

## Pictures: DANIE GOETZER



● Mr Lala Govind — 45 cents for 1,25 kg of white sugar instead of 42 cents.

● Mr H. Solomon — one litre of paraffin for 25 cents instead of 17 cents.



● Mr Edgar Mills — Three cents instead of 1 1/2 cents for a loose cigarette. "Smoking is bad, especially for young children. I sold cigarettes to children for three cents to discourage them."

The others fined were:

● Mr Kewal Patel, proprietor of Lyric Cafe, 91 Central Road, Fordsburg, who was fined R100 or 50 days for selling one loose cigarette for three cents instead of the fixed 1 1/2c.

● Mr P. R. da Silva of North Street Butchery, Johannesburg, who was fined R150 or 75 days for selling 500 grams of fat when the mass was less.

● Mr Ivan Leko of the Italian Lunch Box, 6a

Anderson Street, Johannesburg, who was fined R120 or 60 days for selling yellow margarine for 33 cents instead of 28 cents. The shop has since changed hands.

● Mr Ehas Matsangu, proprietor of the Hamisi Cash and Carry and Hamisi Fish and Chips, Mofokeng Street, Orlando East, Soweto, who was fined R200 or 100 days for selling a loose cigarette for four cents instead of the fixed 1 1/2c at each of his shops.

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**Price fixing**

\*14 Mr T ARONSON asked the Minister of Economic Affairs

- (1) Whether his Department received complaints with regard to price-fixing by manufacturers in contravention of the Regulation of Monopolistic Conditions Act, if so, in regard to which manufacturers,
- (2) whether any action has been taken by his Department, if so, what action, if not, why not

†The MINISTER OF ECONOMIC AFFAIRS

(1) and (2) Since 4 February 1975 when I replied in this House to question no 11, complaints have been received in respect of a further eight firms and one association alleged to have resorted to resale price maintenance. All complaints have been investigated. In the case of Kimberly-Clark of SA (Pty) Ltd the firm has been prosecuted and convicted whereas in four other cases the Public Prosecutor refused to prosecute because of insufficient evidence. The complaints against four other firms are still being investigated by the Police.

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#### Consumer exploitation

224. Mr. T. ARONSON asked the Minister of Economic Affairs.

(a) How many complaints of consumer exploitation were received by the Price Controller during 1975 and (b) what steps were taken in connection with such complaints.

#### The MINISTER OF ECONOMIC AFFAIRS.

(a) and (b) The Price Controller and his regional offices continually receive a large number of telephonic, verbal and written complaints from consumers about alleged exploitation. These complaints deal with a wide range of controlled as well as non-controlled commodities and services, and are handled on numerous office files. A statistical record of the number, as well as a record of the nature of these complaints, are not being maintained and it would be a huge task for the limited staff of the Price Controller and his regional offices to extract from the various files particulars of all the complaints which were received during 1975. However, all complaints which are received, are at all times thoroughly investigated by the Price Controller, and each complainant is advised of the results of these investigations.

However, for the information of the hon. member I would mention that during 1975 the Price Controller instituted legal proceedings in the case of 2975 alleged infringements of the price control regulations, and that in 2323 of these cases the accused were found guilty.

Cape Times 7/2/76

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# Blacks pay more — claim

MR EUGENE ROELOFSE, former chairman of the South African Co-ordinating Consumer Council, yesterday challenged the British chain store king Sir Isaac Wolfson to "state categorically" whether his South African subsidiary charged higher mark-ups on goods sold to Blacks in this country than to Whites.

In a stirring address that denounced the government, provincial councils and churches of South Africa for allowing "the poor to pay more", Mr Roelofse said at the University of Cape Town last night:

"I challenge Sir Isaac Wolfson 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.

"... if racial price differentials operate in his South African subsidiary would Sir Isaac tell us whether this system contributed to the 1969-1972 ordinary dividends which all exceeded 30 percent — the 1969/70 and the 1970/71 ordinary dividends being 40 percent and 42.5 percent respectively?"

## HAROLD WILSON

Mr Roelofse continued "I think it is also reasonable to challenge our arch-critic, Mr Harold Wilson, to say whether he will investigate the possible existence of discriminatory mark-ups applied by foreign subsidiaries of British companies.

"In fact, I will go further and ask whether our critics, the Trades Union Congress in Britain would be prepared to make known their views on the matter".

It was the poor in South Africa Mr Roelofse said, of whom the vast majority were Blacks and Coloured people to whom the "rocketing cost of living poses a daily threat"

Yet the vast majority of conservative Whites showed a "frightening lack of interest in the subject"

Even the churches he said had "miserably failed" to "protect their flocks from the wolves within our commercial set up"



Mr Eugene Roelofse

to set up branches in Black townships with the result that "the wealthy in Houghton pay less for their groceries than the poor in Soweto"

"Our supermarkets are certainly not run exclusively by angels Time and again they have been caught out when the press has published evidence that old prices had been removed and the goods over-stamped with higher prices. Perhaps this is why the Government has shown such reluctance to allow supermarkets into Black townships

"But it should not be difficult for the State to take powers to confiscate all re-marked stocks or to take other drastic action to protect consumers"

The summary closing down by the authorities of a store for re-marking prices would be a salutary lesson to those concerned for, in spite of price juggling, "supermarkets do in fact sell more cheaply than corner cafes and general dealers

## SUPERMARKETS

"Let them into the townships I say, but hit them hard when they step out of line Alternatively Black traders or even the Bantu Investment Corporation could be allowed to set up supermarkets"

The ignorant poor, said Mr Roelofse represented

than they charged Whites, were contravening the code

And the Government, Mr Roelofse, said, displayed a "strange reluctance" to apply the powers already available in terms of the Price Control Act in order to protect the poor While whisky was subject to price control, some essential foodstuffs were not.

While there was a price control over the factory price of smokeless stoves essentially produced for Black householders (to protect retailers), there was no control over the retail price (to protect consumers).

## ROADWORTHIES

In the motor trade, the fact that motor dealers could sell cars without roadworthy certificates, he said, had given rise to a vast and lucrative market for those dealers who "swindle their way from customer to customer" And the poorer classes, prevailed upon to buy semi-derehict vehicles at inflated prices, were the victims, he said

"and please do not bother our Provincial councillors to rectify the position regarding the sale of cars without roadworthy certificates — or the issue of trading licences to crooks and

# The law tries to protect them

"SNAILS in ginger beer bottles", "skin-irritating underwear", "underweight foodstuffs", "exorbitant prices" and "easy credit" are just a few of the hazards from which the law tries to protect the consumer.

This was asserted yesterday by Mr D J McQuoid-Mason, senior law lecturer at the University of Natal, in a lecture at the University of Cape Town on "The Consumer and the Law".

Mr McQuoid-Mason outlined many instances in which the law provided the consumer protection but stressed that it was up to consumers to insist that their rights were protected and not to feel embarrassed, for example, to return a badly prepared meal to the restaurant kitchen.

But there was a need for further protection in a number of spheres, he said.

● It should not be only those retailers who "publicly profess to have skill and expert knowledge in relation to the kinds of goods sold" that are liable for selling goods with hidden defects, but all specialist dealers in particular goods, including departments in department stores

## SABS

● Manufacturers should be strictly liable for defective goods that injure a purchaser or third parties,

● The Bureau of Standards should introduce more safety standards for dangerous products such as motor vehicles and the Government should consider setting up a products safety commission as exists in the United States.

● The grading system for agricultural products should be simplified

as named of themselves for their failure to thunder forth from pulpits their indignation against hire-purchase racketeers, repossession squads and price sharks"

#### CORNER SHOPS

Huge numbers of the poor, he said, lived in townships spread around the cities and, through practical considerations of time and transport, were forced to buy foodstuffs from the "shop-on-the-corner".

Until now the Government had refused permission for supermarkets

"bottomless fountain of wealth for the exploiter and racketeer", especially in the furniture trade

The latest series of "chats" between the Government and furniture trade, he said, had led to "yet another code of ethics".

But the code failed to declare repossessions without court orders illegal, failed to protect defaulters from repossession squads and did not stipulate that members of the Furniture Trade Association who charged Blacks and Coloureds more for goods

too busy with high politics to care about mere consumers. And do not bother the Government with questions about excessive profits made on used cars sold to the poor. They too, are very busy people.

The poorer classes had only one weapon, he said, "a smouldering hatred".

"We do not just need a Consumer Protection Act to deal with avaricious business men, we also need a Race Relations Act with severe penalties for those who exploit across the colour bar regardless of its consequences to race relations."

And some of those responsible for this situation, he said, were "running profitable little shops after fleeing their own countries where they messed up race relations and the security situation by the same arrogance".

#### PRIORITIES

Finally, Mr. Roelofse concluded, "we must take stock of this situation". Our priorities, he said, should be:

● A ban on the practice of charging Blacks more for goods than the price Whites have to pay

● The opening of supermarkets in Black townships

● The extension of price control to furniture and essential items bought by the poor

● Effective legislation "not chit-chat" to curb malpractices in the furniture and motor trades.

● Measures to prevent the stirring up of racial tensions through economic exploitation.

● A ban on the sale of unroadworthy vehicles by motor dealers.

● A ban on the acceptance of partial deposits on furniture and motor vehicles.

● Action against shops who re-mark the prices of old stocks

● Action against stores who exceed the finance charges laid down by the Limitation and Disclosure of Finance Charges Act.

● Penalties for stores who instead of refunding the requisite portion of finance charges on hire-purchase agreements, fully paid before due date, transfer the balance to a new account, thereby forcing the unsophisticated to use the balance as a deposit for further goods bought on credit.

The responsibility for action, he said, rested squarely on the shoulders of the Government, Assocom and the Handels-instituut.

King act introduced whereby goods were labelled with the ingredients, expiry date, unit price, drained weight (canned goods) and nutritional value.

● Price control and restrictive trade practice contraventions should be more rigidly enforced.

● The courts should refuse to enforce exemption clauses which negate the purpose of a contract, for example, where a night security firm purports to be excluded from liability if premises are broken into through any fault on the part of their employee.

● The Hire Purchase Act should be amended to prevent acknowledgment of debt agreements from being used to get round the provisions of the Act, to provide a consideration period for potential purchasers to study the proposed agreement and to stipulate a maximum percentage of a person's monthly income which may be committed to hire-purchase agreements.

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# Price control — scrap it all!

**Minister Heunis' welcome** decision to lift price control on cigarettes, cigars, tobacco and whisky prompts a fundamental question. why have price control at all?

Basically, as the *FM* has argued in the past, there should be no need for price control in a peace-time, free-enterprise economy. What is needed to protect the public is sufficient competition among producers and distributors. And unrestricted freedom of entry for new enterprises when profits become attractive.

If the small size of the market, or any other reason, prevents sufficient competition, it should be provided by imported supplies. These will force down excessive profit margins and ensure that the con-

sumer pays reasonable prices and has a wide enough range of choice.

Price control is not only unnecessary (except in cases where special factors rule out competition — eg electricity supply) it can be positively harmful. witness the sorry state of the steel industry where unrealistically low prices have seriously hampered capital formation. Bricks is another example.

Only last month, Massey-Ferguson was obliged to remind Pretoria that price control on locally made farm and construction equipment was so harming the company's earnings that it had become virtually impossible to provide for the replacement of fixed assets and to reward shareholders sufficiently to attract further risk capital.

Another weakness of price control is that maximum prices often become minimum prices. Low-cost producers in a price-controlled industry end up charging the same as high-cost producers.

The government, seemingly, is not convinced. While it has removed several items from the controlled list (including, besides whisky and cigarettes, condensed milk, porcelain sanitary equipment and bathroom tiles, cinema tickets and TV sets ex the manufacturer), it still maintains price control on a whole string of products, from important inputs like cement and fertilisers to consumer goods such as yellow margarine and electric razors.

Pretoria argues, in particular, that competition is *not* always sufficient —

## JOEP STEYN'S LONG LIST

**These goods** are price controlled

- Electrical and non-electrical household appliances and their parts — refrigerators, freezers, stoves, ovens, floor polishers, vacuum cleaners, washing machines, electric irons, electric kettles; toasters, heaters, electric food mixers, ventilating fans, hair driers, geysers, electric razors, domestic sewing machines, and domestic knitting machines
- Seed potatoes (imported)
- Photographs for the population register.
- Building materials — burglar proofing; burnt clay bricks and other building bricks, corrugated galvanised iron, asbestos cement, slate and tile roof coverings and fittings (excluding lead washers), galvanised iron and asbestos cement gutters, downpipes and fittings, cast iron pipes, gypsum board, fibre-board and other ceiling covering and fittings; glass and putty for glazing, hardboard, timber for joinery and structural timber; wooden doors and door frames, including solid laminated flush doors, chip core doors and hollow core doors; lime, quarry tiles, lin-

tels, pre-stressed, sand, river and pit-sand, sanitaryware other than ceramic, including wash basins and baths (excluding copper and lead pipes and fittings), cement, slag cement and mixtures, salt-glazed earthenware pipes and fittings, steel doors, door frames, windows, sidelights and fanlights, crushed stone and crusher sand, wood blocks, strip flooring, floor boards and other floor coverings

- Dried lucerne and lucerne meal
- Photographic and cinematographic cameras, enlargers and reducers, projectors and parts — cameras, cinematographic cameras, image projectors, cinematographic sound and silent projectors, slide viewers, films (all types), projection screens, camera lenses and filters (all types), photometers, flashlights (including bulbs), camera stands and supports, projector stands, and photographic enlargers and reducers
- Yellow margarine
- Fertilisers
- Agricultural machinery, implements and equipment and parts — lawnmowers, hay and grass mowers, harvesting and thrashing machines,

combines, hay and fodder presses; winnowing and similar cleaning machines for seed, grain or leguminous vegetables, ploughs, mouldboard and disc types, harrows, offset discs, one-way disc types, cultivators, egg trading machines, dairy machinery (including milking machines and cream separators), presses, crushers and other machinery of a kind used in wine-making, cider-making, fruit juice preparation or the like, poultry incubators and breeders, tractors

- Fencing materials (wire, wire netting, fence poles and droppers)
- Porcelain insulators
- Radios, radiograms, high-fidelity sets, gramophones, sound recorders and reproducers, record players, tape and wire decks, loudspeakers and amplifiers and parts, and dry batteries
- Certain steel products
- Coal
- Sugar
- Fresh milk in certain areas
- Firearms and ammunition
- Television receivers and accessories
- Mineral waters and fruit juices
- Illuminating paraffin

Apart from statutory control, the Price Controller may conclude an agreement with a specific manufacturer or group of manufacturers on an industry basis in terms of which the manufacturer or industry undertakes not to increase his or its prices without the prior approval of the Price Controller. Agree-

ments of this nature have been concluded in respect of the following commodities — alcoholic liquor, anthracite, bolts, nuts and screws, coke, galvanised steel tubes, glass containers, metal containers, petrol and power paraffin, pharmaceutical products, types and tubes, wattle extract, and fishmeal

In addition to the controls applied under the Price Control Act, the prices of certain agricultural products are controlled in terms of the Marketing Act. Although the latter is mostly used to determine minimum producers' prices for agricultural products, it also empowers the control

boards to control prices at manufacturers' and commercial levels. The prices of the following commodities are fixed at commercial levels in terms of the Marketing Act — bread, wheaten flour and meal, butter and cheese, fresh milk in certain areas, and bananas (only a recommended price)



...ch, it says, is why there's a Monopoly Commission looking into the matter. It insists imports cannot always be used to provide competition where this is lacking domestically, because of the impact on the balance of payments, on the viability of the industries concerned, and thus on employment. It also believes price control is necessary for "essentials".

Where products are subject to price control the general rule is that price increases are not allowed if a company's — or an industry's — rate of return on capital is over 15%. Profit is struck before tax and interest payments, but after normal depreciation, as well as an additional allowance to take account of the rising cost of replacing machinery and equipment. Capital is taken as the written down book value of fixed assets plus gross current assets.

Recently, the government has taken a hard line on applications where profitability has been eroded purely by adverse market conditions. On the whole, it has only been prepared to consider applications based on "unavoidable" cost increases. Even then, in terms of the Anti-inflation Manifesto, firms have been forced to absorb part of the increases themselves.

The immediate reason for introducing price control on a particular product varies. Sometimes it's a question of the undersupply of an important input, as with building materials in the middle Sixties. In other instances it's a perceived lack of domestic competition in a particular industry, as is alleged to be the case with glass bottles, sheet glass and metal containers.

Whisky was price-controlled to prevent profiteering in the wake of the 1971 devaluation. Yet it stayed under control for four years — which illustrates an important point. Once you've got control, it's extremely difficult to persuade politicians to lift it, even after the original reason for imposing it has disappeared.

Obviously, in the current inflationary climate, any large-scale abandonment of control is out of the question for political reasons. But once inflation is brought under control, a thorough investigation should be made of the whole price control paraphernalia. And where an economically sound case cannot be made out for its retention, it should be scrapped.

## CHRISTMAS SPENDING Painting the town

Despite recession, growing unemployment, civil strife and threats of a Black boycott, retailers report that pre-Christmas trade is brisk. "Much better than expected," reports OK's marketing director Ken Coote. "Slightly better than last year," reckons Greaterman's



Not only elbow bending with beer mugs this Xmas

Lawrence Herber

Coote qualifies that customers are being much more selective than usual. "Christmas presents are intelligent buys. Toys are still going, but many people are buying, say, a pair of pyjamas instead."

Coote estimates that volume is good in money terms — probably about the same as last year. In real terms, of course, this means trade is down. Country areas, he says, are doing well but some of the big towns, like depressed Port Elizabeth, are down.

There is no sign, he adds, of any Black boycott, though Blacks are not out in force, spending as they usually do at this time of year. Herber agrees. "There is no measurable effect as far as the boycott goes."

Edgars' chairman Sydney Press is more cautious. "We are particularly pleased with the performance of our new flagship stores in major cities," he says, "but Christmas trade is generally not so buoyant, being a few per cent below what it was up to the end of October."

Press agrees that the slight downturn might be because of a drop in Black spending — "But that's very slight."

Interestingly, OK's Coote says that clothing sales, in spite of the pyjamas-for-toys switch, are weak. Edgars, on the other hand, which sells primarily clothing and soft goods, is not experiencing this.

Frank & Hirsch's Helmut Hirsch notes that lines neglected during the year due to the TV boom, such as hi-fi, photographic equipment etc, are making a comeback.

Retail furniture chain chief Eric Ellerine believes it's too early to pick up any trend. As far as Black customers are concerned there's been no noticeable drift, he adds.

Buying patterns suggest this will be

largely a stay-at-home Christmas. Liquor discounter Benny Goldberg says that, despite people having less money to spend, "it's an average Christmas — much of a muchness." Goldberg reckons because of petrol curbs fewer people will travel on holiday. "They'll stay at home and have a few parties."

Ian Flowers of liquor importer Henry Taylor & Ries reckons demand has been a little quieter than normal but that there could be a last minute rush. "A tremendous number of people are staying at home."

Flowers, incidentally, doesn't expect the lifting of price control to have any immediate effect on whisky. Most retailers sell it as a loss leader," he explains. He does warn, however, that due to rising costs overseas, price increases can be expected in the New Year. There is also, he suggests, the possibility of shortages of popular whisky brands due to cuts in import permits.

Another pointer to the home hearth Christmas is an unprecedented demand for household paint. Prolux MD Klaus Dienst says that plants are working seven days a week, 24 hours a day to meet demand. "We're really quite surprised."

It appears that the domestic *quid pro quo* for Dad buying in lots of Christmas cheer is that elbow-bending will not only be done with a beer mug — but with a paintbrush too.

## TUCKERS TEST CASE Life or death

Yet another cloud of uncertainty hangs over the battered township industry. Should Tuckers lose a test case to be brought against it by a handful of deed-

Hammond 3 Q 193-194 8/2/77

**Price Controller: Complaints of Exploitation**

①9 Mr T ARONSON asked the Minister of Economic Affairs

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- (a) How many complaints of consumer exploitation were received by the Price Controller during 1976 and (b) what steps were taken in connection with such complaints

†The MINISTER OF ECONOMIC AFFAIRS

- (a) The Price Controller receives on a continuous basis a large number of written and telephonic complaints about alleged high prices for goods and services or alleged contraventions of the price control regulations. These complaints are dealt with on a wide range of departmental files and a consolidated list or return of the individual complaints is not main-

tained. It would be a comprehensive task for the limited personnel of the Price Controller to extract details of these complaints from the files and could only be done at the expense of more important work. The information concerned cannot, therefore, be extracted.

- (b) All complaints received by the Price Controller are investigated and in the case of those goods of which the prices are controlled in terms of the provisions of the Price Control Act, No 25 of 1964, prosecutions are instituted in the case of complaints which are justified. In the case of goods of which the prices are not controlled formally in terms of the said Act, undertakings whose prices are considered to be too high are requested to reduce their prices to more reasonable levels. If such undertakings fail to comply voluntarily with the request of the Price Controller their prices may be fixed at reasonable levels in terms of the Price Control Act.

# Companies guilty of Price Act offence

ARGUS 11/2/76

(1) 184  
(2) 247

**BLUE BELL WRANGLER (PTY) LTD and its agent, Nathan Shapiro Agencies (Pty) Ltd, were convicted in the Supreme Court, Cape Town, today of contravening the Retail Price Maintenance Act.**

Blue Bell Wrangler, manufacturer of 'Wrangler' jeans, and Nathan Shapiro Agencies both pleaded guilty to the charge.

The directors of both companies and the servants of the companies all pleaded not guilty.

This is the first Supreme Court case to be heard in South Africa involving an alleged contravention of the Retail Price Maintenance Act.

Appearing before Mr Justice Watermeyer are Blue Bell Wrangler, represented by a director, Mr Iain Graham Lyon, Mr Lyon in his personal capacity, Mr Kenneth Duveen, an employee of Blue Bell Wrangler, Nathan Shapiro Agencies, represented by a director, Mr Nathan Shapiro, Mr Shapiro in his personal capacity and Mr Lionel Farber, a director of Nathan Shapiro Agencies.

## RESALE PRICE

Between August and October 1974, National Half Price Stores (Pty) Ltd and its subsidiary, Cape Dominion Trading Company (Pty) Ltd, purchased, through Nathan Shapiro Agencies, a consignment of Wrangler jeans from Blue Bell Wrangler.

A portion of the consignment was received during October and November of that year. In the same period, Blue Bell Wrangler and Nathan Shapiro Agencies attempted to compel Mr Sam Stuppel, the managing director of National Half Price Stores, and an employee, Mr Hugh Thomas Ashby, to observe a resale price for the jeans specified by Blue Bell Wrangler and Nathan Shapiro by conveying to the retailers that further supplies would cease if this were not done,

according to the charge sheet.

The Deputy Attorney General of the Cape, Mr A J 'Braam' Lategan SC, assisted by Mr S. Baker, is appearing for the State.

Mr M. Seligson SC, assisted by Mr D. Ipp and instructed by C. K. Friedlander, Kleinman and Shandling, is appearing for Nathan Shapiro Agencies, Mr Shapiro and Mr Farber.

Mr J. Broome SC, instructed by Cox and Yates of Durban, is appearing for Blue Bell Wrangler, Mr Lyon and Mr Duveen.  
(Proceeding).

# Trial for alleged price offenders

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MORE people are appearing in court charged with offences under the Price Control Act because the Attorney-General had ruled that admission of guilt fines were no longer acceptable, a spokesman at the Price Control office in Cape Town said yesterday.

He said that this meant that the courts could be tough with those who were convicted under the Price Control regulations. In one case a magistrate not only imposed a fine but imposed a prison sentence which was suspended for three years. This served as an additional deterrent to the offender.

The spokesman said that there had been an increase in the number of convictions for price offenders during the past two months but the exact

figures were not yet available

Though the staff of inspectors had not been increased they were keeping pace with the investigation of complaints

**NOTE:** The proposed amendment of the Price Control Act which will come before Parliament makes provision for a maximum fine of R2 000 (or two years) or both for offenders. The present maximum fine is R1 000 (or two years) or both.

# Jeans manufacturer *Cape Times 12/2/76* 'fleecing public'

Supreme Court Reporter .

**THE DEPUTY ATTORNEY GENERAL of the Cape, Mr Braam Lategan, SC, yesterday accused the manufacturers of "Wrangler" jeans of being prepared to fleece the public and of riding on the back of the man in the street.**

He made these submissions while asking Mr Justice Watermeyer to impose heavy fines on Blue Bell Wrangler (Pty) Ltd, the manufacturers of the jeans, and its agent Nathan Shapiro Agencies (Pty) Ltd, who tried to force Half Price Stores to charge customers nearly twice what it paid for the jeans.

The companies pleaded guilty to contravening the retail price maintenance regulations.

A director of Blue Bell Wrangler, Iain Graham Lyon, and an employee, Kenneth Duveen, and two directors of Nathan Shapiro Agencies, Nathan Shapiro and Lionel Anthony Farber, pleaded not guilty. Their pleas were accepted.

After the companies had been convicted and the men discharged, Mr Lategan read to the court a statement of agreed facts.

The statement said Half Price Stores ordered 4 750 pairs of jeans from Blue

Bell Wrangler in 1974 to sell them at a competitive price. But 768 pairs were never delivered. Another order for 12 000 pairs was not accepted.

Half Price Stores started advertising that the jeans would be sold for R5,99. Blue Bell Wrangler objected to the price and the advertisements which it believed were damaging to the reputation of "Wrangler" jeans and were an abuse of its trademark.

In October 1974 a representative of Nathan Shapiro Agencies told Half Price Stores that Blue Bell Wrangler would not supply the jeans unless they stopped advertising and charged the recommended retail prices, the statement said.

Asking that the companies be fined heavily, Mr Lategan said retailers were forced to make jeans expensive. He described profits made by retailers as "disgusting".

The deeds of Blue Bell Wrangler could virtually be described as stealing from the public, Mr Lategan said.

Judge Watermeyer will sentence the companies today. He sat with two assessors Mr C H van Gend and Mr G Hofmeyr.

Mr Lategan was assisted by Mr S Baker, Mr J Broome, SC, instructed by Cox and Yates of Durban, appeared for Blue Bell Wrangler. Mr M Seligson, SC, assisted by Mr D Ipp and instructed by C B Friedlander, Klerks and Shandling, appeared for Nathan Shapiro Agencies.

(1) - 184  
2, 247

# cuts on men who

SUN EXPRESS 15/2/78

# charge you double

—Facts of dossier on manufacturers aimed—are with African a multi-je annually to the Sun- is week. as been com- am Stuppel,

managing director of the cut-price clothing chain, Half-Price Stores, and the man responsible for bringing the great jeans wrangle to court  
Mr Stuppel's refusal to mark-up Wrangler denim jeans by 100 per cent to the recommended retail price led to the conviction under the retail price maintenance regulations of the manufacturers, Blue Bell Wrangler, and their agents, Nathan Shapiro Agencies, in the Cape

By DIANA POWELL

Town Supreme Court this week

The firms were fined R11 000 after it was found that they had tried to force Half Price Stores to sell the jeans for twice what they paid for them

Mr Stuppel said the charge against Wrangler was a test case and only an isolated incident of retail price maintenance which was being practised daily by scores of manufacturers in South Africa daily.

"It might surprise you to know that because we cut our prices, the only branded goods we are able to sell are a range of pantyhose and a range of blankets. Not another single branded line have we been able to obtain from the manufacturers.

"There are dozens of clothing labels we would like to offer our customers — a top-class range of men's suits and a shirt line are just two we would dearly love to get

"But when we try to obtain supplies, our telephone

calls are not returned, we are told the goods are sold out — or that we will have to wait ten years for delivery. And this is the clever way of doing it because it is difficult to prove the manufacturers are deliberately putting obstacles in our way," said Mr Stuppel.

"I would like to make an urgent plea to Mr Chris Heunis, the Minister of Economic Affairs, to step in and stop these malpractices

"He should act on complaints from retailers by sending out inspectors to check manufacturers' order books.

"This is supposed to be a free-enterprise society but how much free enterprise is there when a man is not allowed to offer the public goods at competitive prices?"

"In our business we cater for Black and Coloured workers, most of whom earn about R25 a week

"Our customers do not want air conditioning, carpets and credit — and because we do not have to sup-

ply these services, we do not need a 100 per cent mark-up

"Why should a poor man have to pay R11.99 for an item when someone is prepared to sell it to him for R5.99?"

Mr Stuppel referred to the jeans trial.

"The Deputy Attorney-General of the Cape, Mr Bram Lategan, said that Wrangler had 'fleeced' the public. What amazes me most is that this is an American company which tried to ride on the backs of lesser-privileged non-Whites.

"The South African public is being taken for a multi-million-rand ride annually through the practice of retail price maintenance."

Had all the jeans ordered from Wrangler been delivered, their sale at R5.99 a pair would alone have represented a saving to the consumer of R100 000.

Sentencing Blue Bell Wrangler and Nathan Shapiro Agencies this week, Mr Justice Watermeyer said the legislature regarded the offence as serious.

The fine would serve as a warning to others

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# 100 PERCENT

By JEFF HENDERSON

A 48-HOUR "CHANGE-YOUR-MIND" clause for furniture buyers is written into a new code of ethics introduced quietly into the furniture trade to cut down on exorbitant profiteering and to prevent surprise purchases.

And new price controls restrict the mark-up of furniture to 100 percent for the first six months of this year and 80 percent from July 1.

The code enables buyers to return furniture to dealers within 48 hours if they change their minds — but it will not apply to items such as especially cut carpets.

It also proposes to end practices such as giving unjustifiable credit facilities to buyers without taking into consideration their ability to meet financial obligations.

HP malpractices mentioned in the code include:

- Repossessing furniture without court orders and using strong-arm tactics to break into defaulters' homes;
- Advancing deposits to customers unable to afford them or accepting

## That's all the furniture men want as they announce their new charter

trade-ins of worthless objects instead, • Intimidation of buyers with bogus summonses, and

• Failure to disclose total purchase prices in catalogues in which only deposits and weekly prices are listed.

The price curbs and the code of ethics were agreed to some months ago between the Government and the Furniture Traders' Association, but have only just been confirmed to newspapers by the Department of Commerce in Pretoria.

The FTA is believed to have put its own proposals forward after the stern "Put-your-house-in-order" war-

ning last August by the Price Controller, Mr Joep Steyn.

He threatened Government action after a departmental investigation spotlighted a number of malpractices in the trade.

All members of the FTA are believed to have signed the agreement and the association is urging non-members to follow suit. The new controls have not been gazetted, but legal action is likely to be taken against defaulters.

Durban furniture dealers this week told me the controls were aimed mainly at businesses doing door-to-door trade in Black areas. These firms claim

they charge higher prices — with mark-ups varying between 125 and 250 percent — because of overheads through employing salesmen, collectors, trading agents and repossessioners.

A suggestion from Cape Town that the code will put "thousands" of salesmen and collectors out of work as stores switch from fieldwork to shop trade was refuted by Durban dealers.

Mr Ken Simons, Natal regional manager of Ellermes, which has 126 branches and employs 4 500 people, told me: "Far from getting rid of staff we are looking for staff — both Black and White."

"We welcome the new code of ethics. Our whole system of granting credit is based on ensuring our customers are buying within their means. Our trade-in policy was dropped four

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# Dealers 'stick to 100 pc mark-up'

Mercury Reporter

16/2/76 WM

NATAL furniture dealers had agreed on a maximum profit level and were trading to it, Mr. Malcolm Werner, chairman of the Natal division of the Furniture Traders' Association, said yesterday.

And he said the mark-up was within the framework of an agreement recently reached by the association.

This follows a newspaper report which said that new price controls restricted the mark-up of furniture to 100 percent for the first six months of the year and 80 percent from July 1.

Mr Werner said that if the 100 percent mark-up ceiling figure could be reduced by mid-year . . . "we will reduce it and show the part we are playing in the anti-inflation drive."

He said the ceiling would be adhered to by all traders and that anyone who did not do so would be dealt with by a tribunal set up by the association.

Mr. Werner added that the trade had recently got together on the anti-inflation drive following criticism for malpractices.

"Most of these were unfounded but we got adverse publicity" He said the Government had stepped in and told furniture dealers to "play their part" in the campaign.

"Consequently we got together and set up a code of ethics for furniture dealers," he said.

This, he said, included a clause giving purchasers 48 hours in which to change their minds about furniture

they might have bought and then had second thoughts.

But Mr. Werner emphasised that the public should support stores who are accredited members of the association.

He warned buyers against visiting the "little backroom" traders. "These are the people who have given us a bad name."

(1) 28  
(2) 247



TYPE OF FARM EMPLOYEE - DOMESTIC

RACE - AFRICAN

YEAR - 1972/73

AVERAGE MONTHLY TOTAL WAGE FOR ALL ECONOMIC REGIONS = R 13.74

DEVIATIONS FROM AVERAGE NC

EC REGION DEVIATION	1	29.42	2	29.09
EC REGION DEVIATION	13	-3.96	14	-2.45
EC REGION DEVIATION	25	1.29	26	-0.52
EC REGION DEVIATION	37	6.75	38	8.18
EC REGION DEVIATION	49	-4.29	50	-7.66

- (2) whether any convictions were obtained, if so, what was the fine in each case,  
 (3) whether any cases are still under investigation by the Police, if so, (a) how many and (b) in respect of which commodities.

The MINISTER OF POLICE

- (1) Yes. 249  
 (a) 5.  
 (b) Cameras  
 Toilet requisites  
 Liquor  
 Clothing (2 cases)  
 (2) Yes, in 4 cases R300, R1 000, R10 000 and R1 000.  
 (3) Yes  
 (a) 7  
 (b) Toilet requisites  
 Toys  
 Tools  
 Mattresses  
 Television sets

TYPE OF FARM EMPLOYEE - DOMESTIC

RACE

YEAR - 1972/73

AVERAGE MONTHLY CASH WAGE FOR ALL ECONOMIC REGIONS

DEVIATIONS FROM AVERAGE MONTHLY CASH WAGE BY ECO

EC REGION DEVIATION	1	20.25	2	-2.18	3	7.15	4	9.13	5	15.4
EC REGION DEVIATION	13	-3.97	14	-2.92	15	-3.02	16	-1.71	17	-2.8
EC REGION DEVIATION	25	1.83	26	.14	27	-1.09	28	1.90	29	5.1
EC REGION DEVIATION	37	5.05	38	7.22	39	4.00	40	-1.10	41	4.0
EC REGION DEVIATION	49	-2.59	50	-5.68	51	-4.37	52	-4.42	53	-5.94

Regulation of Monopolistic Conditions Act: Offences

355. Mr. T ARONSON asked the Minister of Police.

- (1) Whether any companies were prosecuted during 1975 for alleged offences under the Regulation of Monopolistic Conditions Act, if so (a) how many and (b) what was the nature of the products concerned;

6	9	10	11	12
-0.62	0.70	-3.39	-1.92	
21	22	23	24	
-5.55	-4.06	-3.73	3.39	
33	34	35	36	
-0.17	1.20	-0.63	7.98	
45	46	47	48	
1.39	-0.84	-3.47	-1.75	
57	58	59	60	
-5.70	-4.22	-4.97	-2.88	

# Woonstelle as belegging

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SMIEDT COOPER DEVELOPMENTS, die nuwe eienaar van Blouberg Heights, Blouberg se reuse-woonstelgebou, het sy bemerkingspatroon van die 128 woonstelle in die gebou verander.

Die individuele woonstelle sou aanvanklik ingevolge 'n aandeelblokplan verkoop word. Volgens die nuwe konsep sal die woonstelle nog steeds daarvolgens verkoop word, maar dit sal nou deur 'n finansiële instelling geadminestreer word. Die belegger se belange sal sodoende beskerm word en hy sal besit kry van een of meer woonstelle met 'n byna versekerde kapitaalgroei. Die kapitaalgroei sal jaarliks teen 'n koers van sowat 10 persent belastingvry saamgestel word.

Verbande van tot 75 persent is verkrygbaar en beleggers kan met so min as R2 280 in die skema deel. Die belegger sal die keuse hê of hy die woonstel self

wil verhuur en of hy dit wil laat administreer. Dit sal teen 'n geringe koste gedoen word en hy ontvang 'n maandelikse huurtyek

As die belegger van die verbandgeleentheid gebruik maak, kan hy sy kapitaal viervoer.

## Price control supervisors/inspectors

331. Dr. A. L. BORAINÉ asked the Minister of Economic Affairs

- (1) (a) How many price control supervisors or inspectors are there on the establishment of the Price Controller and (b) where are they stationed;
- (2) whether there are any vacancies on this establishment; if so, (a) how many and (b) where;
- (3) whether it is the intention to increase the establishment; if so, (a) by how many and (b) in what areas; if not, why not.

## The MINISTER OF ECONOMIC AFFAIRS:

(1) and (2) The establishment of the Price Controller is as follows:

Centre	Number of Posts	Number of Vacancies
Head Office	10	2
Bloemfontein	5	1
Durban	16	7
Johannesburg	20	9
Cape Town	14	2
Kimberley	4	—
Klerksdorp	4	—
East London	6	1
Pietermaritzburg	4	1
Pietersburg	1	—
Port Elizabeth	7	1
Pretoria	30	17
Springs	7	—
Vereeniging	4	—
Windhoek	3	—
Worcester	3	—
Total	138	41

3. Let op die ge...
4. Wys op SES se gevorm is.
5. Wys op SES ad Wat is die re...
6. Gee die meer Water selfs...
7. Hoekom word...
8. Maak seker d woorde ken.

(3) (a) Yes. It is not possible at this stage to give an indication of the number of additional posts which will be created on the establishment of the Price Controller since this would depend on the funds which could be made available for the aforementioned purpose

(b) Officials which will be appointed to the posts referred to in (3)(a) will be assigned to the Regional Offices where the greatest need for additional personnel exists.

- A. 1. Die bemerkingspatroon van die woonstelle het verander. Verduidelik die verskil.
2. Die verkopers bied versekerde kapitaalgroei. Verduidelik hoe dit gebeur.
3. Hoekom is hierdie kapitaalgroei belastingvry?
4. Verduidelik die keuse wat die belegger het i.v.m. die verhuur van die woonstelle.

n 'n groot verband 'n wægstuk die koper?

Hansard 4 col 272

aan u onder: "die klein

18/2/76

die Afrikaanse benaming vir: Heights.

eerste paragraaf kan die dubbele lang op 2 maniere aangewend word.

die 3de paragraaf in die negatief.

sels in die stuk.

e stuk wat d.m.v. somestelling rd gebruik?

rbuig word.

ige naamwoorde in die stuk. meervoudsvorm nie?

as een woord geskryf nie?

k van die onderstreepte

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## RPM PROSECUTIONS

### Rare but significant <sup>FM.</sup> <sub>27/2/76</sub>

Generations of well-intentioned legislators have discovered to their sorrow that it is one thing to make laws but quite another to enforce them. Consumers and discounters should thus be wary before drawing too much comfort from recent convictions under the resale price maintenance (RPM) regulations.

Promulgated under the Monopolies Act as long ago as 1969, the first prosecution took place only last year. Hampo, a subsidiary of Premier Milling, was fined R300 once legal clarity had been established on the question of whether, like patented items, unpatented accessories

### Half-Price Stores' Sam Stuppel ... successful fight

were exempted from the regulations. Earlier this year, paper product manufacturer Kimberly-Clark was fined R1 000 on the strength of a letter to a customer, written a few years back without senior authority and against company policy.

But by far the most serious conviction is of jeans manufacturer Blue Bell Wrangler. (FM February 13), fined half the R20 000 legal maximum for refusing to supply its products to Half-Price Stores.

The Court accepted that RPM was not a general Wrangler practice, and took into consideration that Wrangler was

# CURB PRICE FIDDLERS SAYS HEUNIS

NM 27/2/26.

Mercury Correspondent

CAPE TOWN—The Minister of Economic Affairs, Mr. J. C. Heunis, said yesterday that the commercial community should discipline traders who behaved in an irresponsible manner, and who indulged in undesirable practices at the expense of the consumer.

At a Cape Town Chamber of Commerce lunch he said such action would, he believed, be in the interest of healthy business / consumer relationships, because retailers generally tended to be condemned for the behaviour of a relatively small minority of traders.

"I am aware that cer-

tain sections of organised commerce have already adopted codes of business ethics, and I would commend the introduction of similar codes throughout the commercial community."

Mr Heunis said he attached the greatest importance to the absorption of higher costs by entrepreneurs wherever possible, instead of these increases being merely passed on by them to the consumer in the form of higher prices.

By absorbing higher costs, firms would not only contribute towards the fight against inflation but would also promote the re-establishment of better relationships and improved understanding between private enterprise and the consumer.

Labour groups in particular had criticised businessmen for not observing their commitments in the anti-inflation campaign programme, and while it was not suggested that these criticisms were justified in all respects, they certainly could not be ignored.

"You will have also noticed that this criticism is directed mainly at our retailers who are, of course, at the end of the supply lines and who are usually regarded as the culprits when prices rise.

"This is a view which

(+ 28)  
(2) 247

TYPE OF FARM EMPLOYEE - DOMESTIC	FACE - COLOURED												EMPLOYMENT AS AT 31ST AUGUST 1973											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
EC REGION EMPLOYMENT	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
EC REGION EMPLOYMENT	218	297	632	1291	2886	1473	574	668	688	136	1834	546	218	297	632	1291	2886	1473	574	668	688	136	1834	546
EC REGION EMPLOYMENT	13	14	15	16	17	18	19	20	21	22	23	24	13	14	15	16	17	18	19	20	21	22	23	24
EC REGION EMPLOYMENT	1466	506	643	570	1220	79	6	5	141	2	3	1	1466	506	643	570	1220	79	6	5	141	2	3	1
EC REGION EMPLOYMENT	25	26	27	28	29	30	31	32	33	34	35	36	25	26	27	28	29	30	31	32	33	34	35	36
EC REGION EMPLOYMENT	3	0	7	6	0	1	0	2	0	6	2	2	3	0	7	6	0	1	0	2	0	6	2	2
EC REGION EMPLOYMENT	37	38	39	40	41	42	43	44	45	46	47	48	37	38	39	40	41	42	43	44	45	46	47	48
EC REGION EMPLOYMENT	27	2	5	17	14	9	3	1	6	3	27	32	27	2	5	17	14	9	3	1	6	3	27	32
EC REGION EMPLOYMENT	49	50	51	52	53	54	55	56	57	58	59	60	49	50	51	52	53	54	55	56	57	58	59	60
EC REGION EMPLOYMENT	11	1	2	8	32	2	10	156	0	39	237	0	11	1	2	8	32	10	156	0	39	237	0	

TYPE OF FARM EMPLOYEE	TYPE AS AT 31ST AUGUST 1973																							
	1	2	3	4	5	6	7	8	9	10	11	12												
EC REGION EMPLOYMENT	26	27	28	29	30	31	32	33	34	35	36	37	26	27	28	29	30	31	32	33	34	35	36	37
EC REGION EMPLOYMENT	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
EC REGION EMPLOYMENT	21	22	23	24	25	26	27	28	29	30	31	32	21	22	23	24	25	26	27	28	29	30	31	32
EC REGION EMPLOYMENT	37	38	39	40	41	42	43	44	45	46	47	48	37	38	39	40	41	42	43	44	45	46	47	48
EC REGION EMPLOYMENT	27	2	5	17	14	9	3	1	6	3	27	32	27	2	5	17	14	9	3	1	6	3	27	32
EC REGION EMPLOYMENT	49	50	51	52	53	54	55	56	57	58	59	60	49	50	51	52	53	54	55	56	57	58	59	60
EC REGION EMPLOYMENT	11	1	2	8	32	2	10	156	0	39	237	0	11	1	2	8	32	10	156	0	39	237	0	

WEDNESDAY, 10 MARCH 1976  
*Hansard*  
 Hansard 7  
 Col 534

[Indicates translated version  
 For written reply]

**Hire Purchase Act Contraventions**

353 Mr. G. H. WADDILL asked the Minister of Police

- (1) How many alleged contraventions of the Hire Purchase Act were investigated by the Police in 1973, 1974 and 1975, respectively, in (a) the Republic and (b) the Cape Peninsula;
- (2) (a) how many prosecutions resulted from these investigations in each area in each of these years, (b) how many of the persons prosecuted in each area in each of these years were (i) convicted, (ii) discharged and (iii) are awaiting trial

**The MINISTER OF POLICE:**

	1972	1973	1975
	30673	30674	30675
(1) (a)	133	494	50
(1) (b)	10	1	2
(2) (a) Republic	178	31	20
(2) (a) Cape Peninsula	11	9	15
(2) (b) Republic			
(i)	106	149	180
(ii)	65	77	85
(iii)	7	5	15
(2) (b) Cape Peninsula			
(i)	4	3	11
(ii)	10	3	4
(iii)			
(i) 2	4	1	

	10	11	12
	731	1901	696
	22	23	24
	431	613	364
	34	35	36
	1108	620	120
	46	47	48
	4916	6423	1821

EC REGION EMPLOYMENT	49	50	51	52	53	54	55	56	57	58	59	60
EMPLOYMENT	4179	2871	494	2240	9331	2060	4738	1719	748	4880	2417	254

# Continuation

On

TV

DIR J. C. HEUNIS

MR. VAN DER

STAR

12/3/76

# Price

# Call

John F. ...

Political Correspondent

## The Assembly

The Minister of Economic Affairs, Mr. Heunis, said today that applications for price increases have been received from all television manufacturers.

urers.

However, two manufacturers in Johannesburg today admitted they had applied for price increases.

Mr. B. van Stoms, chairman and managing director of the Teddies, said: "We have not applied for an increase," he said.

Dr. C. J. Fuchs said he had not applied for an increase but he "blame" the situation on being wrong as "the only way" to solve it.

## Volume

Dr. Fuchs said he had applied for an increase in volume.

He said that the volume of production had increased.

~~SECRET~~  
2 247

A28  
(2)247

# TV discounts

## 'a right'

Staff Reporters

**DR D J MOUTON**, a member of the Board of Trade and Industries, has said in Pretoria that vulnerable consumers who invest hard-earned savings in luxuries — such as television sets — had a legitimate right to buy at discount prices, and the Government would protect that right "to the hilt".

The Cape Times contacted Dr Mouton for clarification of resale price maintenance regulations after police investigations into alleged price-fixing of television sets in Cape Town by large television distributors.

A docket prepared after investigations into the operation of a certain television manufacturer and distributor, had been compiled by the commercial branch of the CID and forwarded to the Attorney General for his decision.

It was alleged by discount concerns that tactics aimed at forcing discounters to raise their percentage mark-up on certain makes of sets had been employed by certain distributors.

"Especially in these times of galloping inflation, the Government is doing all it can to stop infringements of the resale price maintenance laws," Dr Mouton said.

Top Government officials and members of the Board of Trade and Industry "feel strongly that the retailer should be free to sell to the consumer at whatever percentage mark-up he decides on — as long as it is not more

than the maximum 50 per cent mark up," he said.

If a discounter wished to sell a television set at a low mark-up, he was free to do so — "and if suppliers stop their supplies or in any other way attempt to induce him to raise his mark-up, they are violating the law," Dr Mouton said.

Distributors of television sets who threatened discounters, spied on them or used direct or indirect methods to induce increased mark-ups, were operating illegally and in the final analysis, were "robbing the public," he said.

"What we would like to see is healthy price competition which allows the consumer to benefit, and anyone who infringes the regulations must be stopped."

It could be the legitimate policy of certain distributors not to supply certain concerns where, for example, the line is not suitable or out of character to the retailer in question.

"But where a store has been supplied in the past, the distributor acts illegally if he stops the supply because he is not satisfied with the resale price," Dr Mouton said.

# 'Violations of fair trading' attacked

① 28  
② 247

CAPE TIMES 10/3/76

MR EUGENE ROELOFSE, former chairman of the South African Co-ordinating Consumer Council, yesterday called on the Government to "investigate the entire repossession system" in South Africa.

Addressing the Graduate School of Business Association in Cape Town, Mr Roelofse said no rhetoric or defence of the free-enterprise system could explain away the disillusionment of some consumers in this country.

These consumers, he said, had to "bear the financial wounds" inflicted by "establishments who almost as a matter of policy violate the laws of fair trading, day in and day out".

The country's "economic aristocracy", he said, together with some civil servants and political leaders, had failed to identify the causes of a rising hostility towards malpractices.

An underestimated hostility is a doubly dangerous one and if we fail to establish meaningful criteria of fair trading, we will by our inaction fuel the ever-present fires of radicalism.

## LAST THING

"And this is the very last thing we could afford in a multi-national country being as it is, one of the few remaining outposts of Western traditions on this huge continent."

A large proportion of South Africa's trading troubles, Mr Roelofse said, arose from the wording of contracts and forms consumers were prevailed on to sign. An example, he said, was the form entitled "Voluntary Release — Rondalia Bank Limited" used by Rondalia Bank when people got into arrears on hire-purchase transactions and the bank repossessed their goods.

The firm, he said, included the clause "I am aware of the provisions of

paragraph (b) of sub-section (1) of section 15 of the Hire Purchase Act..."

## EVEN LAWYERS

Yet, Mr Roelofse told the lunch meeting, "not even lawyers and lecturers in law could tell me off the cuff what that part of the HP Act says."

"In fact I phoned the offices of Rondalia in Germiston, Krugersdorp and Springs. No one could quote me the wording or would even attempt to do so. I was simply referred to Rondalia Bank in Johannesburg."

"I telephoned the bank in Commissioner Street and spoke to three people who said they dealt with hire-purchase transactions but none could answer my question. I had to phone back when a Mr Coetzee was available."

Either this passage in the form was so obscure, Mr Roelofse said, that it was unfair to expect the average person to sign an undertaking that he was "aware" of it, or the passage was common knowledge and it was time "Rondalia and Rondalia Bank fired some of its staff."

## MARKET VALUE

The Trust Bank, Mr Roelofse said, used a form which, like Rondalia's, authorized the bank "in its discretion" to "sell or otherwise dispose of the goods by public auction or otherwise". And, as in the case of Rondalia's form, the debtor agreed in advance, in terms of the document, that whatever price the bank obtained would be accepted as the actual market value of the article.

"I feel that the time has come for Mr Chris Heunis (Minister of Economic Affairs) to call in the Secretary for Commerce and

for that matter the Registrar of Financial Institutions and to instruct them to investigate in depth the entire repossession system," Mr Roelofse added.

He said the Minister should ask these men:

● Whether they approved of the methods and/or documents used in carrying out repossessions

● How many items of furniture and motor vehicles were repossessed in a given year.

● Whether defaulting customers were aware that the surrender of goods was likely to be followed by court action and, possibly a garnishee order for the balance of the account.

● How many vehicles repossessed were in fact sold by public auction, how many by private treaty and how many "otherwise".

● Whether the prices received compared favourably with market values.

## TIGHTENING-UP

● Whether it should be the function of a bank to offer for sale cars, caravans, boats and outboard motors.

● Whether it was time to tighten up state control over our banks.

"I believe," said Mr Roelofse, "that injustices which take place in hire-purchase and other credit sales are causing disruption of our economy. I believe that this cancer must be rooted out. I believe that if the Government continues to beat about the bush on this fundamental matter, the animosities that are already being created by the actions of some of our traders will ultimately prejudice our political stability."

## Manager defends bank's methods

COUNTERING Eugene Roelofse's attack on his organization, the Trust Bank's general manager of instalment credits, Mr S F Gouwes said yesterday

repossession was inevitable. Mr Gouwes said, the bank did everything in its power to obtain as high a price for the repossessed commodity as possible.



(1) 247  
(2) 189

# Shock as TV firms apply for increases

Staff Reporter

CAL-TIMES  
13/3/76

**ALL SOUTH AFRICAN television manufacturers have applied for price increases on their sets, according to the Minister of Economic Affairs, Mr Chris Heunis.**

The minister's shock statement, made in the Assembly in reply to a question by the Progressive Reform Party MP for Bryanston, Mr Horacé van Rensburg, comes after a spate of denials recently by television manufacturers that they had applied for increases.

Mr Heunis told Mr Van Rensburg yesterday that the applications for higher TV set prices had been made to the Price Controller and were still being considered.

Only this week, spokesmen for television manufacturing companies were reported as denying that their companies had applied for price increases.

They were the managing director of Barlow's Television Company, Mr D Cooper, the managing

director of Telefunken, Mr H Seligman, and the chairman of SA TV Manufacturing Company, Mr Fred Street.

On March 10, Mr Bennie Slome, of Teledex, said categorically that he had no intention of applying for a further price increase. Teledex made a R12 million profit last year.

Reacting to Mr Heunis's statement yesterday, Mr Van Rensburg said the Government should strongly resist applications.

He said he was shocked at the possibility of the applications being favourably considered, especially after TV producers had announced "vast profits" on manufacture and sales.

He added that the rising costs of sets would destroy the main purpose of the television service — to bring education and entertainment to the mass of people.

● Dr C J Fuchs of C J Fuchs Ltd said last night that his company was not among those which had made application for price increases.

"We increased our prices at the time of devaluation," he said, "and we don't plan another increase for the foreseeable future. We haven't yet reached the full momentum of our production."

I really am afraid. I am not as naive as I was when I started doing this and I realise the influence these people have.

AR&US 29/3/76

# Reluctant HR crusader 'afraid'

By a Staff Reporter

I have relatives in business and I have grand-children. I have begun to realise that this makes me vulnerable.

She would not go into more detail about her fears, but suspects her telephone might be tapped.

I was having a very personal conversation with my daughter, on the phone, when we suddenly heard a bech on the line, she said.

I told her there must be someone listening and told whoever it was to get off the line.

A man's voice answered and said 'You know it's no good complaining. You must have learned that by now.'

It so happened that I had just come back from taking a Coloured woman, by arrangement, to an official who had promised to take down a statement from her.

When we got there the official had gone out. It was not the first time such a thing had happened.

her for help.

She has a thick file of correspondent, and hire purchase agreements.

Police officers have told me that if people agree to buy things it is only right that they should pay for them, she said.

But agents call on these women, alone in their houses in the townships, show them attractive pictures in catalogues and persuade them to buy.

A QUIET, inoffensive housewife living in one of the wealthier suburbs has become

reluctantly — a crusader on behalf of unsophisticated Coloured people who are persuaded to take on more hire purchase commitments than they can afford and then get into difficulties.

On their behalf she has beard credit managers in their dens and written innumerable letters to officials and politicians.

Now she has become afraid that she or her family will be harmed in some way, as a result of the influential enemies she has made.

Asking The Argus not to identify her, she said it sounds melodramatic but I really am afraid. I am not as naive as I was when I started doing this and I have come to realise how much influence some of these people have.

VULNERABLE

Then came that voice on the phone, telling me it was not good to complain. It made me feel quite sure the man knew who he was talking to and that he was not listening by accident.

But she will carry on with the work that began when a char told her that she had paid R157 for a perfectly ordinary steel double bunk bought on hire purchase.

I got on to the manager, she said. In those days I was naive enough to think that it must all be a mistake which could easily be traced and put right.

The manager called the charwoman a pig — and that did it!

She managed to get a refund of over-payments made by the char — who had fortunately kept all her receipts.

Since then more and more Coloured people who have heard about her from friends have

VIR VRYSTELLING : 31 MAART 1976 OM 16h00

PRYSVERHOOGINGS AS GEVOLG VAN VERHOOGDE AKSYNS- EN VERKOOPREGTE  
SFOORVRAGGELDE EN KOSTESTYGING

VERSKLARING UITGEREIK DEUR DIE PRYSKONTROLEUR

Die verhogings in aksyns- en verkoopregte wat Sy Edele die Minister vandag tydens sy begrotingsrede aangekondig het, geld onder meer ook vir sekere goederesoorte waarvan die pryse formeel ingevolge die bepalinge van die Prysbeheerwet, of op 'n informele wyse ingevolge ooreenkomste tussen die Pryscontroleur en die betrokke vervaardigers en/of handelaars, beheer word.

Die pryse van hierdie goederesoorte kan dus nie sonder die goedkeuring van die Pryscontroleur verhoog word ten einde vir die verhoogde belastings wat die Minister van Finansies aangekondig het, voorsiening te maak nie.

Voordat die Minister van Finansies sy begrotingsvoorstelle aangekondig het, het die Regering ook reeds aansoeke om prysverhogings wat die vervaardigers/distribueerders van sommige van die voormelde goederesoorte aan hom voorgelê het, goedgekeur op voorwaarde dat die betrokke prysverhogings moet saamval met enige prysverhogings wat uit die Minister van Finansies se begrotingsvoorstelle mag voortspruit.

Hierbenewens het die Regering ook goedgekeur dat die betrokke vervaardigers/handelaars sekere prysverhogings, voortspruitende uit die verhogings van spoorvragtariewe wat op 1 April in werking tree, kan toepas.

Ten einde enige moontlike misverstande in verband met die wyse waarop merdie verskillende prysverhogings geïmplementeer mag word, te voorkom wil ek nou graag die volgende besluite wat die Regering in dié verband geneem het, aankondig:

Die pryse van die wye verskeidenheid van duursame verbruiks= goedere soos elektriese stowe, yskaste, vrieskaste, poleerders, stofsuiers, radios, televisiestelle, kameras ens., is aan formele beheer onderhewig en sowel die vervaardigers van, as die handelaars in hierdie goedere mag nie hulle pryse verhoog alvorens hulle nie eers die nodige goedkeuring daarvoor van die Prys-kontroleur ontvang het nie. Aangesien die verkoopreg in hierdie gevalle op vervaardigers/verskaffersvlak gehef word, moet die betrokke vervaardigers/verskaffers enige verhogings in hulle pryse vanweë die hoër verkoopreg, eers vooraf met die Prys-kontroleur uitklaar.

Dieselfde geld ook vir enige prysverhogings wat die vervaardigers/verskaffers as gevolg van die verhogings in spoorvrag-tariewe wil instel.

Daar bestaan dus geen rede waarom die handelaars hulle pryse van die betrokke goedere onmiddellik moet verhoog nie. Trouens, enige goedkeuring van prysverhogings wat die Prys-kontroleur aan die vervaardigers/verskaffers van die betrokke goedere mag verleen, en laasgenoemde ook aan hulle onderskeie distribu-eerders mag verleen, sal slegs van toepassing wees op daardie goedere waarop die hoër verkoopreg werklik deur hulle betaal is.

Die Pryscontroleur het reeds opdrag aan sy prysbeheer=inspekteurs gegee om by wyse van intensiewe inspeksies toe te sien dat die vervaardigers/verskaffers en handelaars in hulle onderskeie gebiede nougeset aan hierdie wyse van prysaanpassings uitvoering gee.

In die geval van petrol en alkoholiese dranksoorte mag die vervaardiger/verskaffers en handelaars die verhoogde aksyns=regte onmiddellik by wyse van ooreenstemmende prysverhogings verhaal, dit wil sê die pryse van alle voorrade word dadelik met die bykomstige aksynsregte verhoog.

In die geval van sigarette sal 'n Goewermentskennisgewing, wat die vervaardigers/verskaffers en handelaars sal magtig om die pryse van hierdie kommoditeit op 2 April te verhoog, op daardie datum gepubliseer word.

'n Kennisgewing waarin die vervaardigers/verskaffers en distribueerders van bier in Suidwes-Afrika gemagtig sal word om hulle pryse te verhoog, sal so gou doenlik in Suidwes gepubliseer word.

UIGEREIK DEUR DIE DEPARTEMENT VAN INLIGTING OP VERSOEK  
VAN DIE DEPARTEMENT VAN HANDEL.

KAAPSTAD

31 MAART 1976

FOR RELEASE: 31 MARCH 1976 AT 16h00

PRICE INCREASES AS A RESULT OF INCREASED EXCISE AND SALES  
DUTIES, RAILAGE AND COST INCREASES

PRESS STATEMENT ISSUED BY THE PRICE CONTROLLER

The increases in excise and sales duties which the Honourable the Minister of Finance announced in the course of his Budget speech today are, among others, also applicable to certain classes of goods of which the prices are controlled formally in terms of the provisions of the Price Control Act or in an informal manner in terms of agreements between the Price Controller and the relevant manufacturers and/or dealers.

The prices of these goods may, therefore, not be increased without the Price Controller's approval so as to provide for the increased taxes announced by the Minister of Finance.

Before the announcement by the Minister of Finance of his Budget proposals the Government also approved applications for price increases which the manufacturers/distributors of some of the abovementioned commodities had submitted to it, on condition that the relevant price increases were to coincide with any price increases which might arise from the budget proposals of the Minister of Finance.

Furthermore, the Government also authorised these manufacturers/traders to introduce certain price increases resulting from the increases in railway rates which will become effective on 1 April 1976.

In order to prevent any possible misunderstandings in connection  
with/...

with the manner in which these various price increases may be implemented I wish to announce the following decisions which have been taken by the Government in this regard.

The prices of a wide variety of durable consumer goods such as electric stoves, refrigerators, freezers, polishers, vacuum cleaners, radios, television sets, cameras, etc. are subject to formal control, and the manufacturers of, as well as the dealers in these goods may not increase the prices thereof until such time as they have obtained the necessary approval from the Price Controller. Since the sales duties are, in these case, levied at manufacturers/suppliers' level, the manufacturers/suppliers involved must clear in advance with the Price Controller any increases in their prices arising from the higher sales duty.

The same procedure must be observed in respect of any price increases which the manufacturers/suppliers wish to introduce as a result of the increases in railway rates.

There is, therefore, no justification for dealers to increase immediately prices of the aforementioned commodities. In fact, any approval of price increases which the Price Controller may grant to the manufacturers/suppliers of these commodities and which the latter, in turn, may extend to their distributors, will only be applicable to these goods on which the higher sales duties have actually been paid by them.

The Price Controller has already instructed his price control inspectors to ensure, by means of intensive inspections, that manufacturers/suppliers and dealers in their areas fully observe this price adjustment procedure.

In/...

In the case of petrol and alcoholic beverages the manufacturers/suppliers and dealers may immediately recover the increased excise duties by means of equivalent price increases. This means that the prices of all stocks on hand are immediately increased with the additional excise duties.

In the case of cigarettes a Government Notice authorising the manufacturers/suppliers and dealers to increase their prices of this commodity as from 2nd April 1976, will be published on that date.

A notice in which the manufacturers/suppliers and distributors of beer in South West Africa will be authorised to increase their prices, will be published as soon as possible in South West Africa.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE  
DEPARTMENT OF COMMERCE

CAPE TOWN

31 MARCH 1976



# Price fixers still need fixing

STAR  
2/4/76 (24)

Although supposedly against the public interest and in most instances illegal, there seems little doubt that under various guises retail price maintenance (RPM) is still practised in South Africa

In March 1962 the then Minister of Economic Affairs, Dr Nico Diederichs, directed the Board of Trade to investigate "retail price maintenance to determine whether it was in the public interest or not"

The Board of Trade, headed by a leading economist, Dr D J Mouton, conducted the investigation and recommended that RPM (with certain exceptions) be outlawed

When it was decided to make RPM an offence, applications for exemption were invited

Applications to exempt gramophone records, medicines, cosmetics and toiletries, clothing, alcoholic drinks, electric cables, ladies' shoes, simulated pearls, ceramics, sports equipment, watches, chair-hoists, pullers and crawls, tyres and petrol all "failed to show that the continued existence of RPM would be in the

## CHARLENE PATMORE reports on why retail price maintenance was outlawed in the first place and the reasons the Board of Trade felt it was undesirable.

public interest," according to a report published by the board

However, the board recommended that books, periodicals and newspapers be exempted from retail price maintenance regulations

However the Government later granted exemption to the tyre and petrol industries

This was despite the fact that the Board of Trade rejected a claim by the Tyre Manufacturers' Conference that possible price wars as a result of the abolition of RPM would mean the production of shoddy goods

The board had also rejected the application from petrol-dealers because "consumers stand only to benefit from price competition" in this field

It was "not impressed by the argument that

price competition would lead to poorer services, or a diminution of free services (eg checking of oil, filling radiators, cleaning windscreens and inflating tyres)

"Keener competition for the public's custom normally leads to an upgrading of the quality of services, not a deterioration," the report says

In its overall investigation the Board of Trade found that loss-leader selling did not harm the interests of manufacturers as some claimed. But in fact "some manufacturers benefited considerably from this"

### Why petrol?

It also rejected the argument by certain dealers that they provide additional services with the product

"Consumers who do not want certain services, especially the lower-income groups, have to subsidise those who want it, or in instances where services are not rendered, the retailer," the report explained

The Board of Trade found that retail price maintenance was in most instances not in the public interest

A leading economist with wide experience of RPM still agrees with this, saying petrol should not be exempted from the regulation

There are too many petrol stations in South Africa already, he said. "Filling stations do not exist solely on the sale of petrol either"

The Boksburg Hypermarket which sells petrol at 0,5c cheaper than elsewhere, is the second largest retailer in South Africa. Only a garage in Soweto has a larger turnover

### Heavy fine

Recently a manufacturer of clothing on a large scale was heavily fined for refusing to supply goods unless a retailer agreed not to cut prices

Many retailers insist they have difficulty in obtaining supplies unless they agree not to undercut competitors. One submitted a carefully prepared dossier to the Board of Trade, which is still investigating it

A concerned Government recently increased the maximum fine for the practice from R10 000 to R20 000



Mr Raymond Ackerman, chairman of the Pick 'n Pay group, fills the tank of the first car to take advantage of the 0,5c a litre cheaper petrol price at the Boksburg Hypermarket

# Profit margin ROM 3/4/76 may be bared

THE ASSEMBLY — The time had perhaps come that the original purchase price as well as the retail price should be displayed on all articles sold in shops in South Africa, the Minister of Economic Affairs, Mr Chris Heunis, said in the Assembly yesterday.

He said in his reply to the third reading debate on the Trade Practices Bill that he was not prepared at this stage to make demands of this nature on traders, but he was taking careful note of certain abuses in the distribution and other trades

"I am aware of the fact that the guilty traders are not representative of South Africa's businessmen in general but it is, nevertheless, true that business in general is judged by the misdemeanours of a small number of dishonest businessmen," he said

An instance which had been brought to his no-

tice had involved an article for which the trader had paid R4,25. The article had been retailed at R9,85 and because sales were too rapid the price had been increased to R10,85

Later, the article had been marked "not for South Africa" and was retailing at R19,00

"In view of abuses such as this, I am giving serious consideration to the question as to whether the original buying price as well as the retail price should not be shown on all articles," Mr Heunis said.  
— Sapa

~~11-150-11~~  
(247)

CAPE TIMES 7/4/76

# Mixed views on clothing inquiry

247

Staff Reporter

THE ANNOUNCED investigation into the clothing industry was both welcomed and attacked by representatives of the industry last night.

Mr Simon Jocum, chairman of the Cape Clothing Manufacturers Association, said last night that clothing manufacturers would be prepared to cooperate with any investigation — but was struck by the "enormity and complexity" of the probe envisaged by the Government.

The Minister of Economic Affairs, Mr Chris Heunis, has announced that an intensive investigation of both the manufacturing and retail sides of the industry is to be undertaken by the Price Controller.

Mr Jocum emphasized that the clothing manufacturers had no control over retail selling prices. His impression was that Mr Heunis's remarks had been mainly directed at the retail trade.

"We have over 881 factories cutting each other to pieces in intense competition for the South African

market. So many wild accusations have been hurled at clothing manufacturers that possibly the matter should be cleared up once and for all"

Mr Sam Stuppel, national chairman of the discount clothing chain, Half Price Stores, last night attacked the proposed inquiry as "an attempt to curb the free enterprise system".

The minister's statement made the retailer seem the villain, he said, "while it is only a combination of certain manufacturers and certain retailers which are getting together and causing high prices."

Mr Stuppel showed the Cape Times a copy of a contract he said he had been compelled to sign in order to get stocks of a certain type of clothing from a manufacturing company whose name he requested be withheld.

"The contract lays down that my store might not use the name of the manufacturer on garments. And why? Because the garment costs 60 cents and most firms retail it for R6,99.

CADK TIMES

7/4/76

247

Political Correspondent

**AN INTENSIVE investigation into the costs, prices and sales practices of both clothing manufacturers and retail clothing distributors is to be undertaken by the Price Controller.**

Announcing this yesterday, the Minister of Economic Affairs, Mr. Chris Heunis, said that "persistent" allegations that the high price of clothing was due partly to excessive profit margins and partly to "certain malpractices" existing in the retail trade, had led to the investigation.

The Price Controller will investigate the advisability of fixing a maximum retail price margin on all clothing sold in the country.

His report will also contain recommendations on the desirability of compelling manufacturers to label each garment with the factory price at which it is supplied to retailers.

Mr Heunis's full statement on the pending investigation reads:

"As a result of persistent allegations by members of the public that the high prices of clothing in South Africa are due partly to excessive profit margins taken by retail distributors of clothing and partly also to certain malpractices which exist in the retail distribution of clothing, the Price Controller has decided, with my approval, to carry out an intensive investigation into the costs, prices and sales practices of both the clothing manufacturers and retail clothing distributors in the country.

"I have also requested the Price Controller to include, in his report to me on his investigations, a recommendation concerning the desirability that clothing manufacturers be compelled to affix to each garment manufactured by them a label registered with the Price Controller and showing the factory price at which that garment is to be supplied in the customary wholesale quantities to retailers.

"In addition, the Price Controller has been asked to report to me on the advisability that a maximum retail profit margin be fixed in respect of all clothing sold in the country.

"Any persons or organizations wishing to submit information or views, to the Price Controller in respect of any of the matters to be covered by the above mentioned investigation are requested to do so in writing before April 30 1976 and to address their communications to the Price Controller, Private Bag X84, Pretoria.

"All such communications will, of course, be treated by the Price Controller as strictly confidential."

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**Cape Times**  
**Retailers** 8/4/76  
**overcharged**

Staff Reporter

TWO MEN and one woman were found guilty of price control regulation contraventions in the Cape Town Magistrate's Court yesterday.

The woman, J Rodrigues, of Royal Fisheries, Victoria Road, Mowbray, was found guilty of selling a bottle of Appletiser for 22c when the retail selling price was 20c. She pleaded guilty to the charge and was fined R50 or 25 days.

Simoes Shavos, of New Varnees Bazaars, Main Road, Green Point, was fined R50 or 25 days for selling 1 kg of white sugar for 18c instead of the controlled price of 12c.

He pleaded guilty to the charge.

J Caelho, of Stadium Cafe, Main Road, Green Point, was fined R100 or 50 days for selling a 350ml bottle of Appletiser for 25c instead of the controlled price of 20c. He pleaded guilty.

Mr J A H Johl was on the bench. Mr P D Theron prosecuted.

247  
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CAPE TIMES  
8/4/76  
TRADE

# HITS AT GOVT 'LOGIC'

Staff Reporter

CLOTHING retailers yesterday expressed bewilderment at the "logic" of the Government's proposed investigation into the clothing industry. There is "no extensive profit-rigging" in the industry, they claimed.

On Wednesday the Minister of Economic Affairs, Mr Chris Heunis, announced that an intensive investigation into the costs, prices and sales practice of both clothing manufacturers and clothing retailers was to be undertaken by the Price Controller.

Commenting on the announcement, the general manager of Hepworths, Mr J G Davidson, said: "There is no extensive profit-rigging in the clothing industry. Some do better than others because they are more efficient."

Mr W Delpont, director of the discount chain Pep Stores, said 90 percent or more of clothing retailers and manufacturers in South Africa would probably fall "well within" any maximum profit margin visualized by the Price Controller.

## SMALL FIRM

Mr D von Moyland, joint director of the chain of unisex boutiques, Maggies Farm, said he felt his firm formed such a small section of the clothing industry that it was "hard to pull us into the same sort of category".

Sapa reports from Johannesburg that organised commerce yesterday condemned the Government's decision to launch an intensive investigation. A statement issued by Mr

H Wolffe, president of the Association of Chambers of Commerce, said yesterday: "We fail to reconcile the Government's support of the free competitive enterprise system, as reiterated in the anti-inflation manifesto, with the proposed investigation into profit margins in an area which is as highly competitive as the clothing business."

# 90pc furniture mark-up limit

Own Correspondent

CAPE TIMES  
8/4/76

JOHANNESBURG. — Furniture retailers would still be allowed to charge inflated prices at their Black outlets under the Furniture Traders' Association's new code of conduct, Mr Danie Grabe, executive director of the Association, said yesterday.

"We have put our house in order," he said, reacting to a press report yesterday that the Government would take steps to stamp out alleged malpractices in the furniture industry

"That report is way out of date," he said "The Government issued us with an ultimatum in August last year and we adopted our code of conduct in November. In terms of the code, fur-

niture retailers will not be able to mark up prices by more than 90 percent from July 1," he said

Last year, press investigations showed furniture mark ups ranging from 40 percent to over 200 percent, especially at outlets catering for Black customers.

Mr Grabe said price standardization between Black and White outlets formed no part of the code

"Many retailers find Blacks a higher credit risk than Whites and therefore have to inflate their prices. But over the past few years Blacks have been proving themselves good credit risks," he said.

Retail prices depended on such factors as rents, and transport and delivery costs, he said.

"Prices may vary from retailer to retailer and at different outlets of the same shop. There is a chain in Pretoria that charges Blacks less than Whites," he said.

Mr Grabe said a 90 percent mark up on furniture was not excessive.

"That is the maximum. The average is 72 percent and with costs running at 57 percent, the average profit is around 15 percent," he said

~~28~~  
247

# Differences in HP charges 'not on colour'

A SUGGESTION that Black and Coloured customers are a bad credit risk, and that this justifies charging them more than Whites for goods bought on hire purchase, was dismissed as nonsense by spokesmen for two national firms today.

The regional director of Bradlows, Mr F R Bradlow, and a spokesman for Ok Bazaars — both of which sell furniture to all races — said they made no distinction between Black and White and charged the same at all branches.

But Mr Bradlow said that his firm sold mainly to middle-class people, of all races, and it was an obvious fact that firms which dealt mainly with the lower income groups — into which most Black and Coloured people came — were taking a bigger credit risk.

'The distinction is economic, not racial,' he said. 'But it is true that these firms do deliberately seek out the custom of the lower income groups.'

**THERE was a flurry as rock and surf an False Bay — feeding**  
A number of fish up to 9 kg were taken. The all

'And if that cost structure is interfered with I think the lower classes will have difficulty in getting credit.'

Mrs Peggy Borekenhagen, chairman of the Cape Town branch of the Housewives' League — which has set up a committee to look into complaints that there is exploitation of poor families with too many hire-purchase commitments — said they were waiting to see if

the code of conduct would be followed by the majority of firms.

'I was interested to hear that a high mark-up, of as much as 90 percent, is thought to be justified by the high credit risk,' she said.

'After all, it is a credit risk that some furniture firms deliberately seek. They are so keen to get the business of these poor people that they send salesmen to persuade them to buy on credit.'

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# Clothing price probe plan is 'toothless'

ARGUS 8/4/76

THE Government's planned investigation of the clothing industry has been condemned as unnecessary by representatives of manufacturers and retailers, and one discount retailer has called it a 'toothless' plan which will not get to the root of a major problem.

Mr Sam Stuppel, head of Half Price Stores, said the investigation would take a year or two during which consumers would become used to being 'fleeced.'

'We have a system of monopolistic collusion between certain manufacturers and certain retailers leading to mark-ups of 200 percent on some clothing lines.

'We have to defend the free enterprise system, but we must also defend the right of any retailer to buy any merchandise he can pay for and to sell it at whatever price he wishes to,' Mr Stuppel

1 28  
2 184  
3 247



week  
Hansard records that the Minister of Economic Affairs, Mr. Heunis, in reply to a question by Dr. Alex Boraine, told Parliament two months ago that of the 138 available posts, 41 were vacant.

However, a thorough investigation at all the regional offices in the country this week revealed a worsened situation in which 58 positions were now vacant.

### Retired

Of the 81 people filling posts, about 25 are administrative or supervisory personnel not actively engaged in enforcing price curbs.

It can also be pointed out that the primary task of most of the men is weights and measures checking, leaving 56 men to police price control as a secondary function.

The price-control office in East London was without a supervisor this week. The man who held this position retired after a recent stroke.

And the present supervisor in Johannesburg recently suffered a stroke and may be retired early.

For three months last year, there were no price-control prosecutions in Jo-

Sun Times  
11/4/76

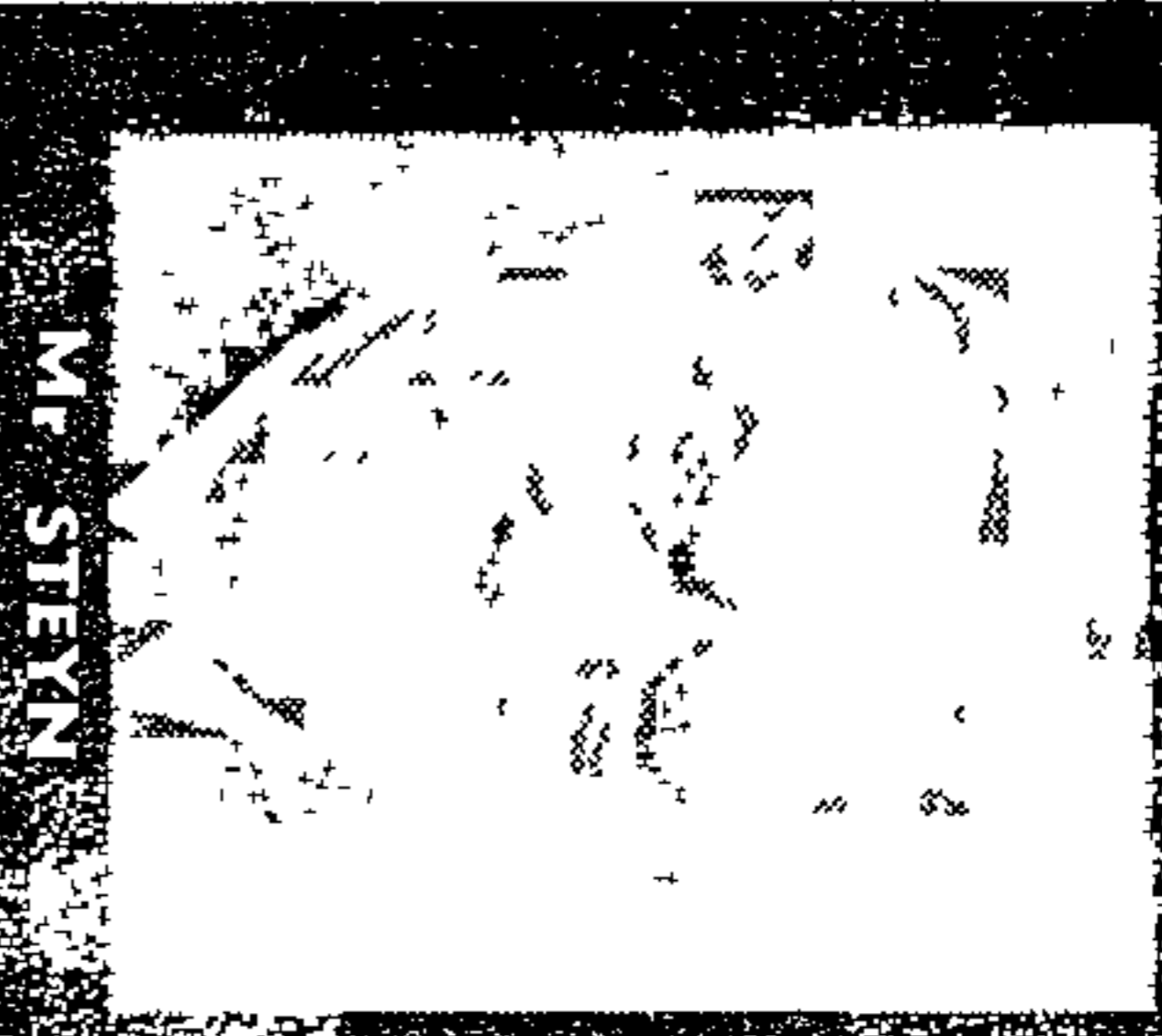
# STAFF CRISIS IS THREAT TO PRICE CONTROL

## THE ENFORCEMENT of price control in South Africa is breaking down because of a crippling shortage of staff.

SUN TIMES 11/4/76.

With inflation running at record levels, the 16 price-control offices throughout the country are operating at more than 40 per cent under strength on average. In major centres, where the need for constant checking to prevent price-charging is greatest, the staff situation is worse.

By MARTIN CREAMER



MR. STEYN

The price-control office in Johannesburg, covering about 35 000 businesses, employs 65 inspectors with 65 inspectors.

Magistrate's Court as one of the price-control inspectors resigned after a heart attack and the other had come of pensionable age. A senior price-control supervisor told me "There are more price-control inspectors in 1938 than there are today."

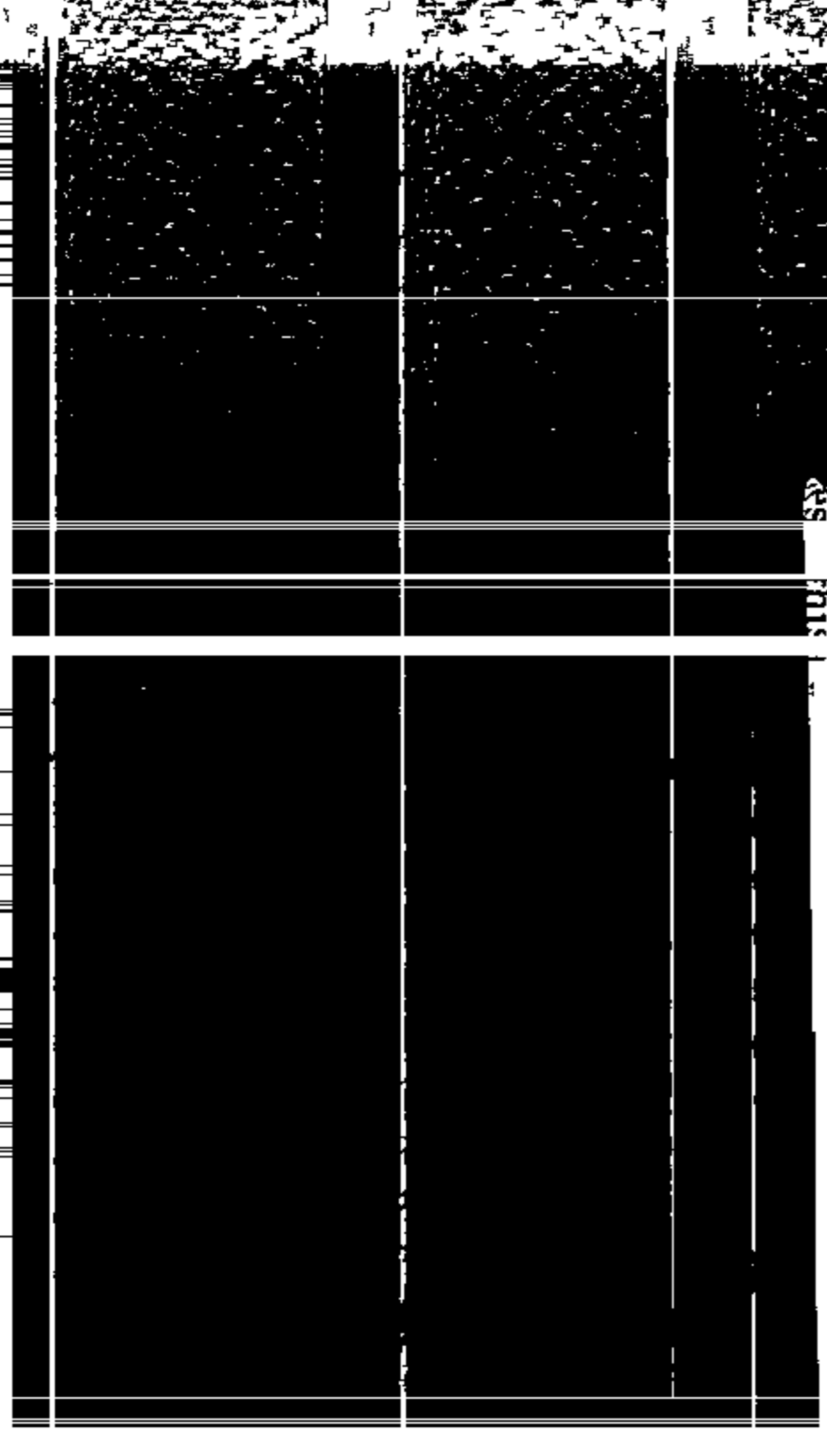
"We are working under a terrific strain," the senior supervisor told me. "Originally our target was to visit each business or factory in our area at least once a year, but in recent years this has become impossible." About a dozen Blacks were being trained to be weights and measures and price-control inspectors. These would work in the townships and home-

On one occasion the Price Controller, Mr. Steyn, had gone to the trouble of writing to every retired policeman in a bid to recruit personnel but had had no response.

Mrs. Hope Hughes, said. "We asked Mr Steyn if some of our members could not be trained to become price watchdogs on a part-time basis. But he said there was no legislation to allow

this and he was against the idea of women having to go into dangerous areas. "The whole machinery for enforcing price control seems to be in a parlous state," he said

The Sunday Times teleaxed a list of questions to Mr Steyn in Cape Town. He said that it was possible for him to reply in time for publication but would do so in the coming week.



~~1-28~~  
(2) 247

# Six shopkeepers found guilty

CAPE TIMES  
15/4/76

Staff Reporter

SIX Cape Town shopkeepers were found guilty of contravening price control regulations in the Cape Town Magistrate's Court yesterday.

All six pleaded guilty. S Pinto, of the New Wallaby Cafe, Broe Street, was fined R50 (or 25 days) for refunding 5c instead of 10c on an empty cool drink bottle. He claimed that the man asking for the refund only asked for 5c.

C Bigougnon, of Golden Gate Takeaways in Waterkant Street, was fined R50 (or 25 days) for failing to mark the retail prices on packets of cigarettes, cartons of fresh

fruit juices, sugar and yellow margarine.

S Dimitrio, of Quix Snax in Corporation Street, was fined R50 (or 25 days) for selling a packet of 20 cigarettes 1c above the retail selling price.

A de Nobrega, of Continental Cafe, Koeberg Road, Maitland, also trading as J Fernandez, was fined R100 (or 50 days) for selling 2,5 kg of sugar for 42½c instead of 40½c.

J Goncalvez, of Tip Top Cafe, Koeberg Road, Brooklyn was fined R100 (or 50 days) for selling 2,5 kg of sugar for 50c instead of the retail selling price of 40½c.

Mr J A H Johl presided. Mr P D Theron prosecuted.

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# Cigarettes: no check on old stocks

**Political Correspondent**  
**CAPE TOWN** — There is no way the Price Controller's office can determine whether traders have adhered to public appeals made to them at the time of the Budget to sell old-stock cigarettes at pre-Budget prices.

had been collected in cash from them.  
Even if they had stockpiled, they had been obliged to pay the additional duty.  
Inspectors of the department had taken stock as widely as possible to check on the position, and there had been little room for traders to evade the duty, Mr Odendaal said.

This was admitted today by a senior spokesman of the Price Controller's office, following news reports that certain dealers had stockpiled and were making increased profits by selling old stock at the post-budget prices.

While traders were put on their honour by the Government in relation to old stock — and have had to watch their competitive position, because of the commercial advantage of selling old stock at pre-budget prices — there has been tight control of the position concerning the collection of the additional 1c per 10 cigarettes on customs and excise.

### LITTLE ROOM

The Secretary for Customs and Excise, Mr O Odendaal, said today little room had been left for "fiddles" after the budget.

From 3.21 pm on Budget day, March 31, Mr Odendaal said, wholesalers and other merchants had to take stock and the additional duty

Price  
CAPE TIMES 22/4/76  
control:

3 guilty

Staff Reporter

THREE Matland shopkeepers were found guilty of price control contraventions when they appeared in the Cape Town Magistrate's Court yesterday.

Hassan Khan, trading as M H Khan, of Voortrekker Road, Matland, was fined R50 (or 25 days) for failing to mark retail prices on packets of sugar and bottles of fruit juices. He pleaded not guilty.

L. Ramos, trading as Bright Star Fisheries, also of Voortrekker Road, Matland, was fined R50 (or 25 days) on a similar charge. He pleaded guilty.

Allie Parker, trading as H Gaffor of 4th Avenue, Kensington, was fined R100 (or 50 days) for selling a packet of sugar for 20c instead of the retail price of 16½c.

Mr F. A. H. Juhl was on the Bench. Mr P. D. Theron prosecuted.

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# Control prices says dairyman

NM

26/4/76

Agricultural Correspondent

**A SPOKESMAN for one of Natal's biggest dairies has called for price control of milk in African townships and rural areas to stop price racketeering.**

Mr. Bruce Laing, managing director of Clover dairies in Durban, yesterday called for intervention by the Price Controller, following reports that retail milk dealers in African townships such as Kwa Mashu and other areas were overcharging for fresh milk.

Mr. Laing said that he would welcome an investigation by the authorities.

He confirmed reports that in many rural areas on the North and South Coasts and the Natal Midlands, and especially in African townships, unscrupulous milk retailers are charging prices well above that of milk in the cities.

The selling price of fresh milk in Durban and Pietermaritzburg is controlled at a maximum price of 27c a litre in a bottle and 29c in a cardboard or plastic containers. For 500ml cartons and bottles of milk the maximum selling price is 15c and 14c respectively.

Mr. Laing said that there was profiteering outside the cities. In many cases milk retailers charged prices far in excess of the city price.

Overcharging seldom occurs in the cities. "What does happen, however, is that the price is hiked in the African townships and rural areas," he said.

Mr. Laing said that all the machinery was in existence for price control to be implemented.

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# Clothing inquiry well under way

THE GOVERNMENT'S investigation into the clothing industry, announced by the Minister of Economic Affairs Mr Chris Heunis, earlier this month, is well under way

Mr R J Roets, spokesman for the Price Control Office, Pretoria, said yesterday the investigation began almost immediately after the minister's announcement on April 6

Mr Heunis announced that day an intensive investigation into the costs, prices and sales practices of both clothing manufacturers and retail clothing distributors was to be undertaken by the Price Controller

The investigation, he said, was the result of "persistent allegations by members of the public", that the high price of clothing was due partly to excessive profit margins and partly to "certain malpractices" in the retail trade

Yesterday Mr Roets refused to discuss the method of investigation as it included, he said, "a lot of confidential work".

He did not know how many officials were involved in the investigation but was adamant that only price control officials would be working on it — again due to the "confidential nature" of the investigation

Meanwhile, the Price Controller is still accepting information or views from organizations or members of the public in connection with the investigation.

Any such communication, which will be treated as confidential, should be submitted to the Price Controller, Private Bag, X84, Pretoria, before April 30 this year



# Milk price up if plea agreed

28/4/76 NM.

## Agricultural Correspondent

**THERE** will be an increase in the price of fresh milk if submissions by dairy farmers and milk distributors are accepted by the Price Controller.

Mr. J E Mansfield, chairman of the Natal and East Guqaland Fresh Milk Producers' Union, who met in Pietermaritzburg yesterday, said "we will definitely request a two cent increase in the price of fresh milk"

Yet another increase in the milk price could come from the distributing dairies Mr Bruce Laing, managing director of Clover Dairies in Durban, said that the price of milk came under review annually

Mr. Laing said that he could not commit himself on the extent of any distributor's price increase other than "it is likely to go up"

He said that distributors would look into their costs and application to the Price Controller would be made

Explaining the dairy men's application, Mr

Mansfield said maize formed a substantial portion of concentrates fed to dairy cows.

He said that in addition, mealie meal was a significant cost in the feeding of farm labour. Massive rises in other agricultural requisites had also taken place.

### DELIVERIES

A possibility that dairies may soon seriously consider is the stopping of home deliveries. It has been estimated that deliveries account for about 25 percent of total milk costs.

A wave of food price hikes is also expected following the rise in the maize price and soon-to-be announced increases in oil seeds

The Government's announcement that the price of mealies has been raised by 18 percent will push up most staple

foods such as mealie meal, samp, mealie rice, maize flour, breakfast cereals and a host of other maize products.

The Minister of Agriculture, Mr. Hendrik Schoeman, will soon give details of price increases for groundnuts, sunflower seed and soya beans.

These rises will, certainly lead to price rises for margarine, cooking oil, peanut butter and other food stuffs.

### INFLATION

Mr W. G. Pietersen, chairman of the Margarine Manufacturers' Association, said in Durban yesterday that his members would be meeting soon to consider the impact of the price increases.

He said that once the full implications had been studied an application would be made to the Price Controller.

Mr. Pietersen gave the assurance that in the light of the Government's anti-inflation manifesto, "costs would be absorbed if possible."

According to Mr. Innes van Rooyen, who is chairman of the Maize Committee of the Natal Agricultural Union, "South Africa's consumers must be grateful that the maize price increase has only been a small one."

Mr. van Rooyen explained that the world price of maize was more than R100 a ton compared to the local price of R65 a ton.

He said that the consumers would be paying much more if South Africa had to import maize.

(1) ~~Agree - Dairy~~

(2) 247

# Anti-profiteering laws planned—Heunis

Cape Times 11/5/76 (247)

Staff Reporter

THE Government is planning further legislation to prevent profiteering, according to the Minister of Economic Affairs, Mr Chris Heunis.

Mr Heunis made the announcement in an address to the Calvinistese Studentekring at the University of Stellenbosch yesterday.

He said that most modern countries had laws against profiteering "and here in the Republic we hope to bring the existing regulations up to date by the introduction of a law about the announcement of financing costs".

He said the legislation on hire-purchase was also being reviewed with an eye to a more embracing approach to instalment payments and the credit facilities which went with them.

"In our country with its large non-White population, many of whom are illiterate, this type of regulation is essential," the Minister said.

There was a heavy moral responsibility on the Government to see to it that the inevitable power which money-lenders possessed was misused as little as possible.

Mr Heunis emphasized that in South Africa, with its large Black working class, the implementation of Christian principles in labour relations was of special importance.

Aspects mentioned by Mr Heunis in this context were wage differences, the training of Black workers, their transport to their place of work, and migrant labour.

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# Consumers will get protection

4/5/76.

## Political Staff

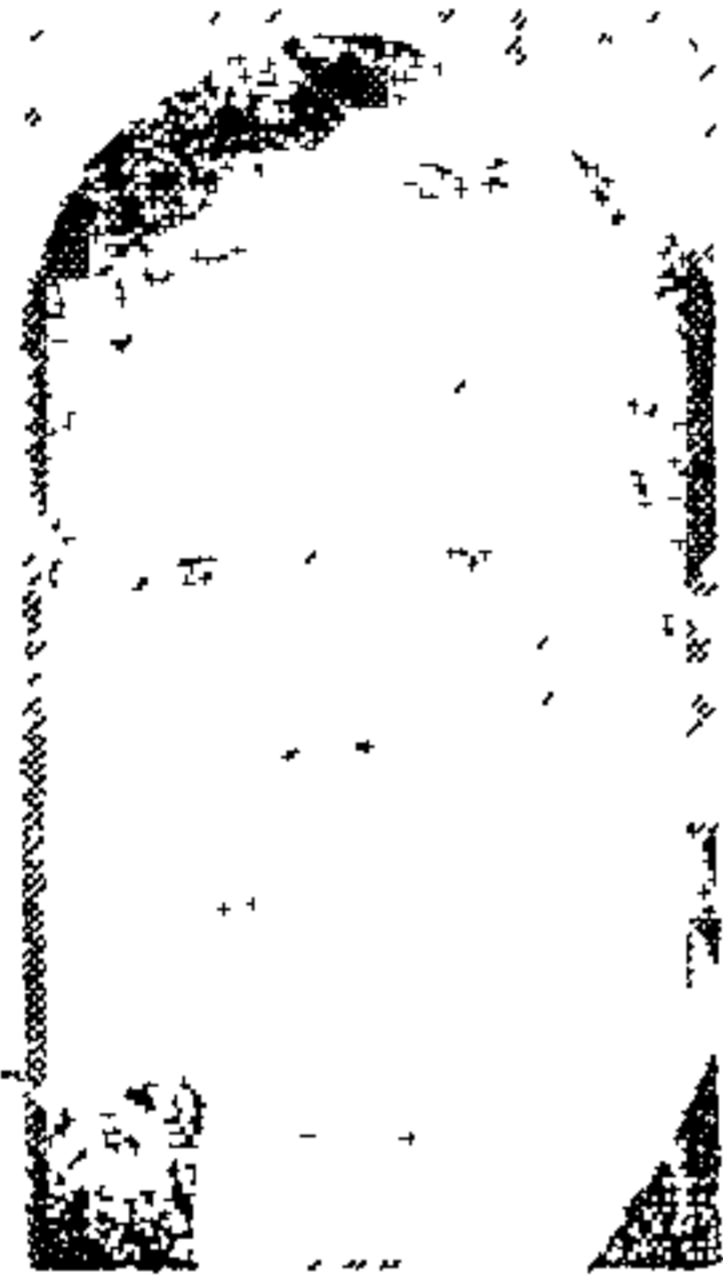
**THE SENATE** — The Government would in future take a much harder line against "undesirable trade practices" in South Africa which exploited consumers, the Minister of Economic Affairs, Mr Heunis, said yesterday.

Introducing the Trade Practices Bill in the Senate, Mr Heunis said the Government received a constant stream of complaints from consumers about allegedly undesirable practices in the distributive trade.

The consumers wanted protection from the Government, he said.

The time had now come for existing legislation to be supplemented and for special machinery to be established to take action against such practices.

The Bill would give the consumer the necessary protection without placing



MR HEUNIS

unjustifiable burdens on the private sector, he said.

The Bill makes it an offence to deliberately mislead consumers when advertising.

Businesses found guilty of undesirable trade practices can be temporarily suspended from trading for up to six months, according to the Bill.

Earlier, Mr Heunis

rejected allegations that the Government was guilty of unfair interference in the country's economy.

Mr Heunis said the Government was committed to protect the present economic system against unfair State interference.

However, the Government also had a wider function which it could not ignore.

Because of the country's complicated population structure, and the socio-economic circumstance, the Government has had to make policy decisions which could be interpreted as interference.

These decisions were taken because of the Government's over-all responsibility and in the national interest.

Mr Heunis said that many of the proposed restrictions on private enterprise would never have been necessary if that sector had disciplined certain members and cut out abuses which occurred when concerns strove for maximum profits.

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# Motor spares formula a 'secret'

Own Correspondent

DURBAN. — The exact formula for motor spares price increases is being kept secret. Motorists will have to wait for nearly a year to discover whether or not the agreement between the Government and the Motor industry to slow price rises is working.

The formula — a vital part of the agreement which sets out the size of increase permissible against the rise in cost of production — is being withheld from the press to prevent "confusion", it was disclosed this week.

An official of the Price Controller's office said that the Minister of Economic Affairs, Mr J C Heunis, "didn't consider it advisable" to release precise details of the agreement "because the press would pick out portions and give the public a distorted picture."

When asked what, in real terms had been achieved by the agreement, he said. "The understanding was that we should review the whole thing after a year."

### FACTS AND FIGURES

"Obviously we can't check on this thing in the interim because basic details of the agreement are based on facts and figures which will only be available after a full year."

The Automobile Association of South Africa said: "This mythical agreement has not yet been explained or clarified in any way. We are still waiting to know exactly what it means."

"The prices of spares are difficult to monitor, but as far as the AA is concerned the agreement has produced no significant results at all so far."

Several major component manufacturers and suppliers were yesterday asked to comment on the difference between so-called "prate parts" and spares supplied by franchised dealers.

### IDENTICAL

All emphatically stated that parts produced in

South Africa were identical in quality, whether purchased from an independent dealer or a franchised dealer.

"On the basis of quality alone there should be no difference in price. The packaging and colours may be different for various manufacturers, and those sold over the counter by an independent dealer, but there is no difference in the product itself," Mr Phil Adams, spokesman for one firm, said in Johannesburg.

ARGUS 18/5/76

# R15 000 BAIL IN PRICE CASE

THE marketing manager of the audio division of SA Philips (Pty) Ltd, Mr Roger Bennett, was granted bail of R15 000 in the Supreme Court, Cape Town, today.



Mr Roger Bennett

The conditions of bail— which will be provided by a banker's guarantee — are:

That Mr Bennett takes 14 days' leave of absence from work;

That he undertakes not to discuss with any employee or customer of Philips, anything relating to the police investigations into alleged retail price maintenance practised by the company;

That he reports twice daily to the Randburg, Transvaal, police;

Surrenders all passports in his possession.

Mr Bennett of Westview Drive, Johannesburg, was arrested on May 14 1976.

### OFFICIALS

He and four senior officials of SA Philips and the company are due to appear in the Supreme Court, Cape Town, on June 8 on charges of contravening retail price maintenance regulations.

According to the summons, the accused are SA Philips (Pty) Ltd, Mr H. Ebner, the general manager of the audio division, Mr Hendrik Neuman, sales manager for television, Mr Manfred Wiesner, regional delegate for the Cape Pro-

vince, and Mr John Huckle, senior representative for appliances.

The bail application was opposed by the Attorney General of the Cape, Mr E. O. K. Harwood, SC.

In papers before the court Lieutenant F. C. du Pisanie of the Commercial Branch of the South African Police said he was investigating charges of price binding against SA Philips (Pty) Ltd.

Mr Bennett, a high-ranking official in the world-wide organisation, was not a South African citizen.

### PRESSURE

For this reason Mr Bennett could leave the country or pressure could be brought to bear on him to leave, Lieutenant du Pisanie said.

In papers before the court Mr Bennett said he had no intention of fleeing South Africa which he regarded as his permanent home.

Mr Justice Vos said he would hand down reasons for granting bail at a later stage.

Mr H. Snitcher, QC, assisted by Mr D. G. Scott and instructed by Findlay and Tait, appeared for Mr Bennett. The Attorney General was assisted by Mr A. Bester.

# Government

## orders

STBIB 23/5/76

## crackdown

## on price

## fixing

### POLICE TOLD TO STEP UP PROBES INTO TRADE

By PETER MASON

THE GOVERNMENT has ordered a tough new line against price-riggers and firms caught practising illegal, unfair or intimidatory trading methods.

Instructions have gone out to senior commercial branch police officers and attorneys-general to implement a tough no-nonsense policy towards firms suspected of breaking the price control laws and to press for prison sentences and maximum fines for all convictions.

This new hard line approach is the latest and most severe move so far in the Government's plan to stamp out trading malpractices.

Although no declaration of the new approach has been made, top officials involved in investigating price rigging and illegal trading allegations are now talking openly about the need for stricter surveillance, the tightening of existing controls and a more rigid interpretation of the law.

### Code of ethics

The Minister Economic Affairs, Mr Chris Heunis, is known to favour a more radical approach to price-fixers and profiteers and has adopted a tough stance against those sectors of commerce and industry which fleece commerce through legal loopholes.

Only last month Mr Heunis, who is the lynchpin in the Government's eight-month anti-inflation programme, spoke of introducing a national code of ethics for businessmen as a key part of his bid to eliminate trading malpractices.

Legislation for the disclosure of finance charges and a review of the present Hire Purchase Act are planned, and the establishment of a trading malpractices advisory committee is also envisaged in terms of the Trading Practices Bill.

"The cat's really among the pigeons now," a source close to the Minister said this week after the disclosure that more arrests had been made in connection with Board of Trade and police investigations into allegations of resale price maintenance contra-

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"The suggestion has been made in the past that the Act has no teeth. Well, we're going to show it has teeth that can bite — hard."

The police are increasing their vigilance and intensifying their efforts to bring these people to heel. And, he added, "There'll be no more pussyfooting around with these laws. We will be pressing for the prison sentence in every conviction from now on. It's time these people were hit with the full weight of the law."

The law in this case is the Regulation of Monopolistic Conditions Act of 1955 of which the 1969 regulations prohibiting resale price maintenance form a part. The Act provides for a prison sentence of up to five years and a maximum fine of R20 000 or both.

The Attorney General of the Cape, Mr Edward Harwood, confirmed yesterday he had instructed police investigations into alleged RPM contraventions to be given "top priority".

A senior police spokesman for the Commercial Branch in Cape Town said his department was engaged on a number of high-level price-fixing investigations for which priority instructions had been issued.

Arrests were likely to follow, he said.

The Prohibition of Resale Price Maintenance regulations, promulgated in June, 1969, have only been successfully applied on three occasions. Two of these prosecutions have been brought in the past year.

**BLACK miners are being overcharged on an alarming scale at some concession stores on Reef gold mines.**

Profiteers at some stores are exploiting Black customers to such an extent that they are creating labour unrest and damaging race relations, according to a spokesman for a major mining group

A Sunday Times investigation undertaken this week in conjunction with Johannesburg price-control inspectors exposed shocking exploitation of a section of South Africa's 350 000 Black mine-workers.

Black miners' wages have increased substantially in recent years and as soon as wages go up, prices at some concession stores go up too, a mining group spokesman told me

The colossal mine labour force is a captive market for some concession-store owners, whose businesses are often within a stone's throw of compounds

The Sunday Times investigation was carried out after reports were received of exorbitant pricing and other business malpractices

The probe uncovered widespread overcharging on price-controlled foods and exceedingly high profits on non-price-controlled commodities.

Nineteen price-controlled items were bought. Prices paid for 10 of these were up to 30 per cent higher than the maximum laid down by the law.

At one store four test purchases were made. The price of each item bought exceeded the laid-down legal limit

For non-price-controlled items, prices were up to 100 per cent more than those charged at shops outside the mining area.

**CASE II**

FOUR price-controlled items were bought at Durban Deep Eating House, a concession store directly opposite a compound at Durban Deep mine, Roodepoort. Fifty cents was charged for 2,5 kg of sugar — 16 per cent above the legal maximum of 43c; a brick of yellow margarine was sold for 35c — nearly 13 per cent above the legal maximum of 31c, BB tobacco was sold at 45c instead of the maximum 43c, and 25c was charged for a litre of paraffin fixed at 23c.

Mr Lambros Asprogerakas, owner of the store, said he was not aware of the official prices.

**CASE 2**

AT a store at West Rand

**Concession stores fleecing 'colours'**

**STANDARD INVESTIGATION**

sugar — 50c instead of the maximum of 43c

Two other Venterspost stores also overcharged on sugar Mrs Johanna Pezzoli, of Malawi Stores, said it was her husband who had put the extra 7c on sugar

Mr M A. F de Jesus, of Ranco Trading Company, admitted selling sugar at 44½c — 1½c too much. "I have always charged 44½c," he said He has been trading for three

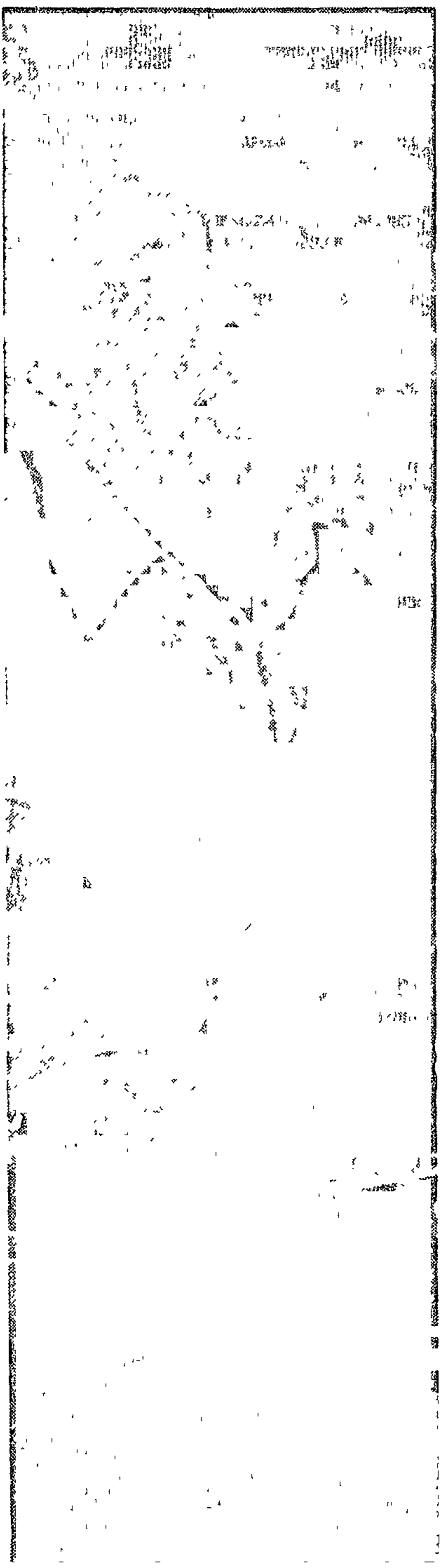
years At Theron's Oubank Deep, the Sunday Times test purchases were short 7c Mr J. S. Roggins said and returned 7c, saying a mistake had been made.

**Alarming**

At a store at New Durban Deep, a jar of jam was sold for 10c. In Johannesburg the same brand costs

- ① 28
- ② 21
- ③ 247

SUN. TIMES  
23/5/76



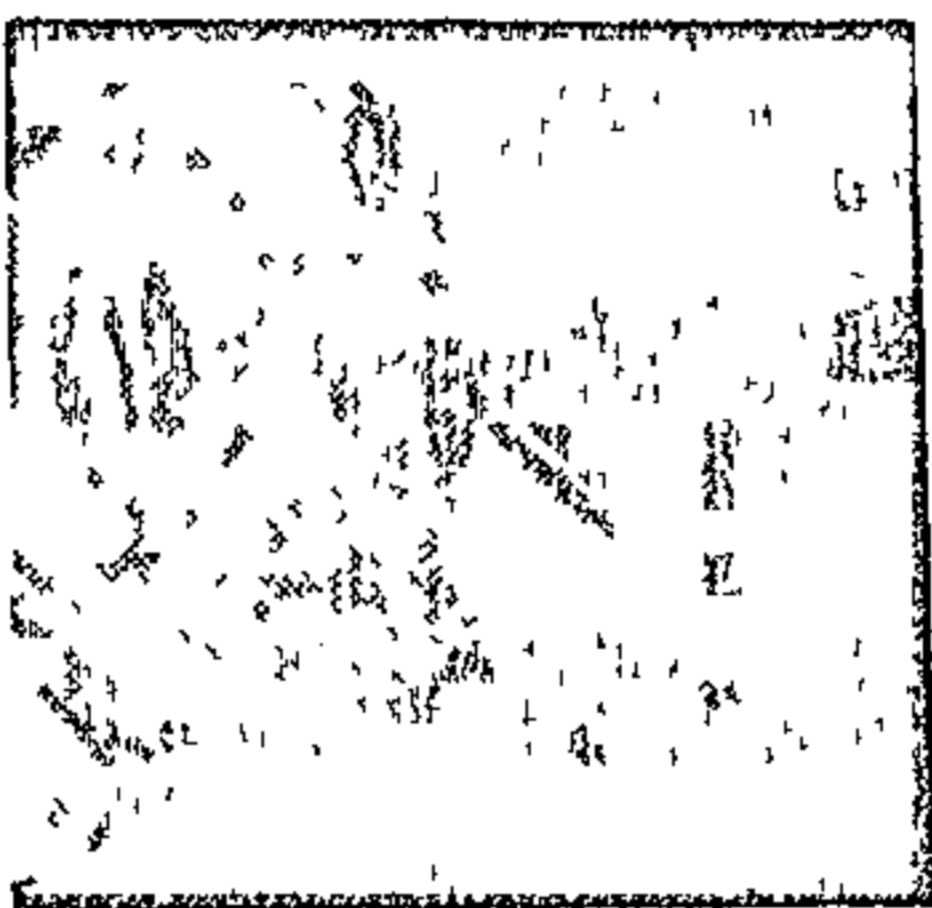
# DEEP

ors are being overcharged on an ale at some concession stores on nes.

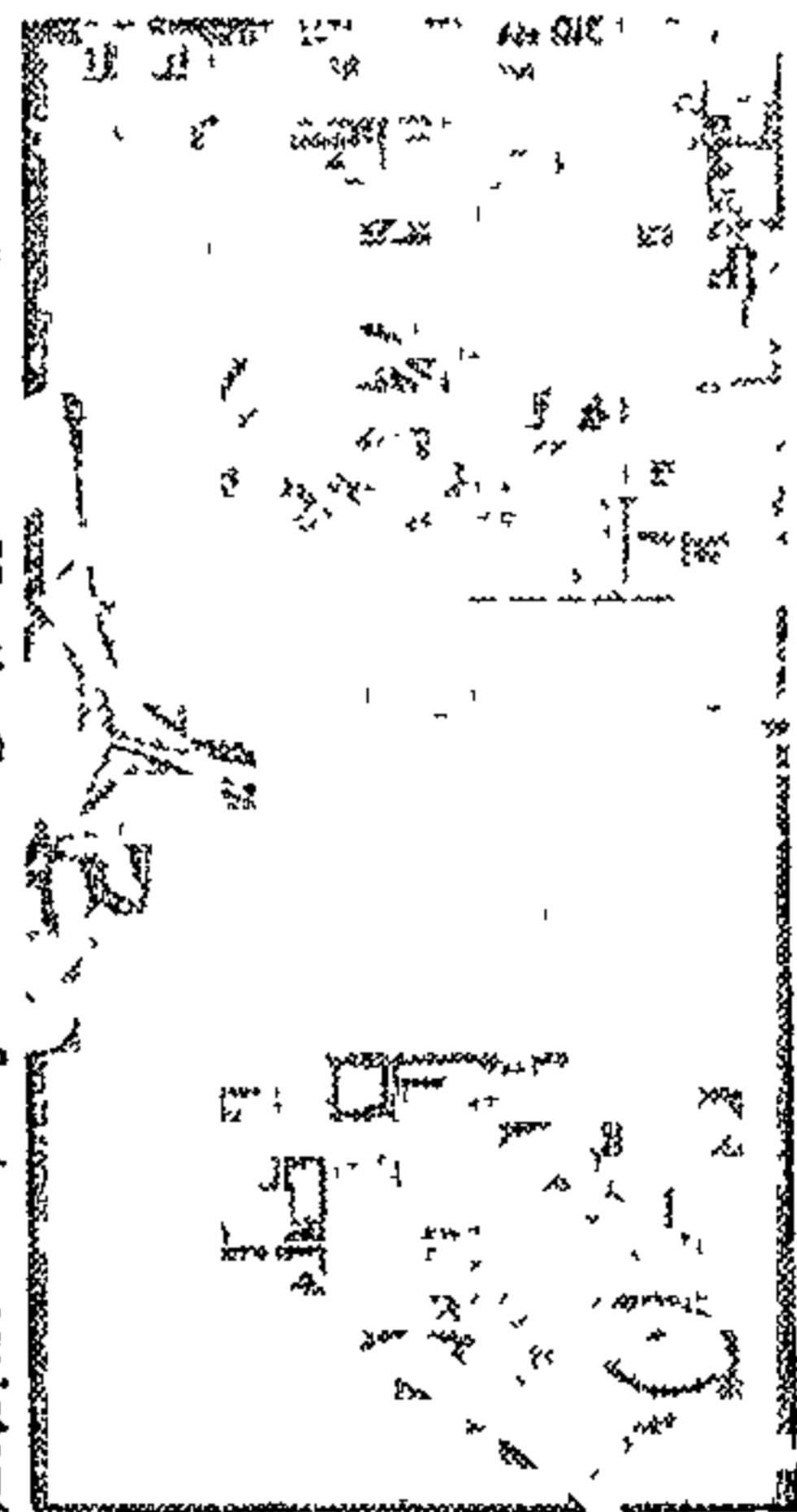
Some stores are exploiting Black customers to at they are creating labour unrest and damaging according to a spokesman for a major mining

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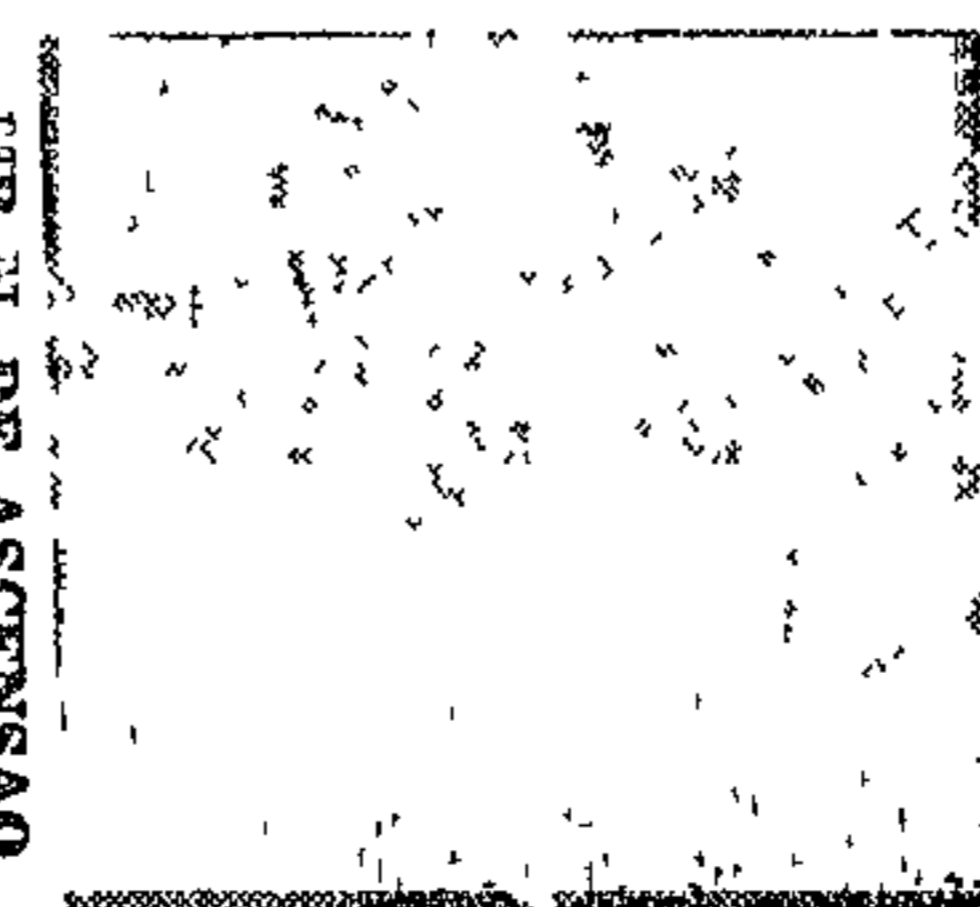
## CONCESSION STORES



MR ANTONIO JARDIM 7c more for sugar



Sunday Times man Martin Creamer confronts an assistant on being short-changed.



MR M. DE ASCENSAO Admission and denial

# Theeeking 'Corporate' Black mine workers

### SUBJECT INVESTIGATION BY MARTIN BREWSTER

sugar — 50c instead of the maximum of 43c

Two other Venterspost stores also overcharged on sugar Mrs Johanna Pez-zoli, of Malawi Stores, said it was her husband who had put the extra 7c on sugar.

Mr M. A. F. de Jesus, of Ranco Trading Company, admitted selling sugar at 44c — 13c too much. "I have always charged 44c," he said. He has been trading for three

years At Theron's Cafe, Durban Deep, Kooledport, Sunday Times representa-tives were short-changed. 7c. Mr J. S. Roque apol-igised and returned the 7c, saying a mistake had been made.

### Admitted

At a store at No 5 shaft, Durban Deep, a small tin of jam was sold for 25c. In Johannesburg shops the same brand costs 12c.

An inspector from the Price Controller's office in Johannesburg was pre-sent when the purchases were made.

Mining men are alarmed at the Sunday Times find-ings. They said, however, they had no control over concession stores. Store owners received their right to trade from the Government.

The three mining invest-igations here a total work force of 2,611 an

ample market for conces-sion-store owners, say mine men, without over-charging.

Mr Carel Nagel, resident secretary of Venterspost Gold Mine, said the mine had recently arranged spe-cial bus trips to town shop-ping areas for its Black workers in an attempt to prevent them being ex-ploited at concession stores.

Mr E. J. Dunstan, assis-tant general manager of Durban Deep, said the only action the mine could take was to complain to the Mining Commissioner. He had been told of mal-practices at concession

stores at other mines, but those at Durban Deep had never caused major prob-lems.

Mr R. J. van Emmenis, general manager of West Rand Consolidated Mines, Krugersdorp, said he was not surprised to learn of overcharging.

The Chamber of Mines would not comment. But the industry is known to be concerned and is under-stood to be negotiating with the Government for permission to provide bet-ter shopping facilities at mines.

Mr Jasper Myburgh, chairman of the SA Asso-ciation of Non-White

Trade, to which most of the concession stores are affiliated, said his associa-tion would not condone overcharging.

He said most of the peo-ple running eating houses were sub-tenants and not members of his associa-tion.

"Many of the original concession-store owners are too old to run the busi-ness and the Minister has allowed them to sub-let on compassionate grounds," he said.

The sub-letting was sub-ject to certain conditions, however, and overcharg-ing would not be tolerated.

ages have ally in as soon prices at stores go ng group re labour market ion-store usnesses a stone's rds. lines in- tried out received cing and malprac- recovered charging rd foods high pre- ontrolled e-control- bought of these



FOUR price-controlled items were bought at Durban Deep Eating House, a concession store directly opposite a compound at Durban Deep mine, Rodepoort. Fifty cents was charged for 2,5 kg of sugar — 16 per cent above the legal maximum of 43c; a brick of yellow margarine was sold for 35c — nearly 13 per cent above the legal maximum of 31c; BB tobacco was sold at 45c, instead of the maximum 43c, and 25c was charged for a litre of paraffin fixed at 23c.

Mr Lambros Asprogerakas, owner of the store, said he was not aware of the official prices.

### CASE 2

AT a store at West Rand Consolidated mine, Krugersdorp, J and A Eating House, the Sunday Times again paid 50c for a 2,5 kg of sugar — 16 per cent above the legal maximum; 40c for a brick of yellow margarine, and 19c instead of 18½c for a packet of ten cigarettes.

Condensed milk — a non-controlled item — was bought at 45c, 50 per cent more than in city stores.

Mr M. de Ascensao initially admitted selling sugar and cigarettes at prices above the maximum. But later when his son, Manuel, denied selling the yellow margarine at a higher price, Mr De Ascensao then denied selling the sugar at the incorrect price, but admitted selling the cigarettes at a price above the legal maximum.

### CASE 3

AT a store at Venterspost Mine — Banda Fish and Chips — Sunday Times representatives were again charged 16 per cent more than the stipulated maximum for 2,5 kg of sugar. Jam, a non-controlled item, sold for 30 per cent more than in city shops.

Mr Antonio Jardim, the store owner, admitted that he had charged more for

Mr Lambros Asprogerakas . . . not aware of the official prices.

# Heunis can't give details of price <sup>26/5/76</sup> RDM increases

By BERNARDI WESSELS  
Political Correspondent

HOUSE OF ASSEMBLY. — The Minister of Economic Affairs, Mr Chris Heunis, was unable to tell Parliament yesterday, in respect of which products the Price Controller had granted price increases since October 8 last year — and what the percentage increases were.

Replying to a question by Mr Gordon Waddell (PRP, Johannesburg North), Mr Heunis said the information was not available and it would take many months for the information to be extracted from the official records.

Commenting later Mr Waddell hit out at the Minister, saying that any person with such a responsibility "should at least have the facts at his fingertips"

It seemed odd, he said, that such information was not readily available when one took into account the price increases of essentials like steel, margarine and other commodities which affected the cost of living of every family in the country.

"It sits very oddly in the role which this particular Minister has attempted to portray of himself as the custodian of the interests of the consumer," Mr Waddell said.

Meanwhile the Rand Daily Mail Cape Town correspondent reports that Mr Eugene Roelofse, former director of the Coordinating Consumer Council, said yesterday that if provincial councils kept hitting the public's pocket the way they had just done, a further restriction on their powers to tax would be widely welcomed.

"The budgets in the Cape and Transvaal have brought into sharp focus the decade-old question whether provincial administrations still have a function to fulfil — and whether the time has not arrived to abolish them."

Mr Roelofse was referring more specifically to the Cape Provincial Budget which includes increases of 50 per cent and more on motor licences.

While the Government was trying to fight inflation, the provincial administrations were helping the cost of living to soar to new heights.

## ARENA

"The consumer situation has now deteriorated so far," Mr Roelofse added, "that these problems simply must be lifted out of the party-political arena. The fact that a consumer owns a motor car

seems to put him beyond the pale, and everybody from the central Government through the provincial administrations and down to local traffic authorities make him their target.

"It is almost as if ownership of a car classifies one as a subversive person who should be liquidated."

Dr Lawrence McCrystal, chairman of the Collective Action Movement, said these increases could only have a harmful effect psychologically, as the public was becoming increasingly dissatisfied about price increases generally.



# Trade practices law vital to survival of free enterprise

SUN TIMES  
(Bus Times)  
13/6/76  
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THE TRADE PRACTICES Act is a piece of legislation of vital interest to business men, consumers and a wide range of elements of South African society. In this article, which formed part of an address to a National Development and Management Foundation conference, Harry Schwarz, MP and a director of companies, discusses the Act and its implications.

**THE TRADE PRACTICES Act was initially introduced in Parliament in 1974. It has been before a Select Committee of Parliament and subjected to substantial amendment since first submitted for consideration to interested parties in advertising, public relations, commerce.**

Trade Practices legislation is symptomatic of the society in which we live. Inflation causes hardship and, while it is difficult to eliminate its causes, it is a time when the public reacts more vigorously to allegations of exploitation.

Consumerism becomes a living issue in times of rising costs. Politicians are, after all, elected by consumers and it is easier and more popular to legislate against exploitation than eliminate the root causes of inflation.

The word "capitalism" is not a popular word in world politics. While South Africa prides itself on its

adherence to the capitalist system, we tend to ignore that in the international scene it might well be asked whether this is not the twilight age of capitalism.

The masses in many countries have turned to socialism because they do not regard free enterprise as an alternative which will remove the disabilities from which they suffer. Free enterprise is seen not as giving opportunity, but as a system weighted against the ordinary man and in favour of the already rich. The vigour, the challenge and the benefits are not seen, only the disparity of wealth, the exploitation, the ugliness is portrayed. If free enterprise is to survive, its protagonists must market it, and the best marketing method will be for its champions to reform it from within and not under pressure.

State interference is rejected by free enterprise — but, in my view, if the system is to survive, reforms are necessary and the most essential legislative reforms must be directed to bring about a

balance in bargaining power between the different levels of society.

We can look upon the Trade Practices Act either as an inroad on free enterprise — or as a tool for its survival.

I choose to look upon it as the latter.

Legislation to regulate trade is nothing novel either in South Africa or in the world.

The Old Testament contains precepts for consumer protection. Roman Law edicts in respect of the sale of goods are still part of our common law. South Africa has had a long string of legislation on monopolies, profiteering, merchandise marks, trade marks, and so on.

The Trade Practices Act must therefore be seen against a background of laws with similar objects in other Western countries, and our own legislation in respect of prices, monopolies and protection of legitimate business interests, our common law and present social, economic and political conditions in our community.

Rand Daily Mail 25/6/76

THE Trade Practices Act was passed this year to protect the consumer. How effective and necessary is it?

Speaking yesterday at the National Development and Management Foundation in Johannesburg, Dr Sandra van der Merwe, Graduate School of Business, Stellenbosch, analysed consumer needs, trade practices and whether the act was necessary and whether alternatives could be found. This is an extract from her speech.

THE idea of government using its power to offset the power of sellers, in order to safeguard the interests of the buying public, is very much a product of the times.

No doubt a considerable amount of government regulation to protect consumers is now justified in South Africa.

The question is, however, whether legislation can be successful in protecting the rights of consumers in a practical way, without having to over-restrict business and endanger free enterprise.

The Trade Practices Bill reflects a basic change in thinking about the role of government in business and consumer relationships, giving permanence to consumerism and a warning signal to business that unless they can resolve consumer grievances in the future, government will do it for them.

From the point of view that it is likely to be a

deterrent to unethical business practices, the Bill can be regarded as a step forward for the Consumer Movement.

The main target of the Trade Practices Bill has been unethical and deceptive information and business practices.

Although fraud has always been illegal, the Act gives an advisory committee the authority and power to investigate the "grey areas" of business and make them illegal.

It also limits the scope of puffing, the age-old marketing practice of boasting about products with the use of superlatives and exaggeration.

Realistically though, some measure of puffing must be anticipated in most advertising and selling.

Ignorance is expensive, particularly in today's economic climate. Uninformed customers cannot be expected to behave intelligently, or maintain their standards of living.

They cannot be sure they are buying the right product or that the product or services is what it claims to be. Consumers need clear information on the quality, quantity and safety of goods, and their term of sale, to make wise buying decisions.

More, however, than being given the facts, consumers should not be deceived by untruthful information.

The industry has responded to criticism by set-

ting up mechanisms for self-regulation and this can work if advertisers and advertising agencies are serious about cooperating.

Apart from specific laws, therefore, there is need to look to improving the flow of information from business to the buying public to help consumers help themselves.

For the consumer, protection doesn't stop at getting a fair deal and information. They want a voice. They want safe products, and products that perform, and they want service.

When they don't get it they need someone responsible to listen and handle complaints and, where justified, easy access to legal remedies. If prosecution is cumbersome, expensive and time-consuming, the law may as well not exist.

The Trade Practices Bill cannot hope to give full and sympathetic consideration to customer rights, if consumers are not aware of the laws protecting them or do not understand them.

While it is easy to talk about consumer protection laws, it must be made clear to business and consumers how they will work. This requires an educational programme.

Also, to be meaningful, the Bill must be enforced industry wide. This needs policing and the existence of effective penalties.

Consumerism doesn't automatically need government regulation, but if business is negative towards the Consumer Movement, the result can be more legislation of the kind and quantity which can stifle individualism and lead to unnecessary hazards for even the well-intentioned businessman.



## How Trade Act helps

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# TV firm guilty <sup>C.T.</sup> of price-fixing <sub>6/10/76</sub>

IN THE Supreme Court, Cape Town yesterday South African Philips (Pty) Ltd, was found guilty by the Judge President of the Cape, Mr Justice Van Zijl, on six counts of contravening the retail price maintenance regulations by compelling retailers to sell its television sets at stipulated prices.

The company, represented by its managing director, Johannes Poot, Mr Poot, in his personal capacity, and six other senior employees, were

originally charged with nine counts of contravening the regulations

Mr Justice Van Zijl acquitted all the accused on three of the nine counts.

He convicted Helmut Ebner on six counts, Hendrik Jens Neumann on five counts, Roger Lingley Bennett on six counts, Henk ten Wolde on six counts, John Beresford Lester Huckle on two counts and Roy Small on one count.

Mr Poot, Mr Justice Van Zijl said, fell into a different category from the other employees and his role would be dealt with separately.

The hearing will continue today

Sitting as assessors are Mr M R Hartogh and Mr J W van Greunen Mr F W Kahn, SC, and Mr S Baker are appearing for the State Mr S A Cilliers, assisted by Mr D N Beasley, instructed by Bowman, Gilfillan and Blacklock, are appearing for Philips and its employees.

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# 1 800 pc mark-up on medicine uncovered

6/10/76  
DD

CAPE TOWN — A 1 800 per cent difference between wholesale and retail costs of medicine was found in a survey of pharmacists here this week.

The survey was prompted by a pharmacist's complaint in the South African Pharmaceutical Journal last month that price fixing and the monopolistic attitude of the manufacturers were pricing the retail chemist out of business.

Using the trade prices offered by a Johannesburg wholesaler, I found that a common anti-rheumatic such as phenyl butazone wholesal-

ed at R3,95 for 1 000 tablets with the over-the-counter price set at R4,20 for 100, a difference of just over 1 000 per cent. A brand name, using the same drug, retails at R2,21 for 30 tablets — giving a price difference of more than 1 800 per cent for the same treatment.

Aspirin tablets were being offered wholesale at R1,85 a thousand against a retail price of 77c a hundred — more than 400 per cent higher. If the customer is prepared to buy 25 000 tablets the price drops to R1,35 a thousand.

Other non-prescription painkillers are available wholesale at R10,95 for

1 000 tablets of 8 mg size — the retail price is R2,35 for 96 marketed under a brand name.

Four brand name eye ointments range in price from 22c to 65c a tube over the counter while the wholesaler's price is a flat 15c

Price differences of up to 400 per cent were noted on antibiotics and common crepe bandages averaged 200 per cent.

The price difference for multivitamin tablets — a drawcard at most retail pharmacists — exceeded 500 per cent.

The complainant, writing in the latest issue of the Pharmaceutical Journal,

said that price differences of up to 1 000 per cent were common in his experience and that a number of prices existed depending on who was buying. Examples were wholesale price, tender price, bonus price, doctor's price, price to retailers and finally the recommended retail price.

He added that the "doctor's price" made even the price to the wholesaler "look silly."

The press officer of the Western Cape branch of the Pharmaceutical Society of South Africa said yesterday that the wholesaler's accepted profit margin was 17,5 per cent while that of the retailer was 50 per cent.

The price differences noted between wholesalers' quotes and that of retailers were due to normal market operations without which it would be impossible for the industry to operate, he said

Dr H. Snyckers, president of the Pharmaceutical and Chemical Manufacturers' Association, said last month he could offer no comment on allegations of price-fixing and monopolies in the industry.

The Steenkamp Commission of Inquiry was still sitting and any comment would be sub judice, Dr Snyckers said. — DDC.

# Head of Philips found guilty

DD

7/10/76

CAPE TOWN — The chairman and managing director of SA Philips (Pty), Mr Johannes Poot, was convicted in the Supreme Court yesterday on six counts of "price-building" after the Judge President of the Cape, Mr Justice J. van Zijl, had found he was an untruthful witness.

The judge said: "We are satisfied he did take part in framing this policy. He knew about and approved of this policy. For him to expect this court to believe he did not know is so far-fetched it is fantastic."

On Tuesday SA Philips (Pty) was convicted on six counts of having contravened the retail price maintenance regulations. Six officials of the company were convicted on between one and six counts.

The judge said yesterday that in terms of the criminal code, when an offence had been committed by a corporate body, any person who was a director of the corporate body was deemed to be guilty of the offence unless he could prove he did not take part in the commission of the offence, did not know about it and could not have prevented it.

The State did not have to prove the director had taken part in the offence or knew about it. The director had to prove the contrary.

Mr Justice Van Zijl said since Mr Poot could not be accepted as a truthful witness, he could not discharge the onus placed on him in law.

The evidence which had been led against SA Philips was therefore admissible against Mr Poot.

Giving evidence in mitigation of sentence, Prof J. L. Sadie, director of economic research at the University of Stellenbosch, said South Africa was riddled with cartel systems, which he considered more harmful to the economy than price-binding.

The case continues today. — SAPA.



Five of the seven senior SA Philips employees at the Supreme Court yesterday: from the left, Henk ten Wolde, Helmut Ebner, Roger Lingley Bennett, hiding his face, Hendrik Jens Neumann and Roy Small with his back to the camera

*Cape Times 8/10/76*

## Philips TV men to be sentenced today

### Supreme Court Reporter

JOHANNES POOT, the chairman and managing director of South African Philips (Pty) Ltd, and four of his senior employees will hear today whether they are to go to prison for their part in the company's price-fixing policy

In a three-hour address in mitigation of sentence yesterday Mr S A Cilliers SC, who appeared for SA Philips and the men, said that any prison sentence — even if it was suspended — would be a very serious blot on their careers.

Justice would be done if a "severe fine" was imposed on the company and if each of its employees before the court was fined

If prison sentences — as requested by the State for Poot, Helmut Ebner, Hendrik Jens Neumann, Roger Lingley Bennett and Henk ten Wolde — were imposed, they should be suspended, Mr Cilliers said.

The company, Poot, Ebner, Ten Wolde and Bennett have each been convicted on six counts of contravening resale price maintenance regulations by practising a policy which was intended to force retailers to sell Philips television sets at prices fixed by the company

Neumann was convicted on five counts and two other employees, John Beresford Lester Huckle and Roy Small were convicted on two and one counts respectively

The State did not ask that Huckle and Small be sent to prison.

When Mr Cilliers said that a prison sentence would close the avenues of advancement open to the men, Mr Justice Van Zijl replied that he was very aware of the social penalties of imprisonment but emphasized that he had a duty to society

Earlier in his address Mr Cilliers pointed out that the profit of maintaining the prices of Philips sets did not go into the company's coffers

The price binding policy had been motivated by a desire to promote a quality product and look after the company's interests in an ephemeral market

In fact, the policy had failed, he submitted. As soon as Philips officials left the retailers, the retailers had cut the prices and the public had not been prejudiced

Judge Van Zijl rejected this submission. He said discounts had not been supplied with sets and the result was that the prices of sets were kept up

When Mr Cilliers turned to the question of the false affidavits signed by Philips officials, Judge Van Zijl said that they were a revelation of the integrity of the people involved

They were drawn to subvert the course of justice and to deceive the court, he said and pointed out that a charge of perjury could be brought against the officials who signed them

Mr Cilliers urged the court not to assume that any fines it might impose on the men would be paid by the company. It was not possible to say that the company would and the decision rested with the holding company in Holland

Judge Van Zijl will pass sentence at 2 15 this afternoon.

He sat with two assessors, Mr M R Hartogh and Mr J W van Greunen. Mr Frank Kahn SC and Mr Stanley Baker appeared for the State. Mr Cilliers was assisted by Mr D N Beasley and instructed by Bowman, Gilfillan and Blacklock



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# TV case fines total R35 500

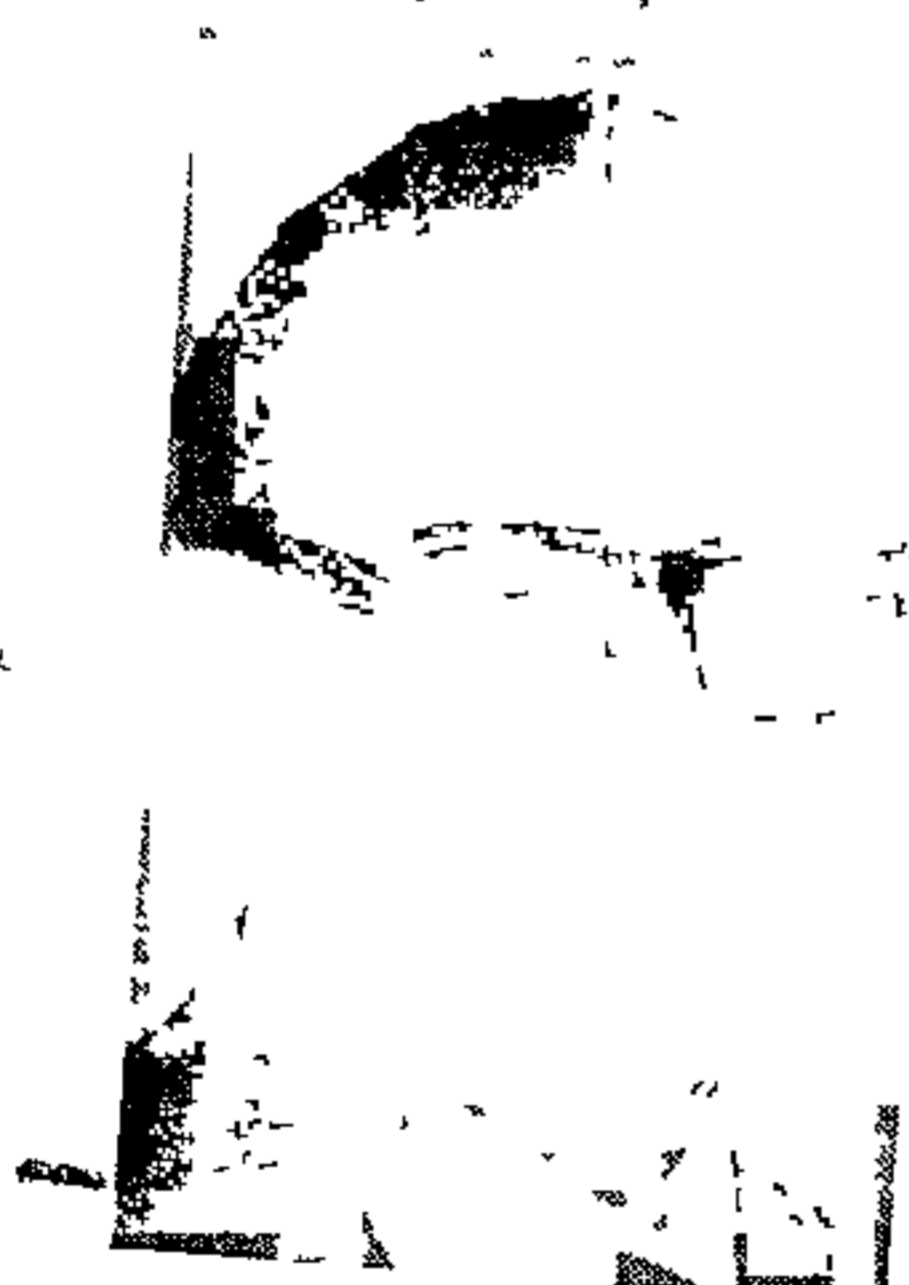
Supreme Court Reporter

**SOUTH AFRICAN PHILIPS (Pty) Ltd, its managing director Johannes Poot, and six of its senior officials were yesterday fined a total of R35 500 for practising an illegal resale price maintenance policy.**

In addition to fines, the Judge President of the Cape, Mr Justice Van Zyl, imposed suspended prison sentences on Poot, Helmut Ebner and Henk ten Wolde.

He said that the affidavits they had signed and placed before the Attorney-General during the investigation amounted to an attempt to defeat the ends of justice. If he had had to sentence them for this he would have sent them to prison.

He described all three as "dishonest" and said that from the evidence Poot also appeared to be "unscrupulous".



Johannes Poot

The sentences he imposed were

- SA Philips R20 000
- Poot R7 000 and 18 months suspended for three years
- Ebner R2 500 and six months suspended for three years.
- Ten Wolde R2 000 and six months suspended for three years.
- Roger Lingley Bennett R2 000
- Hendrik Jens Neumann R1 000
- John Beresford Lester Huckle R500
- Roy Small R500.

Judge Van Zyl said that he had given very anxious consideration to the sentencing of Poot, Ebner and Ten Wolde.

Their roles warranted the imposition of prison sentences but these should be suspended. He was aware of the fact that the sentences would preclude them from sitting on the board of directors.

None of the men had shown any remorse and he had decided to impose fines with a certain amount of reluctance because he was not sure who was going to pay them.

### Grave view

Similar leniency would not be shown again. The courts took a grave view of resale price maintenance, he said.

Dealing with the offence, Judge Van Zyl said that the legislature was concerned that there should be free competition and that prices should be kept down.

As a result of the resale price maintenance policy, Philips television sets had

dishonest offence. The public was entitled to believe that when it bought a Philips set it was buying it in free competition.

Behaviour like price-binding tended to break down the commercial morality of society and that was a very serious matter, Judge Van Zyl said.

### Achievements

He rejected the submission that the policy had not been practised for the gain of the company. It had been to the advantage of Ebner, Neumann, Bennett and Ten Wolde and had given them a feeling of achievement.

Referring to Poot alone, Judge Van Zyl said that the fact he had possibly committed perjury and tried to subvert the course of justice revealed the kind of person he was.

Had he been obliged to take these factors into account the sentence would have been "very, very heavy".

Ebner and Ten Wolde had helped to shape and carry out the policy. Both, like Poot, were dishonest.

Neumann could best be described as a brash and over-zealous henchman. His approach to the policy was so vigorous that it led to the trial.

### Vigorous

Huckle, who was convicted on two counts, had been a somewhat reluctant applier of the company's policy.

Judge Van Zyl said that Small, who was convicted on one count, had been far more vigorous and

probably been sold at more than they would have been sold otherwise. TV was not a luxury; it was a necessity of the modern world. It made no difference whether money was stolen from the rich or the poor. Society had to be protected against this sort of exploitation. The company and its employees were guilty of a... enthusiastic in carrying out the policy than Huckle. The assessors were Mr M R Hartogh and Mr J W van Greunen. Mr Frank Kahn SC and Mr Stanley Baker appeared for the State. Mr S A Cilliers SC, assisted by Mr D N Beasley and instructed by Bowman, Griffiths and Blacklock appeared for Philips and its employees.

9/10/76  
Cape Times  
249

(3) - Dairy  
0489

# Price fall for butter <sup>4/11/76 Argus</sup> will come —Maree

The Argus Correspondent

JOHANNESBURG. — Not all the surplus butter and cheese will be sold overseas, and as soon as the Dairy Board can afford it, the prices will be cut locally, the manager of the board, Mr P. J. H. Maree, said today.

'I cannot say when this will happen. But as soon as we have sufficient funds, we will continue with our special cut-price schemes through the supermarkets,' he said.

Mr Maree said the Dairy Board did not yet know whether consumers were buying less butter and cheese because of the increased prices.

'The supermarkets bought up a lot of the products at the old prices last week, and although they may not buy much this week, they may be selling a lot to the public,' he said.

## RESISTANCE

A spokesman for the Housewives' League said today consumer resistance to the new prices was 'fairly strong' on its own without being nudged by the league's call for a boycott.

Although housewives have so far shown no tendency to stock up with butter still being sold at supermarkets at the 'old' price of 68c or 69c for 500 g, Pick 'n Pay are expecting to sell a million packets in two weeks now that they have reduced their price to 65c.

General manager Mr David Watkins said they had reduced their price to 'give a lead to the Government' by showing there was a demand for butter if it did not cost more than the housewife was willing to pay.

Mr Watkins said this decision had been taken after it had been announced that the big retailers had not been invited to the meeting 'of interested parties' called by the Minister of Agriculture, Mr H. Schoeman, tomorrow to find solutions to the Dairy Board's problems.

3-dairy.  
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## Price Fall Proposed

PRETORIA. — The minister of agriculture, Mr. Hendrik Schoeman, said a meeting would be held on Monday to see whether finance for the Dairy Board could be found to enable recent butter and cheese price increases to be cancelled.

Making the announcement at the end of a three-hour discussion here between dairy producers, consumers, business men and economists, Mr. Schoeman said the amount needed was between R4-million and R5-million.

The amount to be found, possibly by way of a loan or an increased subsidy, is only to cover the consumers' share of the approximately R21-million the Dairy Board needs to finance disposal of its present surplus.

Mr. Schoeman admitted the butter and cheese price increases had been badly motivated, and that a mistake had been made, but said the money needed by the Dairy Board would have to be found somewhere. — Saps

# Minister Schoeman is quizzed by housewives

By ERICA RUDDEN

THE MINISTER of Agriculture, Mr Hendrik Schoeman, has undertaken to consult 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 Riekert, 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 Riekert, 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 cutting 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: Black Africa buys after secret sales drive

By ERICA RUDDEN

SOUTH AFRICA has begun selling some of its surplus dairy products — to Black Africa.

This exercise in economic detente with states that have no 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 on the overseas market. Overproduction 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 the Black states which are buying South African

"We do not want to embar-

## Stirring words

Express Reporter

THE Minister of Agriculture is not a man meekly 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 sweetly. "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.

...rass them," 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,

but Mr Maree would not confirm this

He said it was "better economics" to export surplus dairy products "We can export at less of a loss than the loss we would make on the local market which is oversupplied"

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 Canada, where he found that South Africa shared the 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 smallish orders — 200 tonnes here and there"



• Tired of criticism? The general manager of the Dairy Board, Piet Maree, certainly had his eyes shut to the attack on the board delivered by Housewives' League president, Joy Hurwitz

Picture: DANIE COETZER

# Top brains offer help

Express Reporter

SOUTH AFRICA'S top businessmen have formed a brains trust to provide expert advice on management to Government and 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 Hendrik Schoeman seems unlikely to accept the offer of the trouble-shooting team whose members include Dr Anton Rupert, Dr Frans Cronje, Mr Norman

Herber, Mr Len Abrahamse, Mr Dick Goss and Mr Douglas Roberts

They have been mobilised by the National Development and Management Foundation "We have some of the cleverest people in the country on the Dairy Board, and I must take them with me," the Minister said

Mr Piet Maree, general manager of the Dairy Board for the past 31 years, was even more blunt "People are very glib with their advice and theory," he said. "But how do you convey the laws of supply and demand to a dairy cow?"

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## Bricks stay same price in EL *20/11/76*

EAST LONDON — While brick prices in Port Elizabeth have risen for the third time since August last year, the price of bricks in East London remains constant

The latest increase in the Port Elizabeth-Uitenhage area of R3 a 1 000 brings the price of ordinary stock bricks there to R30,40 a thousand, compared to the R24,50 in East London

And for Port Elizabeth house builders, the new price hike means an increase of R200 to R250 on the price of a new house, something which the building industry can ill afford in its present slump

A spokesman for the price controller's office in Pretoria said the increase had been authorised because of higher delivery costs, administration ex-

penses and higher wages. There has also been a tremendous drop in turnover for brickmakers due to a lower demand for building in the Port Elizabeth area

There has been little demand for builders in East London, as shown by the many tenders submitted for each job advertised

A past president of the Master Builders Association, Mr G Dodd, said the rest of the country was in the same boat, and were it not for the large amount of building being done in Transkei at present, many unskilled and skilled labourers here would be out of work

"This work has drawn labour from East London. You only have to look around the city to see how little construction is going on here," he said — DDR

249/3-sugar.

## Maximum prices for sugar

EAST LONDON — The controlled maximum price of white sugar in East London is 27c a kg according to the new prices in the latest Government Gazette

Brown sugar is listed as 26c a kg in the prices which came into effect yesterday after a 34 per cent hike was announced

Prices vary according to distance from Durban, where sugar is cheapest, and according to whether it is delivered by rail or road

A 2,5 kg mill-packed container of white or brown sugar costs 58c in Durban and a kg pack 24c. Retailer's packs there are now 23c for a kg of white sugar and 22c for brown sugar

A 2,5 kg pack of white sugar costs 64c in East London

The highest prices will be paid by housewives in the North West Cape. Mill-packed sugar delivered by road in the Carnarvon area will sell at 30c a kg and 74c for a 2,5 kg pack. Retailer's packs will cost

29c a kg of white sugar and 28c a kg of brown

In Johannesburg, shoppers were waiting outside many hypermarkets and supermarkets before they opened their doors yesterday to buy up old stocks of sugar being offered at the old price

Spokesmen for the three major food retailing chains said they would

hold prices at old levels, until old stocks ran out, but they were doubtful if they would still have old stocks available after Monday or Tuesday.

A marketing official of one chain said that when existing stocks were exhausted, sugar would be sold at cost on the new price

South Africa's new om-

budsman, Mr Eugene Roelofse, expressed dismay yesterday that retailers would be permitted to sell old stocks of sugar at the new price.

He said: "It is Gilbertian if a retailer can be fined a R100 for making an extra cent on a kg of sugar one week, but is allowed and indeed encouraged to make an extra 7c the next."  
— DDC-DDR



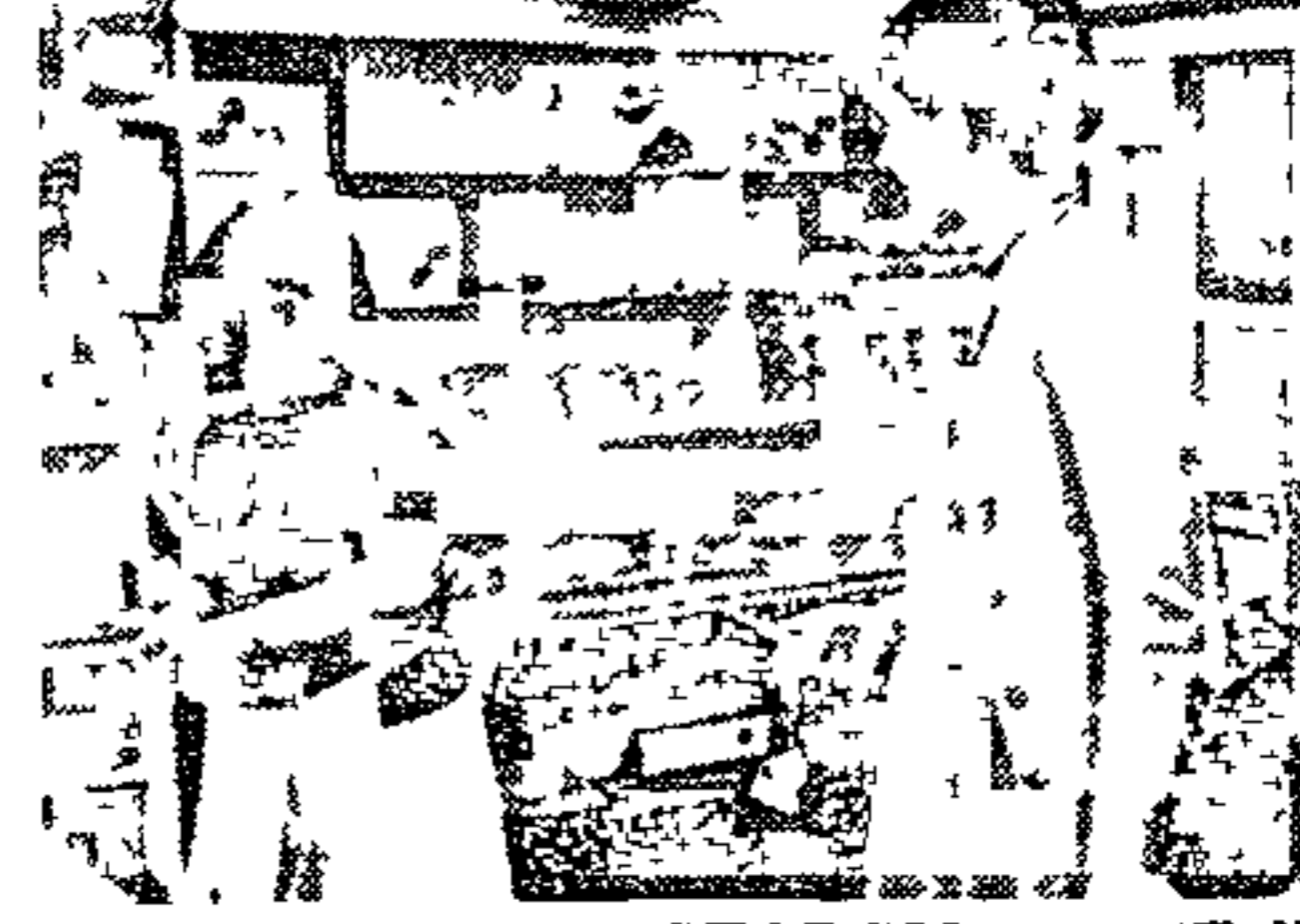
● Pandelis THOMAIDES  
Overcharged on cigarettes.



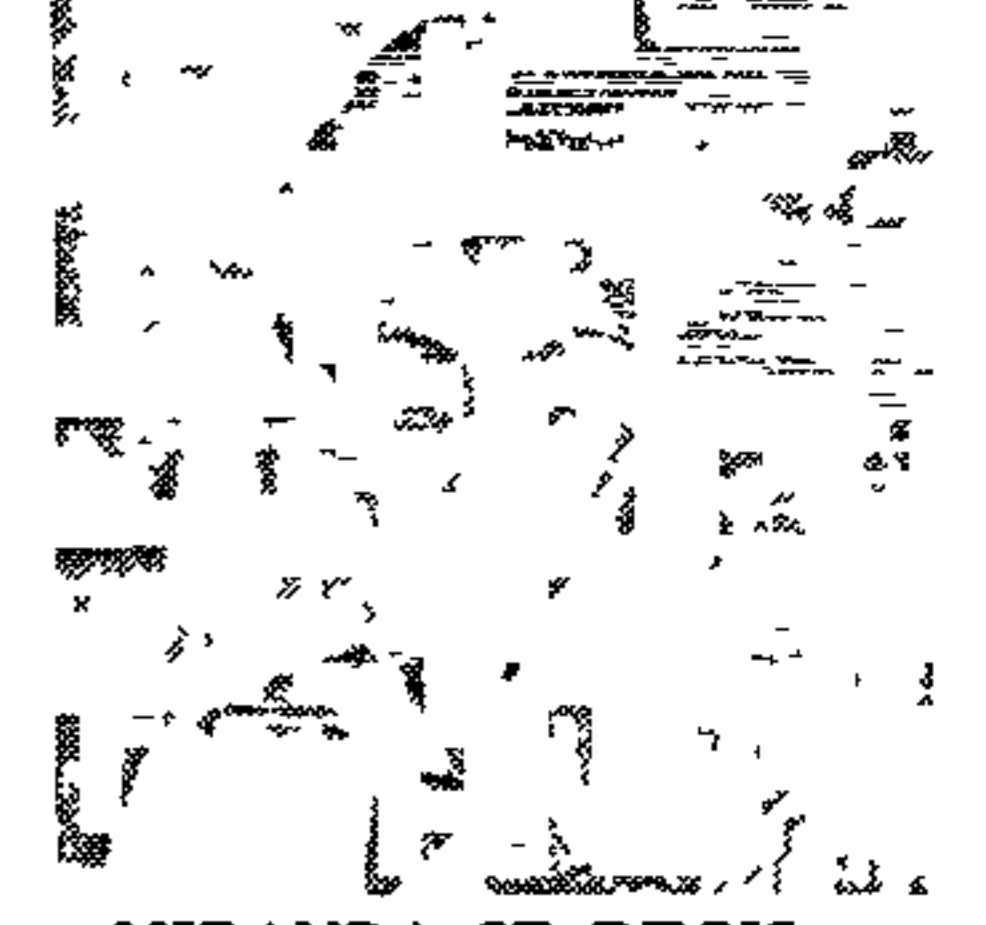
● BASILIO DOS SANTOS... 'I was new to the business'.



● LOUIS DE SOUSA Shortage of half cents.



● ANDROMACHE GEORGIO 'Tell them I want to get rich'.



● MIRANDA ST REGIS 'Black took revenge'.

# The fiddler dossier

How the prices inspector stopped Zorba's dance



● Johannesburg's own Zorba, Mr Ioannou Lambros, dancing for joy in his Rosettenville shop, Zorba's Delicatessen "Why worry, today you live, tomorrow you die."

By CLARE STERN

ZORBA'S dance came to an abrupt end when the price control inspector popped into a Rosettenville delicatessen.

Mr Ioannou Lambros, accustomed to doing Zorba's dance behind the counter, faced the music to the tune of R125 (or 60 days) in the Johannesburg Magistrate's Court this week

Mr Lambros of Zorba's Delicatessen was one of 15 shopkeepers fined for contravening the Price Control Act.

He was fined R75 or 35 days for charging 1c too much on a packet of yellow

margarine, R20 (or 10 days) for failing to price mark fruit juices, and R30 (or 15 days) for marking 40 packets of yellow margarine 32c instead of the controlled price of 31c

"Why worry, today you live, tomorrow you're dead," Mr Lambros told me as he danced gaily behind his counter

"I was going to give my wife a diamond ring, but I gave the Government a Christmas box instead"

Mr Lambros said he had not price-marked his fruit juices because he had no price list His overpriced margarine was a genuine

mistake, he claimed

"Once I marked the margarine 43c instead of 34c It is easy to get confused when you're busy."

Mr Pandelis Thomaides, of Speedy's Takeaway Service, Ophirton, is not keen to run about town with a sack, hunting for half cents That's why "the son of a Turkish aristocrat" overcharged half a cent on a packet of 10 cigarettes

He was fined R50 (or 25 days) and his wife R20 or 10 days for selling the cigaret-

tes He was also fined R30 for not price marking fruit juices

Mr Thomaides told me "The Reserve Bank doesn't have half cents I'm short of staff - how can I run around town with a sack all day hunting for half cents"

Mr Ionnis St Rigas, of Maxi's Fishery Supermarket, Mayfair, would not dream of crooking anyone

"His father was a priest," his wife, Miranda, said

Mr St Rigas was fined R100 (or 50 days) for overcharging 2c on a packet of sugar and using a scale 20g out. His wife was fined R30 (or 15 days) for selling the sugar

Mrs St Rigas told me the sugar was incorrectly

stamped by a Black assistant "as an act of revenge"

"We bought him three bicycles and he lost them all so we fired him," she said

Mrs Andromache Georgio, of Nicks Store, Langlaagte North, was fuming over her R100 fine.

Stirring a pot of soup with one hand and rocking her baby with the other, she shrieked. "Tell them I overcharged 2c on a bottle of apple juice because I want to get rich quick Do you really think I can feed three children on 2c"

After paying a fine of R80 for overcharging half a cent on a packet of cigarettes and not price-marking fruit juices, Mr Jose de Abreu Coelho thinks "sweeping the streets" might be a better proposition

"I work like a donkey - 16

hours a day," said M Coelho, of Golden Fish and Chips, Mayfair

"I only overcharged half cent If it had been R100 I would expect a big fine The bank never has half cents. So I give customers ice instead"

Mr Louis de Sousa, of Saratoga Supermarket, Berea, who was fined R50 (or 25 days) for a similar offence, also complained of a shortage of half cents

"A kilo of white sugar left a sour taste in Mr Basilio dos Santos' mouth Mr Des Santos, of Beira-Mar Fisheries, Mayfair, was fined R10 for overcharging 2c on the sugar

"I was new to the business," he said. "I assumed if half a kilo costs 10c, a kilo is double. Now I only sell half kilos."

14/11/78 Sunday Express



# PRICE RESTRAINTS TO MAY BE IN WAIVER - HEUMIS

Pretoria Bureau

The inflation rate was expected to be well into single-figure levels by the end of next March, the Minister of Economic Affairs, Mr Heunis, said last night.

This was why the Anti-Inflation Continuation Committee had decided to end the short-term wage and price measures imposed under the manifesto on March 31.

Speaking at a Press conference after the committee had accepted the recommendation of a working group, Mr Heunis de-

clared any pressure had been brought to bear by signatories to the manifesto.

He said the recommendation was accepted by all bar one of the signatories, including the unions. The one exception was the SA Federation of Civil Engineering Contractors.

### Amendment

The only amendment to the existing terms of the price and wage limitation was that people of less than R300 were no longer subject to restraints. After next March 21 price and wage control would be left to the nor-

mal market mechanisms with guidance by the Government through its fiscal policies.

If any drastic economic developments occurred between now and then, the continuation committee would decide then if it wanted to take part in any Government decisions on further measures found necessary.

Mr Heunis said in the first quarter of this year the inflation rate was down to 10.1 percent in the second it rose to 13.3 percent and in the third quarter it was down to 10.8 percent. By the end of next March, the trend was expected to be well into

single-figure levels, which would render continuation of the short-term price and wage controls unnecessary.

Asked whether the end of the short-term controls would not herald a "damburst" condition of wage demands and price increases, Mr Heunis said he doubted it.

### Policy

Even now, he said, the market mechanism would probably not increase levels beyond the 30 percent absorption of costs limitation.

The long-term recommendations of the manifesto would probably not increase levels beyond the 30 percent absorption of costs limitation.

The measures included the promotion of productivity through such measures as training, which the Government was pushing energetically, and the curbing of Government expenditure.

Department of Commerce officials said in private conversations after the Press conference that a long-term benefit of a successful collective campaign against inflation would lie in public awareness of the value of joint action against national problems.

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# 11 guilty on price charges

*Arms 17/11/28*

ELEVEN shopkeepers were yesterday fined a total of R1 070 in the Magistrate's Court, Cape Town, for overcharging.

Four of them pleaded guilty to selling a fruit drink at 3c above the controlled selling price.

N. Alexandridis, of Picadilly Store, Koeberg Road, Rugby; V. Consaives, of Sunshine Cafe, Koeberg Road, Brooklyn and G. Pluke, of Tableview Supermarket, Blouberg Road, Tableview, were each fined R60 (or 30 days).

D. H. Mozzer and Miss J. Mozzer, of Azaad Cash Store, Justin Street, Brooklyn, were each fined R30 (or 15 days) for a similar offence.

A. D'Abreu and his assistant, Miss M. J. Patiem, were each fined R60 (or 30 days for overcharging 1c on each of two containers of drink.

## SECOND TIME

The owner of Princess Cafe, Section Street, Paarden Eiland, A. V. Alves, was fined R60 (or 30 days) for overcharging 3c on the fruit drink.

He appeared a second time in his capacity as owner of Turneys Take Aways, Section Street, Paarden Eiland, and was fined R100 (or 50 days) for overcharging 1c on each of two containers of the drink.

He admitted two previous convictions for price control offences.

The owner of Seaview Fast Food Take Aways, Marine Drive, Paarden Eiland, B. W. Bellingham and his assistant, Miss M. Loster, were each fined R60 (or 30 days) for overcharging 3c on the drink and 2c on loose cigarettes.

Mr and Mrs V. J. Teixeira, of Paarden Eiland Fisheries, Section Street, Paarden Eiland, were each fined R30 (or 15 days) for overcharging 1c on a soft drink.

The owner of Auckland Store, Auckland Street, Paarden Eiland, M. G. Faias, was fined R60 (or 30 days) for a similar offence.

## LOOSE CIGARETTES

M. M. Esmeraldo, of Pantry Take Aways, Section Street, Paarden Eiland, was fined R160 (or 80 days) for overcharging 1c on a soft drink and 2c on loose cigarettes. His wife was fined R60 (or 30 days).

The owner of A. A. Rawood Store, Somerset Road, Cape Town, H. Kahn, was fined R60 (or 30 days) for overcharging 1c on two loose cigarettes.

Mr J. W. Z. Havenga was on the Bench and Mr P. D. Theron appeared for the State.

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# Overcharging: 11 fined R1 070

Staff Reporter

ELEVEN SHOPKEEPERS were yesterday fined a total of R1 070 (or 535 days) by a Cape Town magistrate for overcharging.

M M Esmeraldo and his wife of the Pantry Take Away, Section Street, Paarden Eiland, both pleaded guilty to selling a bottle of cold drink for 19 cents, one cent above the control price. Both were also convicted of selling two cigarettes at six cents, two cents above the control price. He was fined a total of R160 or 80 days and she R60 or 30 days.

A V. Alves, who owns the Princess Cafe and Turney's Take Aways, both in Section Street, Paarden Eiland, was fined a total of R160 or 80 days for overcharging on fruit juice by three cents.

The control price is 12 cents. His wife, M Alves, was fined R30 or 15 days for a similar offence.

N. Alexandridis, of Picadilly Store, 397 Koeberg Road, Rugby, pleaded guilty to selling apple juice for three cents more than the control price. He was fined R60 or 30 days.

H Kahn of A A Rawood Store, Somerset Road, Cape Town, sold two cigarettes for five cents — one cent above the control price. He was fined R60 or 30 days.

A D'Abreu and his assistant, M J Petim, of Manels Restaurant, Barrack Street, Cape Town, pleaded guilty to selling fruit juice for

one cent more than the control price on two occasions.

They were both fined R60 or 30 days.

B W Billingham of Seaview Fastfood Takeaways, Marine Drive, Paarden Eiland, and his assistant, Miss M Losper, sold fruit juice for 15 cents. They were also convicted of selling two cigarettes for six cents. They were fined R60 or 30 days each.

D H Mozzer and his assistant J Mozzer of Azaad Cash Store, Justin Street, Brooklyn, sold fruit juice for 15 cents. Both pleaded guilty and were fined R30 or 15 days each.

V Conssakves, of Sunshine Cafe, Koeberg Road, Brooklyn, pleaded guilty to selling apple juice for three cents more than the control price. He was fined R60 or 30 days.

G E Pluke, of Tableview Supermarket, Blouberg Road, Tableview, sold fruit juice for 15 cents. He pleaded guilty and was fined R60 or 30 days.

V J Teixeira and M Teixeira of Paarden Eiland Fisheries, Section Street, Paarden Eiland, overcharged one cent on a cold drink. They were fined R30 or 15 days each.

M G Faias, Auckland Store, Auckland Street, Paarden Eiland, was fined R60 (or 30 days) for overcharging one cent on a cold drink. He had pleaded not guilty.

3-dairy  
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The restoration of the butter and cheese prices to their former levels, and the R6 million Land Bank loan to the Dairy Board to make this possible, are not the end of the story as far as the industry and the consumer body are concerned. They represent merely a holding action while the Government decides how dairying should be slotted into the economy — and some fundamental decisions are going to have to be made.

With one sociologically important dimension, the commission of inquiry into the marketing Act recommended earlier this year that subsidies on food products be reduced — but systematically so, bearing in mind that they formed part of the price structure and that rapid reduction might cause disruption.

In their place, with a view to expediting adjustments and improving efficiency in the dairy industry, the commission recommended the Government to make special loans available to mechanise milking and refrigeration processes, transport milk in bulk and modernise the subsequent processing facilities.

The Government's decision to reduce the subsidy on dairy products from R12-million to R7 million, which preceded the now celebrated "butter bungle," was in line with this

# Butter: who will be milked?

18/11/76  
Star

TONY VAN DER WATT, The Star's Farming Editor, looks at the changes taking place in the subsidy policy.

recommendation, though the reason given for it at the time was that it was taken because of the current economic situation.

However, the loan which has replaced the subsidy was made to the Dairy Board to tide it over its present financial problems — and not to the industry for the promotion of efficiency.

At this stage, the progress made towards implementation of the commission's recommendations includes the negative one of removing the subsidy but not the positive one of stimulating production efficiency.

The way is therefore still open for the Government to reject the commission's recommendation on this point and take another line, such as that suggested by a commission member, Mr Warwick Webber, the United Party MP for Maritzburg South.

Mr Webber's objection to removal or reduction of subsidies was that the social and economic conditions of South Africa were such that a large part of the population was underprivileged and fell into the lower-income brackets.

This made retention of the subsidies on basic foods essential even if it necessitated an increase in tax which was paid by the higher-income groups in any event.

The principle of systematic reduction of consumer subsidies could be justified, he said, only at a stage where the economic position of those in the lower brackets had improved to such an extent that an increase in prices of staple foods would have little or no effect on their standard of living. Unfortunately this was not so at present.

He warned that the proposed policy would lay South African farmers open to unmitigated criticism by consumers each time prices were increased.

Mr Webber felt this was not in the best interests of either the agricultural sector or the consumers, and could only give rise to strained relations between these two groups.

The decision which the Government is going to have to take is as basic as this: either it drops the subsidies gradually and uses the money to pro-

more efficiency in the industry thereby helping to contain price escalation, or it retains the subsidies in the interests of the lower-income groups. And perhaps if it can find the money, tries to promote efficiency in the milking shed and butter factory anyway.

# Philips' boss quits

FIN MAIL  
19/11/76

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② 209

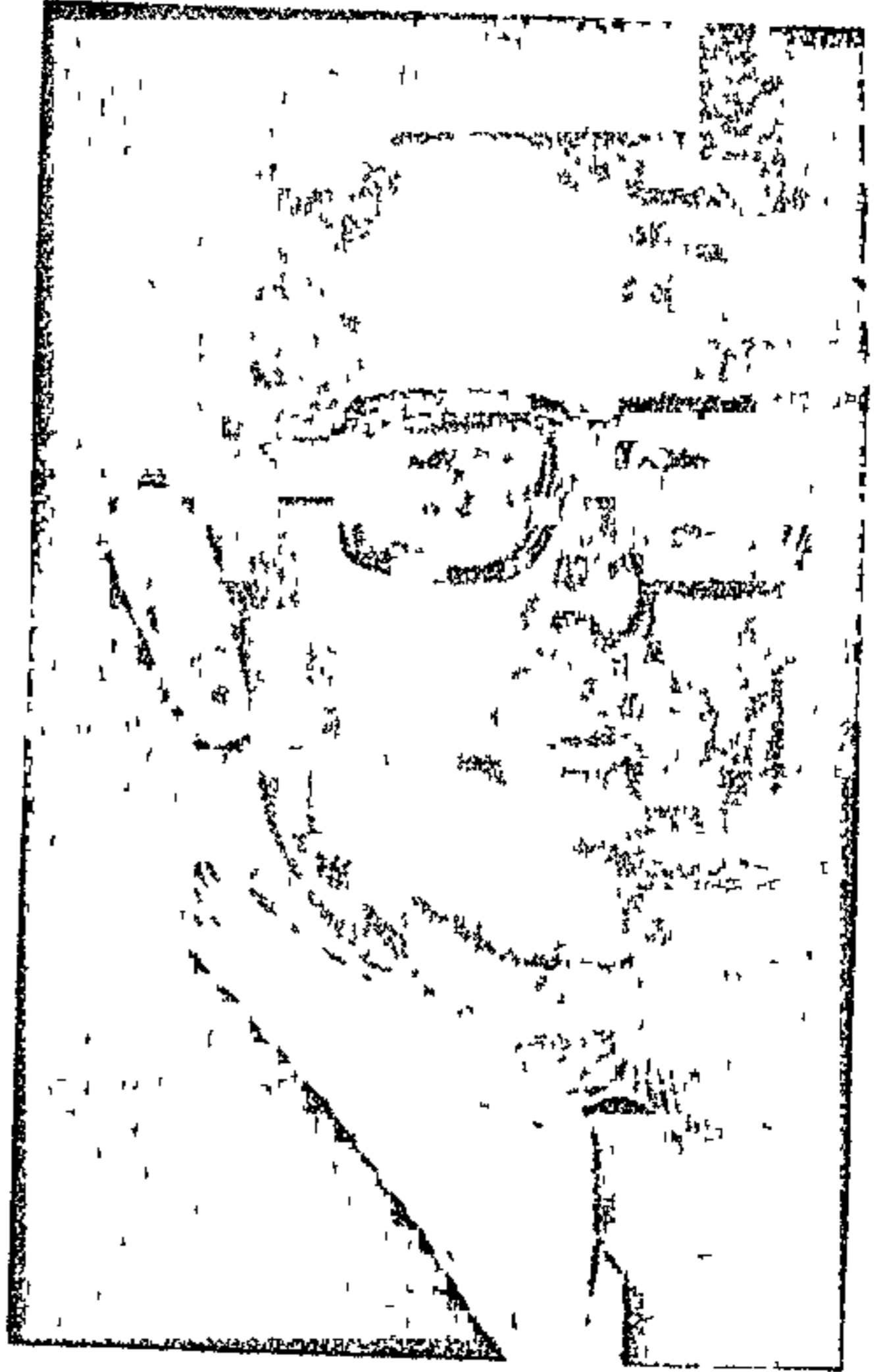
SA Philips chairman and MD, John Poot, has resigned and is returning to Holland following the recent case in which SA Philips, Poot and six senior officials were convicted of breaking the re-sale price maintenance provisions of the Regulation of Monopolistic Conditions Act

Two other executives, Helmut Ebner, Justice van Zijl, found that during 1975 Philips sought to withhold supplies of TV sets from suppliers who were not prepared to maintain Philips' retail selling prices. The company was fined R20 000, Poot R7 000 and 18 months' jail, suspended for three years, Ebner R2 500 and six months, suspended for three years, Ten Wolde R2 000 and six

general manager of the consumer goods division, and Henk ten Wolde, product manager for video, will also return to Holland. Hendrik Neumann, a German, has already left the company. The three remaining convicted Philips men — Roger Bennett, John Huckle and Roy Small — are still with the company

The Judge President of the Cape, Mr months, suspended for three years, Bennett R2 000, Neumann R1 000, Huckle R500, and Small R500

Poot leaves SA at the beginning of next year. Ebner and Ten Wolde will leave this year. Although he told reporters after the court sentence that he had no intention of leaving SA, Poot now says "I find it better for Philips SA and



Philip's John Poot . . . just getting his breath back

myself personally to go. I expressed the wish to the Philips Board of Management that I would like to return to Europe."

Asked by the *FM* whether he would remain in Holland or take another overseas job Poot replied: "I have not made any firm plans — but I would like my breath back."

Poot meanwhile stresses that his departure is not a decision taken by the main Philips board. "It's my own decision. I'm sorry to leave South Africa, but there it is."

After the court's decision there was some doubt as to whether Poot could continue as a director of SA Philips. Under S218 of the Companies Act a person is disqualified as a director if he has at any time, in SA or elsewhere, been convicted of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention of Corruption Act, or "any offence involving dishonesty or in connection with the promotion, formation or management of a company, and has been sentenced therefore to imprisonment without the option of a fine or to a fine exceeding R100."

The Judge questioned the truthfulness of some of the evidence given by Poot and his colleagues. He stated that affidavits sworn by Poot, Ten Wolde and Ebner were false and that they had attempted to subvert the course of justice.

A Philips' spokesman tells the *FM* that, in considering whether S218 of the Companies Act applied to Poot —

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## Retailers urged to check price changes

THE Price Control supervisor in Cape Town, Mr P C du Toit, has urged retailers to obtain copies of the Government Gazette or to consult his office upon learning of changes in the price of controlled items.

A spate of prosecutions for infringements of the regulations were pending.

The office had not yet taken action against merchants with regard to the new sugar price because considerable confusion persisted. However, many cases of over-charging had become apparent and it was essential that the correct prices be adhered to without delay.

The new price of the one kg pack of white sugar in most Cape Town magisterial districts and in Stellenbosch is 27c. In Paarl the one kg pack costs 28c and the 2.5 kg pack 67c.

# 'Higher' fines for price offenders

IN fining six Woodstock price offenders a total of R320 for overcharging a Cape Town magistrate today said the incidence of price offences has risen and his only option was to impose higher fines.

O Ahmed, owner of an Albert Road shop and his assistant J. Ahmed sold

two cigarettes for six cents, two cents more than the controlled price (R40 or 20 days each).

Frances Hay, assistant at the Golden Plate, Albert Road, sold a soft drink for 15 cents, three cents more than control price (R80 or 40 days).

D. Kalan, owner of a

shop in Albert Road and his assistant A. Kalan, sold two cigarettes at three cents each, two cents above control price (R40 or 20 days each).

A. G. Lopes, owner of Trafalgar Cafe, Victoria Road, sold a soft drink for 13 cents overcharging one cent (R80 or 40 days).

# 7 fined for price control offences

The Argus Boland Bureau  
PAARL. — Seven busi-  
nessmen were found  
guilty in the Paarl Magis-  
trate's Court today of con-  
travening the price con-  
trol regulations.

Mr J. H. von Rombirgh  
was found guilty on two  
charges. He is the owner  
of the Simondium Cafe,  
Simondium and Lynedoch  
Stores, Groot Drakenstein.  
He was sentenced by  
the magistrate, Mr A.  
Louw, to a fine of R50 (or  
50 days) for selling paraf-  
fin in 750 ml bottles for  
15c instead of 14c at the  
Simondium Cafe and to a  
fine of R150 (or 90 days)  
for selling loose cigarettes  
at 3c each instead of 2c at  
Lynedoch Stores

Mr S. D. Parker, owner  
of the NT Cafe in  
Franschhoek, was senten-  
ced to a fine of R25 (or  
25 days) for overcharging  
half a cent on paraffin in  
750 ml bottles.

He was also fined R50  
(or 50 days) for selling  
cheese without indicating  
the weight on packages.

Mr M. Moerat, of the  
Drakenstein Vegetable  
Shop, Huguenot, was fined  
R50 (or 50 days) for not  
using a proper scale.

### INCORRECT WEIGHTS

Mr George Vekris, of  
the Noorder Paarl Handel-  
shuis, Paarl, was senten-  
ced to a fine of R250 (or  
90 days) for displaying  
incorrect weights on pack-  
aging.

Mr O. A. Dhanshay, of  
Lata's Supply Store,  
Huguenot, was fined R50  
(or 50 days) for not dis-  
playing nett weights on  
packaging.

Mr M. K. Rademeyer, of  
the Dal Josaphat Station  
bookshop, was fined R50  
(or 50 days) for selling  
loose cigarettes at 3c each  
instead of 2c.

Mr K. Fisher, a hawker  
of Huguenot, was fined  
R50 (or 50 days) for sell-  
ing prepacked vegetables  
without displaying the  
nett weights.

The prosecutor was Mr  
J. Mouton.



# 8 fined a total of R420 for prices

CT-  
20/11/76

FIVE shopkeepers and three shop assistants were yesterday fined a total of R420 or 210 days in the Cape Town Magistrate's Court for overcharging.

S Dimitrio, of Quix Snax, Corporation Street, Cape Town, was found guilty of selling apple Liquifruit at three cents above the control price, 12c. He was fined R100 or 50 days.

D Kalan and A Kalan, of 74 Albert Road, Woodstock, both pleaded guilty to selling two cigarettes at six cents, two cents above the control price. Each was fined R40 or 20 days.

O S Ahmed and his wife J Ahmed, who own a cafe in Albert Road, Woodstock, admitted to selling two cigarettes at six cents instead of four cents. They were each fined R40 or 20 days.

Miss F Hay, an assistant, at The Golden Plate, Albert Road, Woodstock, was fined R80 or 40 days for overcharging on cigarettes. She sold cigarettes at two cents above the control price.

A G Lopes, owner of the Trafalgar Cafe, Victoria Road, Woodstock, admitted selling lemon Liquifruit at 13c, one cent above the control price. He was fined R80 or 40 days.

# Shopkeeper with heart trouble overcharged

CT-  
26/11/76

Staff Reporter

IF shopkeepers kept on overcharging poor people, the latter would have heart attacks, a Cape Town magistrate told an offender yesterday

A shopkeeper, H Moolagee, of Pope Street, Salt River, failed to mark the prices on fruit and cigarettes and was sentenced to R40 or 20 days on the charge

In mitigation, Moolagee said that he had had several heart attacks

In reply the magistrate Mr J W Z Havenga said "Non marking of goods leads to overcharging and if you keep on overcharging poor people they will also have heart attacks"

## Fruit drinks

E. Sondag of Sondag's Cash Store, Fenton Road, Salt River, was also found guilty of failing to mark fruit drinks and margarine. He was fined R80 or 40 days

M E Parker pleaded not guilty to not marking margarine. He told the court that he was not the owner of Lucky Store, Pope Street, Salt River, and was not in the shop when the price control inspector called. He was fined R80 or 40 days

For overcharging 1 cent on cold drinks, A de Freitas, of Coliseum Cafe, Lower Main Road, Observatory, was fined R80 or 40 days.

S Sahe, of Foodbox, Durham Avenue, Salt River, charged three cents 100 much for fruit drinks and was fined R80 or 40 days.

F de Sousa, of Maitland Provision Store, Barkley Road, Maitland, pleaded guilty to overcharging 1 cent on fruit juices and was fined R80 or 40 days

Mr P Theron prosecuted

# Price control: <sup>DD-</sup> director guilty <sub>27/11/76.</sub>

QUEENSTOWN — The managing director of Morums department store here, Mr J. Ryan, was found guilty in the magistrate's court and fined R50 (or 50 days) for contravening price control regulations.

The sentence was suspended for three years.

Mr Ryan's plea of guilty was accepted by the court

and no evidence was led Mr T Vorster, for Mr Ryan, pleaded in mitigation that the price had been a mistake. It had not been a wilful contravention he said.

Mr Vorster said the store sold many articles and it was often difficult for them to know which of them fell under price control regulations.

He complained of a lack of co-operation from the suppliers' salesmen.

PRICES - CONTROLS & CONTRAVENTIONS

JAN 1977 - DEC 1977

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# Car costs: AA shock finding on rising costs

Star 10/11/78

The cost of running a medium-sized car has almost doubled since 1972, the AA revealed today.

And the price ripple spread wider when it was announced that a 4c a litre increase in the cost of diesel is certain to boost costs in a wide variety of consumer goods and services

Lubricating oil goes up about 2c a litre.

In the wake of today's increases, rail, air and road tariffs are expected to rise significantly and these costs will flow through to the man in the street

The new fuel price rises, including aviation fuel, will mean that the railways will have to find an extra R48-million a year to pay for costlier diesel

In the road transport industry freight charges are expected to rise, but not possibly for the next week or two, as operators have also to calculate the effect of rising tyre costs

"This has caught everyone unawares," said one leading operator, "and we are going to have to pass on the burden to consumers"

Farmers are expected to pay only 1,3c a litre of the increase for their diesel fuel

## BUS FARES

On hearing about the increase an SAR spokesman said "This means we will have to review our passenger and freight tariffs to make up the deficit"

In the last financial year the passenger service ran at a loss of R207-million, he added.

The fuel increases are also expected to increase tariffs for bus passengers of all races, although spokesmen for bus companies were careful when commenting today

But overall motoring costs should be the same this year as last year, says Mr Jannie van Huyssteen, director of the Motor Industries' Federation

Other motor experts think differently and Dr Vito Bianco, deputy chairman of Alfa, says he cannot see how car-price rises can be kept below 15 per cent

Mr Doug Kitterman of Ford, says prices will jump by as much as R600 for a medium-sized car.

The general manager of Trek Petroleum, Mr Carel Steyn, says petrol companies will be forced to apply for another increase in the retail price if the oil producers increase prices by another 10 per cent on July 1 as they have intimated

He thinks the 4c a litre jump will force people to use their cars more sparingly and could result in a foreign exchange saving

To Page 3, Col 1

# Problems seen in price tag ruling

The Association of Chambers of Commerce has strong reservations about a new regulation requiring all goods and products to carry prominently displayed price tags

The notice, which appeared in the Government Gazette today and comes into effect from February 13, also requires that Press advertisements shall state the retail price of goods.

Assocom said the regulations might be difficult to apply.

## CONTRAVENTIONS

A spokesman for the Price Controller's office said today the main purpose of the regulation was to ensure that all products were properly marked.

He gave as an example a secondhand car that did not have its price advertised. The seller would offer a prospective buyer an inflated trade-in price on his vehicle and merely increase the price of the car for sale to compensate.

The notice in today's gazette said every dealer should mark all goods with his selling price and indicate that selling price in any advertisement.

Mr. Bob Goodwin, pre-

sident of Assocom, said in Pretoria today the new regulation might be difficult to apply and could cause many technical contraventions of the law

"In particular, we are perturbed that this may have serious consequences for the small trader in the platteland who may not have the staff to see that all items are constantly marked. After all, price tags can fall off."

The association was grateful for the assurance from the Department of Commerce that the regula-

tion would be sympathetically applied. The new regulation is likely to be of greatest benefit to car buyers

Johannesburg used-car men admitted today that some of their colleagues cheated on "trade-in" deals, particularly with African buyers.

They would give an inflated price for the trade-in, then reveal that the deposit price on the "new" car was a quarter third which the customer had taken it to be

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# Retailers will have to price tag all goods <sup>DD</sup> 15/1/77

PRETORIA — The retail trade will be compelled to price mark all goods displayed for sale from February 13, according to a notice in yesterday's Government Gazette

This, according to the South African Council of Church's ombudsman, Mr Eugene Roelofse, is the biggest single breakthrough for the poorer and less sophisticated consumer in years

The new regulations gazetted in terms of the price control legislation also lays down that prices of goods must also be clearly stated in advertisements.

When prepacked goods are displayed for sale by a retail dealer or are kept in a place where a customer can serve himself or where the goods are visible to him the selling price must be shown or marked in a "conspicuous place" in clear and legible letters and figures.

The marking can be on the commodity itself, the container in which the goods are prepacked or on a price tag fixed to the commodity

To protect instalment buyers the regulations stipulate that where instalment sales are adver-

tised the advertisement must include the selling price, the initial payment, the periodical payment and the period applicable to each payment

The advertisement must also include the number of periodical payments involved or the total period over which the payments are to be made

Mr Roelofse said the public was "sick and tired" of traders deliberately juggling prices according to their own estimate of how much they could dig out of the customer's purse.

In a survey last month, of 20 greengrocer shops in Johannesburg, he said, only one out of every five products was price marked.

"This lends itself to abuse It is the elderly, immobile, captive customer and others without transport who suffer most

"We have told the price controller, Mr Joep Steyn, that we are looking to him for adequate and widespread enforcement of the new regulations," Mr Roelofse said

The director of the Consumer Council, Mr J. Verheem, yesterday welcomed the announcement He described it as a "positive step



MR ROELOFSE . . . "biggest breakthrough".

taken in the interests of the consumer "

"This move will make price comparisons a bit simpler and will be welcomed by all consumers It will also contribute to the elimination of price variations," he said

The national president of the Housewife's League, Mrs J Hurwitz, said "We are delighted this positive step has been taken We approached the price controller on this issue many times in the interests of the consumer "

— DDC

# Consumers welcome price law

rom  
15/1/77

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## Staff Reporter

THE regulations compelling shops to clearly mark every item with a price was welcomed yesterday by consumer organisations.

The director of the Consumer Council, Mr J Verheem, said it was "a positive step taken in the interests of the shopper."

It would make price comparisons simpler and would contribute to the elimination of price variations — particularly those "guesstimates" of what the consumer would pay.

The SA Council of Churches ombudsman, Mr Eugene Roelofse, said it was the biggest single breakthrough for the poorer consumer in years.

The new regulations, gazetted yesterday, come

into force on February 13. They also lay down that prices of goods must be clearly stated in advertisements.

Prepacked goods must have the selling price marked in a "conspicuous place" in clear and legible letters and figures.

The marking can be on the item, the container in which it is packed or on a price tag.

To protect instalment buyers, the regulations stipulate that advertisements must include the selling price, the initial payment, the periodical payment and the period applicable to each payment.

The advertisement must also include the number of payments involved or the total period over

which the payments are to be made.

Mr Roelofse said the public was "sick and tired" of traders who deliberately juggled prices according to their estimate of how much they could dig out of a customer's purse.

In a survey last month of 20 greengrocers in Johannesburg only one in five products had the price marked.

"This lends itself to abuse. It is the elderly customer and others without transport who suffer most."

Mr Roelofse said he had told the Price Controller, Mr Joep Steyn, that he was looking to him for adequate and widespread enforcement of the new regulations.



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## Nat editor attacks racialism

CAPE TOWN —

Afrikaners should stop shaking when there is talk of a meaningful inclusion of Coloureds and Indians in South Africa's political and social way of life

This is the view expressed yesterday by Die Transvaler's editor Mr Whimpe de Klerk, in his weekly column in the National Party's Sunday mouthpiece, Rapport.

We must not be so scared that we rather dodge the urban Blacks instead of accepting their presence among us

He said: "Are we so fragile that blacks in our sport, theatres, hotels and other places pull the carpet from under our feet and endanger our identity?"

"And are we such sissies that we need discrimination to maintain ourselves?"

Mr De Klerk said Afrikaners should have the power to tackle the bull by the horns. The bull was the planning of the co-existence of blacks, whites and browns.

These things would have to be done while the bullets were flying around. If Afrikaners hid behind the sandbags, it would let South Africa down in the hour of its need besides wrecking National Party policy. —  
DDR.

Moerat Mr M "Ta

Nattrass Dr. J.

Costhuizen Mr. L

Parsons Mr. J. Hu

Pebane Mr. L. 7

Pennefather Mr.

Perks Mrs. P. F

Perks Mr. W. Fenfield, CATHCART

Peterson Mr. A. c/o Social Anthropolo

Phimister Dr. I. History Dept. Univ

Potgieter Mr. J. c/o Tongaat Group,

Ratcliffe Ms. A 124a Buckingham Av

Rees Mr. D. c/o Dept of Economics U

Reynolds Dr. N. The Ford Foundatic

Rich Mr. P. 25 Park Road, RONDEBOSC

Richardson Mr. D. 96 Buckingham Roa

Robb Ms. N. Silverhurst, Alexandra R

Robinson Mr. T. c/o Cape Times,

Matsobane Mr. D. P O Box 65 HORIS

Savhal Mr. B. Alwyn Court, Bridgton

Schaffer Mr. A. Woodside Avenue, Co

Simons Ms. M. c/o CAGL, U.C.T. RC

Stadler Dr, A. Dept. Political Stu

Standish Mr J. c/o S.R.C. Wages Com

Suzman Mrs. H. 49 Melville Road, Hyde Park, Sandton TRANSVAAL 2199

Stewart Mr. J. Fincial Mail, P O Box 2447, CAPE TOWN 8000

Tarr. Dr. A. Dept of Agricultural Economics, University of Natal PIETERMARITZBURG 3261

Theron Mr. J. c/o Institute of Race Relations, 5 Long Street MOWBRAY 7700

Van der Merwe Mr. L. Posbus 58, BONNIEVALE 6730

Van der Horst Dr. S. 21 Rugby Road, ORANJESICHT CAPE TOWN 8001

Van Tonder Mr. K. Landbouweekbald, P O Box 1802 CAPE TOWN 8000

# New butter, cheese deal

The Dairy Board and the South African Co-ordinating Consumer Council are to work together in the future.

This decision was taken at a meeting between the two bodies in Pretoria today following a renewed outcry about the proposed increase in the prices of butter and cheese

Mr P J H Maree, manager of the Dairy Board, said prices would have to go up because consumers had failed to reduce the surplus.

"The Dairy Board is meeting later and tomorrow to discuss by how much these prices will rise," said Mr M G Hawkins, chief information officer of the Consumer Council.

### CO-OPERATION

"But we are going to get together to sort out our points of contention. We are sure this will lead to more positive co-operation in the future."

Mr Hawkins added that part of this "co-operation" would be that the Dairy Board advised the council first of any proposed increase in price.

"I think this will mean that when prices do have to go up, the consumer will be better informed as to exactly why," he said

"I sincerely hope that the confusion which resulted in November concerning the butter and cheese price increases will not happen again"

King George V Avenue

9, BLOEMFONTEIN 9300

es P O Box 61809

520

05

DEBOSCH 7700

RHODESIA

4380

JOHANNESBURG 2196

7700

ew Delhi, INDIA

AL 3600

700

20

IN 3600

SBURG 2001

of Natal, PIETERMARITZBURG 3200

# 'Throw out the price criminals' demand

27/1/27

Mercury Correspondent

CAPE TOWN — Only when the Government has eradicated the "deliberate and persistent" crime among traders in South Africa will consumers respond to the Consumer Council's "wonderful" education schemes, Mr. Eugene Roelofse, head of the consumer organisation The Ombudsman Office, said in Cape Town yesterday.

Addressing the Cape Town branch of the Housewives' League 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 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 Blacks and Coloureds.

It was time, Mr. Roelofse said, South Africa found methods to "scare the pants off" the thousands of price criminals.

Referring to price increases, he estimated that the manner in which petrol price increases were granted enabled South Africa's 4,700 service stations to make 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 stand to make a packet. Criticising the latest

petrol price hike, Mr. Roelofse said every consumer 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 the ordinary motorist can be forgiven for losing a bit of his enthusiasm."

(50%)

Hansard 1 col 42 29/1/77

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What advice would you give:

Infringement of price control regulations

is involved in each.

96 Mr G H WADDELL asked the Minister of Economic Affairs

Draw up a ta

alternatives is m

which of the two

(a) In how many cases of alleged infringement of the price control regulations did the Price Controller institute legal proceedings during 1976, (b) in how many cases were the accused found guilty and (c) how many actions are still pending

The Managing

Both jobs wi

It will be necessary to buy the contract. It is, but 200 units can

3000 units of Ty I be used for the I Type B has no alt

The MINISTER OF ECONOMIC AFFAIRS

for 50c each.

but could be sold

(a) 3 735

Type A would not

(b) 2 689

500 units

(c) 946

1 000 units

Farow job:

Materials The Company has already bought all the materials for the

travel an extra 1 000 miles each.

It is estimated that the Bellville job will require the lorries to

mile.

Transport The Company has a fleet of 4 lorries bought for R5 000 each 2 years ago. Depreciation is reckoned to be R400 p.a. plus 10c per

will be adequate for both jobs.

The Company's existing workforce of 10 workers, each earning R2 000,

an extra foreman for R4 000 p.a.

of an extra secretary to handle administration at R3 000 p.a., and Staff The Bellville job, being larger, will require the services

penalty of R15 000.

for R40 000. The Farow job can be given up on payment of an agreed In November the firm is invited to do a job in Bellville instead

accepted, and plans are made to start the following January. But In August 1974 the firm's tender of R20 000 for a job in Farow is

Plausible Ventures Ltd. is a construction firm based in Cape Town.

4.

# We don't want rise in milk boss

Staff Reporter

THE Secretary of the Rand Milk Association, Mr John Fisher, yesterday dismissed speculation that the price of milk would go up, saying "It's the last thing we want"

Though distributors were operating at an inadequate profit margin, the milk price was fixed by the National Marketing Council in consultation with the Milk Board, he said.

"We are a controlled industry - it is not in our power to apply for an increase

"But fuel and packaging material prices have increased, and we are entitled to a fair return on our investment."

Witwatersrand and Vaal Triangle milk distributors would meet the National Marketing Council within a few months to discuss the effects of inflation on the industry, he said.

"I personally don't expect any change in the price"

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- cours magistraux: \* Benjamin Constant - Adolphe
- \* François Mauriac - Thérèse Desqueyroux
- \* André Gide - Les Caves du Vatican
- \* André Gide - L'Immoraliste
- \* Jean-Paul Sartre - La Nausée
- \* Le Nouveau Roman

The Department of Agricultural Economics and Marketing is installing a R4-million computer in Pretoria (you thought we were going broke, didn't you?) to work out the cheese prices and all that.

The computer was actually flown out here in a jet freighter. When you're spending R4-million why skimp on freight charges?

The idea is to obtain a better control over produce prices which are fluctuating so wildly because of our lack of knowledge regarding supply and demand projections.

The entire agricultural sector is to be computerised. I can see it now, the Dried Bean Board getting mixed up with bananas and the department ending up having to plough in massive surpluses of statistics.

But the biggest problem is going to be that by the time they have the thing installed and have recruited their programmers, statisticians and economists (they haven't had an economist since 1911 I have heard - but I don't believe it myself) the only way they are going to be able to pay for it is by putting up the price of cheese and all that.

# And now: cheese price to go up by computer?



## Relative

Everything is so relative. Even race prejudice. A Transvaal meisie now living on a farm on the Rhodesian border was, with her farmer husband, recently besieged by terrorists who fired rockets and mortars at their homestead.

An army helicopter arrived. The terrorists de-camped. And the young lady rushed out and threw her arms around

the first soldier off the chopper and kissed him. There was never a more surprised Matabele.

## Ringing on bell

Tomorrow is the 17th anniversary of Harold Macmillan's speech to members of Parliament in Cape Town in which he said those famous words "The wind of change is blowing through this continent".

Most South Africans will be celebrating the anniversary quietly at home and in the office.

## No competition

Among the rash of municipal election posters being wrapped around trees right now is a large number bearing a glamorous picture of Dr Selma Browde, the PRP Houghton candidate, and underneath is written "UNOPPOSED".

Why then put up all those posters? What's stopping me putting up my picture with the words "Sauer - NOT STANDING"?

I can't blame her though. Just imagine if you'd spent five hours at the hairdresser, two at the photographers, several at the poster printers and then you were told they were not necessary after all. And you were a woman.

*Hector Sauer*

ique de textes

1964 à 1972

- françaises en Afrique australe (assuré depuis 1974)
- mises en scène pour la troupe des étudiants du Département de Français de l'Université du Cap:
  - comédie de Georges Courteline Les Boulingrin (Cape Town, 1974)
  - comédie de Tristan Bernard L'anglais tel qu'on le parle (tourné 1975 en Afrique du Sud: Cape Town, Stellenbosch, Johannesburg)
- rôle dans la comédie de Georges Feydeau Mais n'te promène donc pas toute nue! (Cape Town, 1976)
- en projet: création d'un Centre d'études de la civilisation française en coopération entre les Etats-Unis et la France

ADRESSE: jusqu'au 1er décembre 1976:

Dr. Pierre PETIT,  
French Department  
University of Cape Town,  
Rondebosch, 7700,  
South Africa.

après le 1er décembre 1976 (pendant congé sabbatique):

M. Pierre PETIT,  
97 rue Mazarin,  
33000 Bordeaux,  
France.

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# BID TO STOP CANNING 'SWINDLERS'

Vose Mr W. c/o Br  
Weichel Ms. K. 6  
West Dr. M. c/o  
Westcott Ms. G. c  
Whisson Dr. M. c  
Wilson Dr. F. S  
Wilson Prof. M.  
Young Mr. G. P

0002

ONDEBOSCH 7700

ONDEBOSCH 7700

SCH 7700

BOSCH 7700

Mercury Correspondent

PRETORIA—The South African Consumer Interests Movement yesterday called on the Minister of Economic Affairs to make it impossible for manufacturers of tinned products to evade price control.

The director of the consumerism movement, Commandant E. G. Kritzing, said the request was being made to the Minister following an investigation of the "unreal" profits being made in the fish canning industry in particular.

He said it had also emerged in the investigation that the real contents of tinned fish were often far under the actual net weight listed on tins.

The investigation had

shown that a random sample of one canner's products in Pretoria were an average 190g underweight. On average content per tin of natural pilchards, each weighed 264g — when each tin was marked with a net weight figure of 454g.

This made the "real" price of the contents of the tin 40 cents, instead of the 26 cents marked on it.

Commandant Kritzing said the canning company had replied that the product was "offered for sale on the net content of the can including packing medium."

In reply, Commandant Kritzing said: "We distill from your letter that by gearing content composition at will you are able to defeat price control."

He later said the expression "net content" could and must only mean whatever you pour or take out of a container.

Now, the CIM has formally appealed to the Minister of Economic Affairs Mr. Heunis, to amend the Business Practices Act "to make it impossible for manufacturers to gear the contents of tins to evade price control."

## Builders

# slam price controls

Michael Chester, Financial Editor

A huge question mark was today nailed over the role of price controls in the building industry.

The attack on these controls was launched by Mr Terence Pears, president of the Witwatersrand Master Builders and Allied Trades Association, who branded the system as ineffective.

He argued that their failure was evident in the way the cost of building materials administered by the system had been allowed to rocket above the overall inflation rate — by 17 percent compared with average price rises of 10/11 percent.

Mr Pears told the annual meeting of the association that price controls should be scrapped to allow the price of materials to find their own levels by the process of supply and demand in open competition.

### DISASTER COURSE

"All the evidence is in the statistics — items under price control are increasing in price faster than the rest," he said. "It seems all too easy for producers to cry on the shoulder of the Price Controller and come away with more increases."

"The whole economy would be far better served if allowed to follow total free enterprise principles."

"The whole building industry is on a disaster course — with a bad year in 1976 in danger of being repeated with an equally bad 1977 — and price

controls seem to be making matters even worse."

The Bureau for Economic Research at Stellenbosch University also spotted the plight of the industry in its latest building survey. "If price controlled building materials in a recession can still increase by more than 17 percent a year," the survey remarked, "the role and significance of price control needs to be urgently looked at."

### STRATEGIC PLAN

"In such an enquiry, the resources expended in administering price control would of course be very relevant."

Mr Pears also urged the Government to prepare a total strategic plan to govern the work flow into the building industry and iron out the sharp rises and falls in the work load. At the moment the industry was pitched into ridiculous extremes — all of which could be averted by long-term planning.



# NO MORE GUESSES ABOUT PRICES

Mercury Reporter

FROM Monday all goods from pins to motor cars which are offered for retail sale must be price marked.

Following a notice in the Government Gazette last month, the Price Control Act, 1964 has been amended so that all goods displayed for sale or in advertisements must bear their prices.

Where hire - purchase offers are advertised, the

selling price, initial payment, the periodical payment and the period applicable to each payment must be stated.

Mrs Margaret Cooke, chairman of the Durban Housewives' League,

10/2/71  
appealed to everyone to report to the Price Controller when retailers failed to mark goods.

"This is a wonderful step forward. It applies right down to the vegetable hawkers. Now no

one will be able to change the price according to the colour of your skin or the cut of your clothes."

However, the Consumer Council has asked the public to be realistic in its approach next week, and to give retailers a chance before complaining officially.

"It is unlikely that all retailers will immediately be able to comply with every aspect of the regulations. Consumers should show some patience," said the director, Mr. J. Verheem.

"At first consumers should just point out the omission to the retailers."

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10 February 1977

FOR IMMEDIATE RELEASE

MARKING OF PRICES OF GOODS WHICH ARE SOLD AT RETAIL

PRESS STATEMENT ISSUED BY THE PRICE CONTROLLER

An urgent request has been received from organised commerce to the effect that the Government should allow retailers a further period of respite so as to enable them to make proper preparations for compliance with the regulations concerning the marking of prices of goods which were promulgated in Government Notice No. R41 of 14 January 1977 and which will come in force on 13 February 1977.

The Attorneys-General have accordingly been approached and they have indicated that no legal proceedings will be instituted against any retailer in respect of a contravention of the regulations in question which is committed within a period of 30 days from the date on which the regulations are to come into force.

It is hoped that this concession will now enable retailers to finalise in good time their preparations for strict compliance with the regulations.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF  
THE DEPARTMENT OF COMMERCE

CAPE TOWN

10 February 1977

Harvard 3 Q cols 256 10/2/77

**Regulation of Monopolistic Conditions Act:  
Offences**

<sup>(294)</sup> Mr W H D DEACON asked the  
Minister of Police

(249)

- (1) Whether any companies were prosecuted during 1976 for alleged offences

under the Regulation of Monopolistic Conditions Act, if so, (a) how many and (b) what was the nature of the products concerned,

- (2) whether any convictions were obtained, if so, what were the fines in each case,

- (3) whether any cases are still under investigation by the Police, if so, (a) how many and (b) in respect of which commodities

The MINISTER OF POLICE

- (1) Yes  
(a) 3  
(b) Textiles and Television sets
- (2) Yes R10 000, R1 000, R35 500
- (3) Yes  
(a) 2  
(b) Stud firing pistol cartridges and accessories, power tools

# Law on price tags may be postponed

10/2/77

The new price-tag laws due to become effective from Sunday may be postponed at the last minute

It is understood the Government Gazette, published tomorrow, will outline a modified version of the new regulations and possibly, a new operational date

This follows pressure from organised commerce for an urgent review of the regulations, which allow prosecution of shopkeepers not marking goods with prices

Although Mr E G de Beer, deputy price controller in Pretoria, refused to comment on the matter today, it is believed the Minister of Economic Af-

fairs, Mr Chris Heunis, has been forced to correct apparent anomalies in the regulations such as the necessity of a price tag on goods sold by auction. This defeats auction procedure.

### PREROGATIVE

A spokesman for the Chamber of Commerce in Johannesburg said she could make no comment on any alteration in the new laws until she had been officially informed by the Department of Commerce

However, asked for comment, the Consumer Council issued the following statement: "It is the Minister's prerogative to

either postpone or to allow a certain period of grace before prosecuting anyone under these regulations"

Earlier, Consumer Council director Mr Johan Verheem appealed to consumers to show patience and only report contraventions after consultation with dealers

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hier, soos die Nederlandse taalkundige J. L. Pauwels aantoon, met 'n oorgeterde verskynsel te make.

J. A. VERHAGE, „Deftige en gemeensame vorme in die sinsverband van ou Kaapse taal”, *Tydskrif vir geesteswetenskappe*, jg 5, nr. 3, 1965, pp. 307-323.

J. A. VERHAGE, „Die herkoms van die verbinding as wat na 'n kompara-tief en sy verbreding in Afrikaans”, *Tydskrif vir geesteswetenskappe*, jg. 7, nr. 1, 1967, pp. 328-342.

J. DU P. SCHOLTZ, *Taalhist. opstelle*, pp. 162-168.  
 J. L. PAUWELS, „De volgorde van verbogen verbaale vormen in het Neder-lands”, in *Dietsse studies*, pp. 105-110.

### 9.5 Slotopmerkinge

In hierdie beknopte oorsig van die wording van die Afrikaanse taal kon net op die mees onvallende manier verwys word. Die Government has backed down on the controversial price-tag laws to have been enforced next week. In addition the Association of Chambers of Commerce has issued a statement saying the problem with the published regulations is that technical and practical reasons — they could make criminals out of ordinary traders. Mr Joep Steyn, the Secretary for Commerce has announced in Cape Town that no legal proceedings will be instituted against retail traders over the new price-marking regulations for 30 days. The operation of the attorneys general had been obtained in said...

## Reprieve for traders

Pretoria Bureau

Die Afrikaanse taal is die produk van 'n unieke Afrikaanse dialektiese skakerings van 17de-eeuse Nederlands; soos uit die oorsig blyk, is die meeste „kenmerke” van Afrikaans voortsettings van die een of ander dialekvorm of tendensie in 'n dialek wat in Nederland self deur beskrywingsfaktore teengewerk is of verdwyn het. Daarnaas het die invloed van die talie vreemdelinge aan die Kaap 'n rol gespeel. Ook hier kan ons net by uitsondering een groep sprekers isoleer en vir die wording van 'n bepaalde taalvorm verantwoordelik hou. Ons kan by nie aantoon in hoever die Franse of Duitse immigrante die Afrikaanse sinsbou direk beïnvloed het nie, of in hoever hulle die vereenvoudiging van die vormstelsel veroorsaak het nie.

### 1. Teorieë oor die ontstaan van Afrikaans

Vroeër is daar wel aan die een of ander beslissende taalinvloed gedink. Dit was die geval voordat 'n taamlik groot hoeveelheid direkte ge-

wens van die Kaapse taal in die Argief in Kaapstad gevind is. Kort na die sugting van die GRA het die belangstelling in die herkoms en ontstaan van Afrikaans by taalgeleerdes begun posvat en aanleiding gegee tot die ponering van verskillende teorieë oor die ontstaan van Afrikaans. Th Hahn se *Hottentots-teorie* van 1882 was die eerste pos-ging tot 'n verklaring van die karakter van Afrikaans. Hoewel hy vasstel dat Afrikaans „phonetically teutonic” is, d.w.s. sy Germaanse struktuur behou het, is dit volgens hom „psychologically an essential Hottentot idiom”. Maar hierdie vae stelling kan hy nie bewys nie Kort ná hom kry ons die belangstelling van Nederlandse geleerdes soos M. de Vries en J. de Winkler, wat die *Frans-teorie* voorstaan. Volgens M. de Vries sou Afrikaans onder die invloed van die Franse Huguenote ontstaan het, maar D. C. Hesselring het die teorie in 1897 al weerlê. In 1885 wys Hugo Schuchardt, die beroemde Duitse geleerde en kenner van Kreoolse tale, op twee belangrike faktore wat by die wording van Afrikaans 'n rol kon gespeel het, hy dink aan die een kant aan Duitse invloed, aan die ander kant was hy die eerste wat in 1891, op grond van sy kennis van Indo-Portugees en Maleis-Portugees, op moontlike kreo-liseringfaktore in Afrikaans die aandag gevestig het. D. C. Hesselring het die gedagtes in 1897 en 1899 verder gevoer, veral in sy beroemde werk *Her Afrikaansch* (1899) waarin hy sy *Maleis-Portugees-teorie* uiteengesit het. In teenstelling met die vorige teorieë was Hesselring s'n die eerste wat werklik wetenskaplik verantwoord was. Volgens Hesse-ling moes daar binne die eerste dertig jaar van die volksplanting 'n skielike botsing van tale aan die Kaap plaasgevind het, nl. 'n botsing tussen die 17de-eeuse Nederlands van die vryburgers, soldate en am-p-tenare en die taal van die Oosterse slawe wat Maleis en 'n vorm van gebroke Portugees gepraat het, of 'n vermenging van albei („Maleis-Portugees”). In 1658 en daarna het 'n groot aantal slawe wat gebroke Portugees gepraat het, Kaap toe gekom, dit sou volgens Hesselring 'n skielike kommunikasieprobleem veroorsaak het wat tot 'n vinnige verandering van Nederlands gelei het. Die resultaat was 'n sterk vere-enevoudigde taal met 'n reduksie in sy grammatika. Wanneer 'n kul-tuurtaal in 'n bepaalde kontaksituasie deur 'n botsing met 'n sosiaal laerstaande taal binne 'n kort tydperk 'n drastiese reduksie, struktuur- verandering en vereenvoudiging ondergaan, praat 'n mens van kreo-lisering. Hesselring moet egter self erken dat die tipiese kenmerke van kreo-lisering in Afrikaans ontbreek, daarom kom hy tot die konklusie dat Afrikaans beskou moet word as Nederlands wat halfpad bly staan het om 'n Kreoolse taal te word.

Ongelukkig het Hesselring destyds nie oor die nodige direkte taal-gegevens beskik nie, hy kon sy teorie feitlik net op sosio-historiese gegewens baseer wat bowendien nie volledig en korrek was nie. Daar-om was ook sy teorie ontoereikend en eensydig; dit het 'n hipotese gebly wat hy nie kon bewys nie.

249, 169

# Liquor prices: police to act

Louise Dendy-Young

The alleged refusal of some Transvaal liquor suppliers to sell to a discounter will be challenged in the Supreme Court.

And a similar prosecution under price maintenance legislation is expected in the Free State.

The Hotel and Liquor Traders' Association of the Transvaal, of which virtually every hotel and bottle-store in the Transvaal is a member, faces a fine of up to R20 000 if it is convicted of retail price maintenance.

The prosecution follows last year's conviction for price fixing of Philips SA where the number of individual fines imposed totalled R35 000.

If the Attorney General of the Transvaal decides to prosecute individual committee members of the association as well, the total amount of the fine could be well in excess of R20 000 and, in addition, the Act provides for terms of imprisonment of up to five years to be imposed.

The intention of prosecution of the association was confirmed by a senior spokesman of the Board of Trade and Industries today.

Police investigations into the allegation concerning the Transvaal association came to a standstill last year after two senior advocates in Johannesburg had written opinions that there was no case for prosecution.

However, following an exhaustive exposé by The Friend newspaper in Bloemfontein of alleged retail price maintenance, by the Free State association, a two-man team from the Board of Trade and Industries went to Bloemfontein from Pretoria to investigate in September.

Dr D J Mouton headed the team and its visit launched police investigations by the Free State Commercial Branch.

A spokesman for the board said today: "We wrote a long letter to the Attorney General of the Transvaal telling him the Board of Trade and Industries believes there is a case."

"Now he has instructed the police to go ahead and lay charges."

The police investigations in the Transvaal came after a complaint by a non-member of the association, Mr Benny Goldberg, who, according to the Board of Trade and Industries, found his supplies of liquor were being cut because he was not adhering to the association's "recommended" prices.

EXPOSE

(B) CASUAL EMPLOYERS

PROVINCE	EMPLOYMENT			AVERAGE MONTHLY EARNINGS (1)							
	August 1965	August 1969	August 1973	Percentage change 1965/69	Percentage change 1969/73	1964/65	1968/69	1972/73	Percentage change 1964/65 1968/69	Percentage change 1968/69 1972/73	
AFRICAN	CAPE	51 644	126 861	101 921	254,6	-19,7	4,87	2,92	3,89	-40,0	33,2
	NATAL	51 144	98 935	81 755	193,4	-17,4	6,10	4,60	6,56	-24,6	42,6
	TRANSVAAL	123 405	308 427	239 958	249,9	-22,2	4,52	2,99	4,13	-33,9	38,1
	O.F.S.S.	46 834	116 165	100 143	248,0	-13,8	4,49	1,90	2,48	-57,7	30,5
	R.S.A.	273 027	650 388	523 777	238,2	-19,5	4,88	3,03	4,15	-37,9	37,0
ASIAN	CAPE	43	141	98	327,9	-30,5	5,11	9,08	2,94	77,7	-67,6
	NATAL				120,5	-81,6	20,82	7,10	31,61	-65,9	345,2
	TRANSVAAL				-	-	-	-	4,51	-	-
	O.F.S.S.				-	-	-	-	-	-	-
	R.S.A.				127,7	-75,6	20,34	7,28	22,69	-64,2	211,7
COLOURED	CAPE	235,1	18,1	7,17	3,91	5,77	48,20	5,77	-45,5	47,6	
	NATAL	-51,4	5,6	111,00	25,35	48,20	9,60	6,84	-77,2	90,1	
	TRANSVAAL	171,6	-27,4	7,68	9,60	6,84	3,11	4,41	25,0	-28,8	
	O.F.S.S.	201,6	-20,3	6,40	3,11	4,41	3,11	4,41	-51,4	41,8	
	R.S.A.	234,5	-18,1	7,23	3,91	5,77	3,91	5,77	-45,9	47,6	
WHITE	CAPE	306,0	-54,1	34,92	14,51	32,02	14,51	32,02	-58,4	120,7	
	NATAL	387,5	-50,0	100,09	18,47	82,05	18,47	82,05	-81,5	344,2	
	TRANSVAAL	216,9	-57,6	35,90	17,88	60,37	17,88	60,37	-50,2	237,6	
	O.F.S.S.	445,0	-61,8	52,31	22,44	43,48	22,44	43,48	-57,1	93,8	
	R.S.A.	299,0	-55,2	38,02	15,94	38,94	15,94	38,94	-58,1	144,3	
TOTAL	CAPE	104 737	252 030	203 955	240,6	-19,1	34,92	14,51	32,02	-58,4	120,7
	NATAL	52 397	100 464	82 071	191,7	-18,3	100,09	18,47	82,05	-81,5	344,2
	TRANSVAAL	123 631	308 871	240 223	249,8	-22,2	35,90	17,88	60,37	-50,2	237,6
	O.F.S.S.	47 498	117 601	101 214	247,6	-13,9	52,31	22,44	43,48	-57,1	93,8
	R.S.A.	328 263	778 966	627 463	237,3	-19,4	38,02	15,94	38,94	-58,1	144,3

Handwritten: 4 vol 396 18/2/77

Committee of Inquiry into the Activities of Buy-aid Associations  
 \*9 Mr H H SCHWARZ asked the Minister of Economic Affairs  
 Whether he intends to take any action on the report of the Committee of Inquiry into the Activities of Buy-aid Associations, if so, what action, if not, why not  
 The MINISTER OF ECONOMIC AFFAIRS  
 Yes A Bill to implement the recommendations of the Committee of Inquiry into the Activities of Buy-aid Associations is being prepared in consultation with interested parties, for introduction during the current Parliamentary session

# Tin fish weight probe

PRETORIA — The Minister of Economic Affairs, Mr Heunis, has ordered a top-level price control investigation into alleged underweight content in tinned fish products of a Cape Town-based company

This follows militant protest action earlier this month by the infant consumer body, South African Consumer Interests (SACOIN), following an investigation at a Pretoria supermarket.

SACOIN's director, Col Eugene Kritzinger, said he hoped it would be the start of an overall investigation into the real contents of many tinned foods.

"We believe we have discovered the tip of the ice-berg and we will press for legislation to give greater protection to the consumer of tinned goods."

He said the tins of natural fish processed by Federal Marine Ltd claimed a net weight of 454 gm each but, on average, it had been found the actual weight was 264 gm.

Mr L. Fourie, general manager of Federal Marine, said the particular produce was "offered for sale on the

net content of the can, including the packing medium"

"It is sold on the same basis as canned fruit, canned vegetables and canned pilchards in tomato sauce," he said

Col Kritzinger said his organisation would press for legislation to make it impossible for manufacturers to gear the contents of tinned

products to evade price control

"This is made possible by the excellent inter-industrial co-operative nature that exists after the large-scale mergers and rationalisations that have taken place over the last four years," he said

He said the expression "net content" could only mean "whatever you pour or take out of it" — DDC



# Heunis orders canning probe

25/1/77  
mm

**Mercury  
Correspondent**  
**PRETORIA** — The Minister of Economic Affairs, Mr. Chris Heunis, has ordered a price control investigation into alleged underweight tinned fish made by a Cape Town-based company.

This follows militant protest action earlier this month by the infant consumerism body, South African Consumer Interests.

Saco's director, Colonel Eugene Kritzing, said yesterday it was hoped that the ministerial instruction would be the start of an overall investigation into the "real" contents of many tinned foods.

"We believe what we have discovered is the tip of the iceberg.

"Once the minister's men start digging, we believe they will propose legislation to give greater protection to the consumer of tinned goods."

In the case in point, he said, the investigation had been ordered after Saco found a number of tins of fish at a Pretoria supermarket which were considerably underweight in terms of contents.

The tins, of natural fish and processed by Messrs Federal Marine Ltd., claimed a net weight of 454g each but, on average, it had been found that the actual weight was 264g.

The only comment of Mr. L. J. Fourie, general manager of Federal Marine, was that the particular product was "offered for sale on the net content of the can, including the packing medium."

Preparing for the price tag regulations which will be enforced from tomorrow is Johannesburg window-dresser Miss Yvonne Kynoch. Retailers who do not comply fully with the regulations will be subject to prosecution.

# Compulsory price tags tomorrow

While the Johannesburg Chamber of Commerce still has reservations about the revised price-tag regulations to be enforced from tomorrow, the SA Co-ordinating Consumer Council is concerned they might have become too watered down

The laws, which allow prosecution of shopkeepers not marking goods with prices, were initially to become operational on February 13, but, at the last minute, were postponed for a month following pressure from organised commerce

The original regulations gazetted in January have now been totally withdrawn and a completely new set drawn up," said a spokesman for the Johannesburg Chamber of Commerce today

### THE AIM

"This new set is a substantial improvement. The original one was drawn up in a haphazard sort of fashion" The Minister of Economic Affairs, Mr J. C. Heunis, announced the revised regulations would be enforced from tomorrow at

though they would be gazetted only on Monday. The basic aim of the regulations, he said, was the disclosure of information in connection with the prices of goods in order to enable consumers to compare the prices of different retailers and to buy their requirements to the best advantage

FOR RELEASE AT 0000 15 MARCH 1977

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MARKING OF PRICES ON GOODS SOLD IN THE RETAIL TRADE

PRESS STATEMENT ISSUED BY THE MINISTER OF ECONOMIC AFFAIRS

In a press statement issued by him on 10 February 1977, the Price Controller announced that, after consultation with the Attorneys-General, it had been decided to grant a further period of 30 days with effect from 13 February 1977 to retailers in order to enable them to finalise their preparations for the implementation of the requirements of Government Notice No. R41 of 14 January 1977 in connection with the marking of prices on goods. The trade sector was, however, requested in the meantime to comply as far as possible with the requirements of the relevant Notice.

However, in view of the fact that certain practical problems had been encountered by the trade sector with the implementation of certain provisions of the Notice concerned, it was also decided to appoint a Study Group, consisting of officials of the office of the Price Controller and representatives of interested groups in the private sector, to investigate the specific problems of retailers and to make recommendations for the solution thereof.

The Study Group has now completed its work and has recommended that certain amendments be made to the relevant Government Notice. These recommendations have been carefully considered and accepted by me. However, it must be emphasised that the proposed amendments do not detract to any extent from the basic

objective/...

objective of the existing Notice, namely, the disclosure of information in connection with the prices of goods in order to enable consumers to compare the prices of different retailers and to procure their requirements to best advantage.

The amended Notice relating to the marking of prices on goods will be published in the Government Gazette on 16 March 1977, and retailers will be required to comply fully with the provisions thereof as from that date.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE  
MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

14 MARCH 1977

# Price regulations in force today

JOHANNESBURG — The amended price tag regulations are to be enforced from today although they will only be gazetted next Monday

The new regulations replace those published on January 14 this year. The laws, which allow prosecution of shopkeepers not marking goods with prices, were to become operational in February but were withdrawn following pressure from organised commerce.

It is believed practical difficulties have been removed from the original regulations and the wording of the laws has been made more logical.

The spokesman for the Association of Chambers of Commerce (Assocom), said yesterday his association would monitor closely the practical implementation of the latest set of regulations. Businessmen were requested to keep Assocom informed of any problems which arose.

Assocom also strongly

advised traders to obtain copies of the new notice either from the Government Printers or their local Chamber of Commerce. The association also circulated preliminary legal analysis and summary of the regulations to all chambers.

Minister of Economic Affairs, Mr Heunis, said yesterday certain practical problems had been encountered after the gazetting of the original notice in January. Since then an appointed study group from the Price Controller's office and representatives of organised commerce had recommended certain amendments.

However, it must be emphasised that the proposed amendments do not detract to any extent from the basic objective to disclose information on the price of goods to enable consumers to compare prices of different retailers, Mr Heunis said. — DDC.

*[Handwritten scribble]*

# Price tag regulations are now gazetted

17/3/72

PRETORIA — The amended regulations in terms of the Price Control Act making it compulsory for retail dealers to display or mark the prices of all goods offered by them for sale to the public were published here yesterday in a special Government Gazette with immediate effect.

The new regulations replace those that were first published on January 14 this year, but held in abeyance after representations by commerce. Since then certain practical difficulties have been overcome.

The regulations lay down that the retail dealer must mark, indicate or keep available

his selling price of all goods, including goods kept behind or under a counter, from where the buyer can be served.

The dealer must also indicate his selling price in any advertisement.

Where the selling price is not marked clearly on the goods themselves, the selling price and a description of the goods must be indicated on a price placard on or in the immediate vicinity of the goods.

The regulations also lay down that a suggested selling price marked on goods by a supplier, must be retained intact on the goods by the retailer. — SAPA.

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FOR RELEASE: THURSDAY, 17 MARCH 1977 AT 2400

INVESTIGATION INTO THE EQUALISATION OF THE PRICES OF PETROLEUM PRODUCTS IN THE COUNTRY

PRESS STATEMENT ISSUED BY THE MINISTER OF ECONOMIC AFFAIRS

Representations have been submitted to me for an amendment of the present system in terms of which the prices of petroleum products are being determined from time to time by the oil companies with the approval of the Government.

The present system of price determination provides that the prices of petroleum products are set at levels which vary from one area to another in the country according to the rail and other transport charges which have to be paid by the distributors of these products on supplies moved from the coast to various inland centres.

Those persons and organisations who have approached me for an amendment of the present system of price determination in respect of the products in question, have submitted various arguments in favour of the establishment of uniform prices for petroleum products which would apply throughout the country.

In the light of these representations I have requested the Board of Trade and Industries in terms of Section 9(1) of the Board of Trade and Industries Act, 1944, to investigate,

and/...

and to report upon the suitability or otherwise of the present price structures for petrol, diesel fuel, power paraffin, liquid petroleum gases and furnace oil used as energy sources, the policies and considerations upon which such structures are based, and the desirability or otherwise of establishing greater uniformity in such structures throughout the Republic, with special reference to -

- (1) the influence of such price structures and policies upon the economic growth and development of South Africa;
- (2) the effects of rail, road and pipeline transport tariffs and costs upon the delivered costs of the abovementioned fuels;
- (3) the location of production or refining activities;
- (4) the effects of uniformity or differentiation of fuel prices upon different areas; and
- (5) the probable effects of greater uniformity of fuel prices upon agricultural, mining, industrial, commercial and other users of such fuels.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE  
MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

.. MARCH 1977



tariffs, which will come into operation shortly, are R3,32 per head of cattle, 66c per sheep and R1,67 per pig.

While attention is at present being focussed on cost increase in the abattoir industry, other cost increases with regard to the marketing of slaughter stock are often ignored by the critics. In November 1971 the abattoir tariff and the slaughter fee at the old Newtown abattoir amounted to R5,91 per head of cattle, while the consolidated tariff at the modern City Deep abattoir will be R11,59 (R8,27 for abattoir tariff and R3,32 for slaughter fee). In comparison the cost of transporting one head of cattle from Windhoek to Johannesburg more than trebled from R9,30 in October 1974 to R29,06 as from 1 April 1977.

Issued by the Department of Information at the request of the Department of Agricultural Economics and Marketing.

CAPE TOWN

16 March 1977

DEPARTEMENT VAN HANDEL

GAZ 5452

No 416

18 Maart 1977

AANSTELLING VAN HANDELSPRAKTYK-  
ADVIESKOMITEE - PERSVERKLARING UITGE-  
REIK DEUR DIE MINISTER VAN EKONOMIESE  
SAKE

Kragtens artikel 2 van die Wet op Handelpraktijk, 1976 (No 76 van 1976), het ek na doorgaande oorweging van die nominasies wat deur die belanghebbende organisasies in ooreenstemming met die bepalings van die Wet aan my voorgele is, beslist om die volgende persone as lede van die Handelspraktijkadvieskomitee aan te stel:

- Prof. W. L. de Villiers, Voorsitter
- Mnr. J. M. Horn, Ondervoorsitter
- Mrs. S. R. Back.
- Mnr. J. N. Bhoola.
- Mrs. V. A. Christian.
- Mnr. P. Cross
- Mnr. H. Ferreira
- Mrs. T. L. Gawith
- Mrs. M. Lessing
- Mrs. J. A. Malherbe
- Mrs. R. M. Mitchell
- Mrs. H. A. D. Murray
- Mrs. A. J. Myburgh
- Mrs. G. S. Scribante.
- Mrs. G. G. A. Uys.
- Mrs. J. H. van Huyssteen

Die funksies van die Komitee sal onder meer wees om my van advies te bedien oor die wensbaarheid om beperkings of 'n absolute verbod te plaas op sekere ongewenste handelspraktieke wat van tyd tot tyd vir ooreweging na die Komitee verwys word.

TYPE OF FARM EMPLOYEE - REGULAR	1	2	3	4	RACE
EC REGION EMPLOYMENT	1903	1859	4567	7131	267
EC REGION EMPLOYMENT	13	14	15	16	1
EC REGION EMPLOYMENT	4373	1132	2173	2325	53
EC REGION EMPLOYMENT	25	26	27	28	2
EC REGION EMPLOYMENT	15	36	33	45	
EC REGION EMPLOYMENT	37	38	39	40	
EC REGION EMPLOYMENT	38	4	25	106	
EC REGION EMPLOYMENT	47	50	51	52	1
EC REGION EMPLOYMENT	11	23	8	41	

DEPARTMENT OF COMMERCE

No 416

18 March 1977

APPOINTMENT OF TRADE PRACTICES ADVISORY  
COMMITTEE - PRESS STATEMENT ISSUED BY  
THE MINISTER OF ECONOMIC AFFAIRS

In terms of section 2 of the Trade Practices Act, 1976 (No 76 of 1976), I have, after careful consideration of the nominations which have been submitted to me by various interested organisations in accordance with the provisions of the Act, decided to appoint the following persons as members of the Trade Practices Advisory Committee.

- Prof. W. L. de Villiers, Chairman
- Mr J. M. Horn, Vice-Chairman.
- Mr S. R. Back
- Mr J. N. Bhoola
- Mr V. A. Christian
- Mr P. Cross
- Mr H. Ferreira.
- Mr T. L. Gawith.
- Mrs M. Lessing.
- Mrs J. A. Malherbe
- Mr R. M. Mitchell
- Mr H. A. D. Murray.
- Mr A. J. Myburgh.
- Mrs G. S. Scribante.
- Mr G. G. A. Uys
- Mrs J. H. van Huyssteen.

The functions of the Committee will include, amongst others, to advise me on the desirability of introducing restrictions or a total prohibition on certain undesirable trade practices which may be referred to the Committee from time to time for consideration.

TYPE OF FARM EMPLOYEE - REGULAR	1	2	3	4	RACE
EC REGION EMPLOYMENT	1700	39	124	387	1
EC REGION EMPLOYMENT	13	14	15	16	
EC REGION EMPLOYMENT	178	20	41	172	
EC REGION EMPLOYMENT	25	26	27	28	
EC REGION EMPLOYMENT	173	189	324	476	
EC REGION EMPLOYMENT	37	38	39	40	
EC REGION EMPLOYMENT	68	67	104	171	
EC REGION EMPLOYMENT	49	50	51	52	
EC REGION EMPLOYMENT	234	56	21	143	

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# Cigarette prices not controlled

## Pretoria Bureau

Shop owners who are adding extra cents onto their "new price" of cigarettes are acting within their rights.

This is the message from the Consumer Council who have been inundated with complaints about overcharging since Senator Horwood announced the increases on Monday.

Price control on cigarettes was dropped about seven weeks ago, a spokesman for the council said, and shop keepers are now entitled to ask "for what they can get" for a packet of cigarettes.

"An announcement to the effect that price control was being dropped appeared in the Government Gazette," he said. "Our advice to smokers is to shop around for the best bargains."

SIZE GROUP (HECTARE)	ECONOMIC REGION								
	36			37			40		
	No.	Area	No.	Area	No.	Area			
TO	1	1	20	20	8	4	8	8	
2 -	21	61	626	1 586	58	1 057	185	58	
5 -	39	263	148	1 056	190	4 873	576	190	
10 -	17	230	55	773	302	2 509	348	302	
20 -	15	444	42	300	824	4 553	508	824	
50 -	2	123	22	615	581	3 968	332	581	
100 -	6	726	13	914	515	4 324	981	515	
200 -	3	735	15	692	290	3 694	124	290	
300 -	5	929	13	084	327	3 419	932	327	
500 -	2	1 795	14	561	385	1 789	269	385	
1 000 -	2	2 998	1	199	276	8 611	440	276	
2 000 -	1	3 565	4	689	177	4 992	622	177	
5 000 -	-	-	-	-	39	-	895	39	
10 000 -	-	-	1	837	5	-	300	5	
TOTAL	114	12 870	974	53 326	3 977	53 793	1 874 520	3 977	

**Commission of Inquiry into the Pharmaceutical Industry**

\*2 Mr H H SCHWARZ asked the Minister of Economic Affairs

Whether the Commission of Inquiry into the Pharmaceutical Industry appointed on 12 September 1975 has completed its investigations, if so, when is it expected that its report will be laid upon the Table, if not, when is it expected that the inquiry will be completed

†The MINISTER OF ECONOMIC AFFAIRS

No, it is expected that the inquiry will be completed at the end of 1977. The Commission has already submitted to me in August 1976 an interim report on one of its terms of reference, namely the desirability of collective purchases of pharmaceutical products by the State

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(19)  
Hansard II  
Col 798  
12/4/77

Hansard II w/ 801  
 12/4/77  
 (249)

SIZE GROUP (HECTARE)	ECONOMIC REGION		ECONOMIC REGION		ECONOMIC REGION		ECONOMIC REGION	
	No.	Area	No.	Area	No.	Area	No.	Area
TO	1,9							
5	4,9							
10	9,9							
20	19,9							
50	49,9							
100	99,9							
200	199							
300	299							
500	499							
1 000	999							
2 000	1 999							
5 000	4 999							
10 000	9 999							
TOTAL								

**Provincial/Government pharmaceutical tenders**

\*6 Mr. H H SCHWARZ asked the Minister of Economic Affairs

- (1) Whether he has received representations about an association allegedly formed for the purpose of fixing prices and organizing bidding for provincial and Government pharmaceutical tenders, if so,
- (2) whether the matter has been investigated or any other action taken, if so, (a) what was the result of the investigations and (b) what action has been taken, if not,
- (3) whether the matter is to be investigated

†The MINISTER OF ECONOMIC AFFAIRS

(1) Yes  
 (2) and (3) Because of complaints submitted to me about the alleged existence of monopolistic activities in the pharmaceutical industry, I had already during 1975 directed the Board of Trade and Industries to inquire into possible monopolistic conditions in the supply and distribution of pharmaceutical products in the Republic. The terms of reference of the Board in this regard were published in *Government Notice No 534 of 1 August 1975*. The alleged conditions to which the Honourable Member has referred in his question will also be covered by the Board's investigation.

Mr H H SCHWARZ Mr Speaker, arising out of the reply given by the hon the Minister, and bearing in mind the request to investigate this matter as long ago as 1975, has any report been made to the hon the Minister yet, any report on which he could act?

†The MINISTER Mr Speaker, the reply is "no". I can only add that this is a protracted investigation. Secondly, with regard to the

specific aspect referred to by the hon member in his question, I want to mention that the Board takes note of it of its own accord and will investigate the matter

No.	Area
2	2
123	291
68	584
52	700
68	019
52	3
55	8
35	8
41	16
43	30
11	13
4	12
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-	-

Hansard 12 vol 906

22/4/77

(249)

**Regulation of Monopolistic Conditions Act:  
Price fixing**

\*4 Mr T ARONSON asked the Minister of Economic Affairs

- (1) Whether his Departments have since his reply to Question No 14 on 3 February 1976, received complaints in

regard to price fixing by manufacturers in contravention of the Regulation of Monopolistic Conditions Act, if so, in respect of which manufacturers,

- (2) whether any steps have been taken by his Departments in this regard, if so, what action; if not, why not.

**The ACTING MINISTER OF  
ECONOMIC AFFAIRS.**

- (1) and (2) Yes Since 3 February 1976 complaints have been received in respect of 11 firms alleged to have resorted to resale price maintenance. In one case the complaint was withdrawn while in three other cases the complaints were after investigation found to be unfounded. In two other cases the Public Prosecutor refused to prosecute because of insufficient evidence. Two of these cases are still being investigated by the Board of Trade and Industries and three by the South African Police.

In the Minister of Economic Affairs' reply to question 14 on 3 February 1976 he mentioned that in respect of the period on which his reply had reference, four complaints of alleged resale price maintenance were then still being investigated by the Police. S A Philips (Pty) Ltd had in the meantime been found guilty and convicted and in the other three cases the Public Prosecutor refused to prosecute because of insufficient evidence.

'No alternative' warns  
Stelbos Bureau chief

Star  
**BUSIN**

24<sup>91</sup>

# Get tough on pay and prices

Star  
3/5/77

Own Correspondent

**CAPE TOWN —** There was no alternative but to use physical control on imports, and on wages and prices, to stop the spiralling consumer price index and inflation, according to Prof J L Sadie, director of the Bureau for Economic Research at the University of Stellenbosch.

In his opening address here at the Cape Building Conference Professor Sadie said something drastic had to be done and the Government would have the main role to play

Wages had been increased in an attempt to compensate workers for rising costs but there had been no increase in productivity to make provision for this, he said.

"It is ludicrous to compensate people for something they can't be compensated for — workers have to be prepared to

accept a lower standard of living, which so far they have not done"

Professor Sadie suggested an education campaign to bring home to workers that they could not earn more, eat, drink and use more than they produced — they had to live within their means

"Workers who get the first wage increase benefit for a time — until the next group demand and get an increase — then they lose that benefit

"It is no use giving people more money. It is only increasing inflation and the balance of payment deficit," Professor Sadie said.

FM 6/5/77

249

may 6 1977

# One big blemish

The Mouton Commission's report on monopolies contains a lot of commonsense. But its major recommendation is fraught with danger

The key proposal of the Mouton Commission of Inquiry into Monopolistic Conditions could — if accepted by government — give sleepless nights to many businessmen contemplating expansion by takeover

The Commission ominously recommends that any intended merger, takeover or acquisition, "which can clearly have a serious impact on competition and the economy generally", will be subject to vetting by a new quasi-judicial body — the Mergers Tribunal. Should the Tribunal consider the proposed move against the public interest, it will be able to prevent the deal going through, or to permit it only subject to certain conditions. It would be able to break up any amalgamation already completed.

This proposal is a radical departure from SA's existing anti-monopoly laws which assume that economic concentration is undesirable only when abused. In other words, the Commission is suggesting that, instead of being judged on their merits, mergers should now be scrutinised in the context of their architects' perceived, or even assumed intentions.

The Tribunal's deliberations will be secret, there will be no appeal against its decisions, no time limit will be set for the lodging of complaints. And the only criterion by which it may judge a proposed deal is the extent to which it conforms to the public interest.

On the face of it, the "public interest yardstick is unexceptionable. It is the criterion used in our existing anti-monopoly legislation and is more flexible



David Mouton . making life tough for monopolists

than the specific yardsticks (such as market share or total assets) by which amalgamations are judged in some other countries. However, it is also more subjective than are specific restrictions.

It is difficult enough to determine whether existing business practices serve the public interest. To expect a tribunal to comment objectively on businessmen's intentions is downright dangerous, particularly in SA's politically charged busi-

ness climate.

How, for instance, will the Tribunal decide whether a mining house bid for a bank is in the public interest? What will the Tribunal say to a proposed newspaper merger? What will its attitude be if a Minister opposes a merger because he considers the sector concerned to be strategic?

The effect of one misguided decision could be more harmful to business confidence than the deals which are condemned before they have had a chance to prove themselves.

Admittedly, much will depend on how the Tribunal operates. The Mouton Commission has made a number of proposals which could go some way towards inspiring confidence in the Tribunal's work.

It will be presided over by a judge "or some other independent person", assisted by at least two outside experts. As in the US and Britain, the body charged with implementing competition policy (under which the Mergers Tribunal would fall) "must be responsible for publishing guidelines and such other information on merger policy — as may be considered necessary". It will "advise" prospective merger candidates whether a deal is likely to be acceptable.

The Tribunal will have to complete its investigation within three months of a case being referred to it, while the Minister of Economic Affairs (who may reject or amend its orders) must inform the parties of his decision within two weeks of receiving the Tribunal's report.

Finally, the Commission, somewhat

## THE BIG BATTALIONS

The attention devoted by the Mouton Commission to merger and takeover proposals stems from its concern at "the exceptionally high degree of concentration of economic power" in SA business, and the growing tendency abroad for governments to control firms wielding dominant power.

In no fewer than 58 of SA's 181 manufacturing industries, three or fewer firms account for at least 70% of total turnover. In 37 groups, the share of the biggest single firm exceeds half of total turnover.

Similarly, in the distribution,

construction and transport sectors, one-tenth of the firms control 77%, 74.6% and 81.5% respectively of total sales.

Amongst the manufacturing sectors, where one or two firms have an 80% plus share of turnover are dried fruit packing, whale oil, macaroni and spaghetti, fibre working, textile dyeing and bleaching, cigarettes, brewing, flavouring essences, rope and cable industries, coffins, wattle bark grinding, fertilisers, matches, inks, polishes, explosives, sheet and plate glass, precious metal refining, tractors, dry

cell batteries and electric bulbs.

Concludes the report: "Without in any way denying the major contribution of large economic concentrations to the country's economic development or disputing the fact that the large enterprise has become a feature of the modern world, the Commission believes that any danger to the country's free enterprise system inherent in its already high degree of economic concentration necessitates government surveillance of the behavioural as well as the structural aspects of the economy."



optimistically, "envisages that *per se* rules and *a priori* assumptions that concentrations and amalgamations are fundamentally undesirable will be avoided

Outside this major area of controversy, there's a great deal of common-sense in the rest of the report. Major proposals concern the setting up of a Monopolies Board, a far reaching change in the initiation of investigations into restrictive trade practices and less red tape

The Commission stresses that the Board of Trade & Industries (which at present handles investigations) is not the ideal anti monopoly watchdog. "It is considered unfair to expect the BOI to be an impartial judge and to fulfil the role of policeman in regard to firms and/or industries with whose establishment it had been closely linked and whose growth and well being had been its major task for many years

Instead, it calls for the establishment of a five man Monopolies Board charged with "the general supervision and implementation of the government's competition policy"

Wisely the Commission urges that

members be neither civil servants nor representatives of sectional interests, such as FCI or Assocom. The Board's status should be equal to that of government departments concerned with the shaping of economic policy and it should be represented on the PM's Economic Advisory Council

Perhaps the most welcome feature of the report is its concern that the public sector should play to the same anti-monopoly rules as private enterprise. "The Commission believes very strongly that State enterprises and undertakings should be subject to the same monopoly control as the private sector

Indeed, it goes so far as to say it will not be worthwhile even setting up the Monopolies Board unless it can scrutinise "the activity of government in many fields"

It is this concern to put public sector monopolies under the microscope which has prompted the Commission's suggestion that the Monopolies Board be authorised to initiate investigations into restrictive trade practices

At present, only the Minister may

that "it is unrealistic to expect any Minister to order an investigation into the economic activities of bodies under his own control or the control of his colleagues in the Cabinet"

As for procedures, the report several times notes the need to speed up anti-monopoly inquiries. Not surprising when one remembers that the BOT's investigations since 1955 have lasted over two years on average

It proposes, for instance, that negotiations between the Monopolies Board and the parties involved to remove undesirable effects of a monopolistic practice should be conducted at any stage after announcement of the investigation — these can now be pursued only after the BOT report has been handed to the Minister

The Commission supports a hefty increase in the maximum fine — now fixed at a mere R20 000 — for infringements of anti-monopoly orders

With the exception of the dangerous merger proposals, the Mouton Commission's recommendations should go a long way towards a more vigilant and effective

# The fixed fertiliser market

FIN MAIL

13/5/77

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When is a market sharing agreement in the public interest? When its removal could make the weaker partner weaker and the stronger one stronger

Monopolistic situations are generally easier to spot than to break, since often they have their good points. Free market forces can be disruptive while marketing agreements can sometimes work smoothly and beneficially.

That's the state of affairs in the fertiliser industry, where a long standing marketing agreement between the country's two giants, Triomf and Fedmis, has resulted in relatively stable supplies and prices.

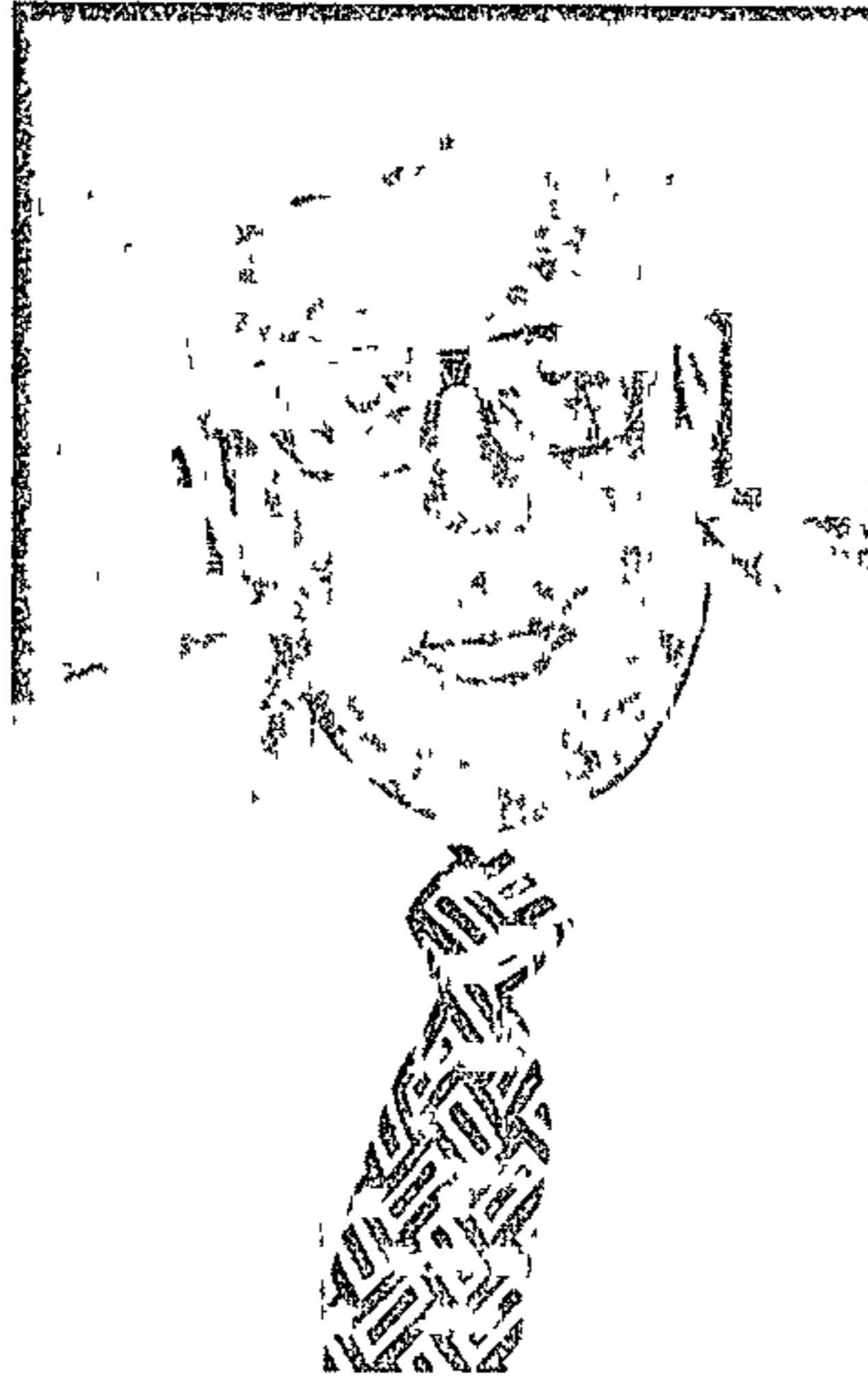
Nevertheless the dangers which flow from such restrictive practices are ever-present. Such appears to be the case in fertilisers and government finds itself in a dilemma. For if it takes action to break the agreement it could make the weaker partner even more vulnerable and the stronger even stronger. In effect, it might exacerbate a monopolistic situation.

In a report, which senior Industries Department officials say was inadvertently tabled in Parliament, the Board of Trade and Industries concludes that Triomf-Kunsmis' relationship with chemicals giant AECI, giving Triomf the inside running in the supply of nitrogenous raw material, and its shareholding links with major farm co-ops, which give it undue marketing preference, create a monopolistic condition in terms of the Act.

Acting on the BTI's recommendation,

Economic Affairs Minister Chris Heunis this week ordered the Board to investigate the supply and distribution of fertiliser in SA.

At the same time Heunis accepted the BTI's recommendation that Triomf's and



Heunis... Board to investigate

Fedmis' market sharing agreement, which expires in 1983, should be allowed to run its course, since compulsory termination (sought by Triomf in 1975) could have "possibly extremely detrimental consequences" on the industry and consumers.

In recommending retention of the agreement, the BTI seems to have been influenced more by the probability that Triomf will achieve a position of overwhelming dominance in the industry if the agreement were to end, than by arguments put forward by Fedmis that the agreement is good for everyone because it eliminates duplication, cross transportation and other marketing expenses.

(In terms of the agreement, concluded says the BTI without the knowledge or approval of the Department of Industries, Triomf is allocated an average market share of 54% and Fedmis 46% of the fertiliser trade. The two companies account for 90% of the market. The agreement also provides for compensation payments where the "partners" exceed permissible sales volumes, while a further provision makes it possible for the partners to formulate joint action against newcomers to the industry.)

Evidence before the Board disclosed two major limitations on competition in the manufacture and distribution of fertiliser: control over certain raw material

and an unfair competitive advantage in marketing by the company.

"There can be no doubt that Triomf is in a privileged position in respect of the supply of nitrogenous fertiliser as a result of its ties with AECI," says the report. The entry of smaller manufacturers like Omnia to the industry has been made difficult by a shortage of nitrogen.

Fedmis told the Board that its own position would become extremely vulnerable in respect of nitrogen if the agreement were to be terminated. This is because Fedmis is only entitled to surplus nitrogen production by AECI after it has met Triomf's requirements. If Triomf's requirements were to increase substantially, Fedmis would be in the cart — through no fault of its own.

"It is important to note that Fedmis finds itself in this invidious position because it was persuaded by the Department of Industries in 1971, in the interests of the country, not to proceed with plans to set up its own nitrogen plant (though it has permission to build another).

"It is therefore the Board's considered opinion that compulsory termination of the agreement can hardly be considered by government while Fedmis is in this position".

Some disturbing evidence emerged

from the Board's investigation of the marketing scene, in particular the 42% stake in Triomf-Kunsmisbeleggings acquired by five large farm co-ops through an investment company known as SLB, in which seven smaller co-ops have since acquired holdings.

The Board says that although it was told by a number of witnesses that the final choice of fertiliser products was in the hands of the consumer, and that co-ops were in no position to refuse to finance members' fertiliser purchases with Land Bank money, "there was important evidence which contended that certain co-ops did in fact have policies which favour Triomf products".

The BTI says there was a general feeling that although it was improper for co-ops to discriminate against certain interests in the application of Land Bank funds, there were numerous ways co-ops, through their officials, would "influence and persuade" members to buy the products of a certain company.

"The examples mentioned most frequently are that applications for the purchase of the 'other' product are deliberately delayed or even mislaid, whereas this does not occur when orders for Triomf products are placed, or members are told that 'other' products are not in stock, or that there will be lengthy delays

in procuring stocks.

"Witnesses also admitted that co-ops which had a stake in SLB normally gave preference to Triomf products when acquiring buffer stocks (during periods of peak demand). This means that when farmers urgently need stocks, due to underestimation of their requirements or any other reason, they are forced to buy Triomf fertiliser.

"In the light of the foregoing the Board is of the opinion that Triomf, with its important financial relationship with the co-ops (which account for more than 60% of total co-op sales to farmers) and AECI, has a competitive advantage over its competitors, which has the effect, or is calculated to have the effect, of limiting or discouraging the entry of new manufacturers and distributors."

These limitations on competition, says the Board, could have serious repercussions in the industry after the market sharing agreement expires.

It is therefore understandable that government would rather not have released BTI Report 1737 until completion of the Monopolies Act investigation. It has now agreed to. On the other hand, Report 1737 may have the effect of deterring Triomf, AECI and the co-ops from some of the restrictive practices they have been accused of.

FIN MAIL 20/5/77  
PRICE FIXING 249

### The case continues

Board of Trade officials were relieved when Mr Justice Trengrove dismissed an application in the Rand Supreme Court for the quashing of an indictment against a group of bottlestore owners who are accused of having pressurised Johannesburg liquor discounter, Benny Goldberg, in an attempt to stop him undercutting them.

The judge's decision means that the law, which has already been altered once as a result of a court case, will not have to be changed again.

Those charged under a regulation of the Monopolistic Conditions Act, which banned resale price maintenance, are the Hotel and Liquor Trader's Association of the Transvaal and members of its Liquor Affairs Committee (Nathan Matisonn, Monty Sidelsky, Johann Kikillus, David Magid, Sam Linz, Norman Kramer and John Hooper), Liquor Town (represented by Magid), Western Province Cellars (Magid), Solly Kramer (Kramer), and Rebel (Linz).

On their behalf Gerald Alexander SC argued that the indictment should be quashed because the purpose of the legislation was to stop suppliers or manufacturers who sold goods for "resale" from forcing resellers to maintain specified prices. But as none of the accused supplied Goldberg's supermarket they could not have committed an offence.

The State, on the other hand, submitted that the law prohibited "any person" from entering any agreement which would induce a reseller to observe a specified resale price. In upholding the State's case that the indictment was lawful the judge said the regulation must be interpreted as a whole and its purpose was to prevent fixing prices because this deprived consumers of the advantage of price competition among retailers. It was therefore at retail level that price competition should not be stifled. Price cutting, he said, would only become unlawful if it was to mobilise a competitor to adopt higher prices.

The accused are alleged to have decided to ask Goldberg to stop undercutting the Association's prices. He was threatened with a price war if he refused. Goldberg resisted and the bottlestores, it is alleged, began a price war with the aim of forcing him to toe the line.

Mr Justice Trengrove's decision has cleared the way for the trial to begin on

September 22, but it also means that a similar prosecution might be brought in the Free State where investigations into price fixing in the liquor trade have been going on for some time.

• Two years ago the Monopolistic Conditions Amendment Bill was rushed through Parliament to block the hole in the law that was exposed when a photographic company was prosecuted for price fixing. The court decided its patented cameras were exempt but fined it R300 for fixing the price of non-patented accessories. The amendment ensured that price fixing on patented articles was also outlawed.

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B 202/77 (K)

FOR RELEASE: THURSDAY, 2 JUNE 1977 AT 18h00

PRESS STATEMENT IN CONNECTION WITH THE INQUIRY INTO THE PROHIBITION ON MANUFACTURERS OF BISCUITS TO INCREASE SELLING PRICES WITHOUT THE PRIOR APPROVAL OF THE PRICE CONTROLLER RELEASED BY THE MINISTER OF ECONOMIC AFFAIRS

It will be made known in the Government Gazette of 3 June 1977 that I requested the Board of Trade and Industries, in terms of the provisions of the Monopolistic Conditions Act, 1955, to enquire into the desirability or otherwise of maintaining the provisions of Government Notice R.465 of 25 March 1966. Manufacturers of biscuits are prohibited in terms of this Notice to increase collectively in any way the selling prices of their biscuits without receiving prior consent from the Price Controller.

Interested parties may, within a period of six weeks, make representations in this connection to the Board of Trade and Industries, Private Bag X342, Pretoria, 0001.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

2 JUNE 1977

# BIGGER MONOPOLY FINES

ORMANDE POLLOK  
Political Correspondent  
CAPE TOWN — A "merger tribunal" to scrutinise business take-overs and mergers has been recommended by the commission of inquiry into monopolistic conditions.

It has also recommended increasing the existing maximum fines of R20 000 in terms of the Monopolies Act

The report, published yesterday, said the commission did not favour an elaborate system of scrutiny but suggested a "quasi-judicial" body presided over by a judge or some other qualified independent person and two others.

It would have the power to forbid take-

## Watchdog on mergers 'needed'

NATAL MERCURY 3/6/77

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overs or even break up already completed mergers and would be able to put a time limit on negotiations

### Secrecy

"Legal rules of evidence would not apply and proceedings would be in camera to ensure

the utmost secrecy," said the report

"The tribunal would have power to forbid a proposed take-over and to recommend the dissolution or break-up of any completed take-over. In the event of a compulsory break-up there would be no tax consequences.

"Time limits will be imposed within which the proceedings regarding take-overs have to be completed by the relevant bodies and the minister."

The report said matters for consideration by the tribunal would be referred to it by the minister or the Board of Trade and Industries. The minister would have the power to issue an interim or "stand still order" on every proposed take-over referred to the merger tribunal for investigation

The report said it was the commission's duty to decide if the State should exercise some control over economic concentrations to ensure the dangers do not outweigh the advantages

regional centres, each

ying whether it need a

## State bodies fall under Act

Parliamentary Correspondent  
CAPE TOWN — The Railways, the Post Office, State or semi-State corporations could be investigated under the present monopolies law, the Commission of Inquiry into the Regulation of Monopolistic Conditions Act says in its report released in Parliament yesterday.

It said strong representations had been received to extend the Act to cover the entrepreneurial activities of the State.

The Railways Administration, the Department of Posts and Telecommunications as well as various State and semi-State corporations such as Iscor, Foscor, the Industrial Development Corporation, the SABC and Sasol, had been mentioned as enterprises competing with the private sector which should also be subject to the provisions of the Act

"In this regard it should be pointed out, however, that the activities of these enterprises are not excluded from the provisions of the Act," the commission said

"If the principle of the indivisibility of the economy is accepted and competition policy regarded as embracing the total economy, that is the public as well as the private sector, and the monopoly body also be allowed to initiate investigations, it may then undertake such investigations if deemed necessary," the report added

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tions to the economy,  
the commission said any  
danger to the free enter-  
prise system inherent in  
the already high degree  
of economic concentra-  
tion necessitated Govern-  
ment surveillance.  
It said also that where  
firms, or groups of  
firms, had extensive  
market power, "they are  
under no pressure to  
either maintain or  
increase their efficiency  
or to follow a policy  
whereby the benefits of  
their favourable position  
reach the customers and  
eventually the public in  
the form of better prices  
and values."  
"Secondly, a highly  
concentrated market  
structure inhibits compe-  
tition by creating an  
environment conducive  
to non-competitive  
behaviour," said the  
report.  
The commission also  
recommended the forma-  
tion of a separate, auto-  
nomous "monopolies  
board" which would  
relieve pressure in this  
field on the Board of  
Trade and Industries.

236  
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The correspondence department has been set up during the past  
years and is the National Correspondence Institute, running courses in  
My next response is to the question, How? Here I must obviously say,  
primary school leavers, in English and Swahili.  
I had the answer I would not have been standing here telling you about  
The mass media department concentrates on radio courses sup-  
my own alienation and what figures of Authority do to me. But I do not



Mercury 17-6-77

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# CARTEL 'RIGGED' WORLD'S URANIUM PRICES'

**WASHINGTON**—Secret documents released yesterday by a congressional investigating sub-committee reinforced claims that an international cartel rigged the price of uranium on the world market during the past three years.

Type B has no alternative uses and be used for the Bellville job. In 3000 units of Type C at R10 each fo

Both jobs will take exactly on

The Managing Director asks you alternatives is most profitable.

Draw up a table showing the op

What advice would you give?

defaulted on contracts to supply processed uranium to more than 20 public utility companies because of a seven-fold price increase.

Westinghouse then brought an anti-trust suit against Gulf and 29 other uranium-producing firms, claiming they had fixed prices and engaged in other anti-competitive practices.

The sub-committee documents stated that Gulf knew five years ago that it risked violating U.S. anti-trust laws when a Canadian sub-

Twenty-eight papers, including some which the Canadian Government sought to suppress, were released by a House of Representatives sub-committee after nearly a year of probing into the alleged uranium price fixing.

The documents identified members of the uranium "club" as companies in Australia, South Africa, France, West Germany and Canada.

The chairman, Mr. John Moss, issued subpoenas for six present and former officials of the Gulf Oil Company for questioning.

The price of raw uranium had increased from about R10,50 to R80 a kg in the last four years.

### Defaulted

The cartel's 1972 policy decisions to control prices and production quotas came to light last year when the Westinghouse Corporation

Cape Town.  
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## CHAIRMAN CAUTIOUS

Financial Editor *Mercury* 17-6-77

DEMAND for Coronation Brick Free State's products dropped during the year ended March, 1977, and the situation has worsened since then, according to Mr. J. B. Robertson, chairman of the company.

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Staff

of an extra secretary to manage  
an extra foreman for R4 000 p.a.

Mr. Robertson writes in his annual review that results for the current year will be difficult to forecast. These will largely depend on the "unpredictable future" of the building industry.

On the other hand, operational improvements effected in the factories should have a beneficial effect on results.

"It is hoped that after tax profits for the current year will, at least, equal those of last year."

J. KEIR

m based in Cape Town.  
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lowing January. But  
n Bellville instead  
n payment of an agreed

require the services  
n at R3 000 p.a., and

The Company's existing workforce of 10 workers, each earning R2 000, will be adequate for both jobs.

Transport The Company has a fleet of 4 lorries bought for R5 000 each 2 years ago. Depreciation is reckoned to be R400 p.a. plus 10c per mile.

It is estimated that the Bellville job will require the lorries to travel an extra 1 000 miles each.

Materials The Company has already bought all the materials for the Parow job:

1 000 units of Type A at R1 per unit  
500 units of Type B at 50c each

Type A would not be used for the Bellville job, but could be sold for 50c each.

Type B has no alternative uses and zero scrap value, but 200 units can be used for the Bellville job. In addition it will be necessary to buy 3000 units of Type C at R10 each for the Bellville contract.

Both jobs will take exactly one year.

The Managing Director asks you to consider which of the two alternatives is most profitable.

Draw up a table showing the opportunity costs involved in each.

What advice would you give?

(50%)



~~7/8/77~~

Mercury 17-6-77

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# Smith Sugar optimistic

Financial Editor

**MR. F. R. JONES**, executive chairman of C. G. Smith Sugar Ltd., Durban, strikes a hopeful note in his annual statement by forecasting that his group will maintain its present level of dividends in spite of the problems facing the sugar industry.

Mr. Jones says that the group's liquidity is strong. In addition, early crop estimates give a production of 593 863 tons of sugar, which would be 72 985 tons above that of last year.

However, such estimates had to be treated with caution at this stage of the season.

"The tonnage of cane expected to be harvested from our own fields will show a marginal increase.

"In spite of this higher production it is doubtful whether there will be an improvement in profits, mainly because of the serious impact of only partly recovering our increased production costs."

### Local price

Nevertheless, because of the strong liquidity situation the directors felt that dividends could be maintained.

Turning to the broad span of the sugar industry's affairs, Mr Jones said that notwithstanding two increases in the domestic price of sugar in the year ended March, 1977, the local price was still below the cost of production.

"However, total proceeds in the current season should be sufficient to meet the indus-

try's requirements under the present formula

"Most of the export surplus has been sold forward at prices above production costs. In addition, there is a balance of R30,9 million in the Price Stabilisation Fund."

J. Keir.

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# Monopolies Star 28-6-77 report: 'job not finished'

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The monopolies commission has only gone half-way towards securing its objectives, according to Prof Arnt Spandau, head of business economics at Wits University.

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He was among several speakers at the NDMF's Carlton conference today who could raise only two cheers for the Mouton Report. There were several shortcomings that had not been dealt with, said the professor.

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Other shortcomings mentioned by Professor Spandau, were:

● The commission did not see fit to outlaw certain restrictive trade practices such as price collusion.

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Mr M Katz, an attorney submitted that the several additional aspects ought to be embodied in the final legislation.

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Information Sheet

DEPARTMENT OF SPEECH AND DRAMA

UNIVERSITY OF CAPE TOWN

# Monopolies report 'only goes half-way'

CAPE TIMES  
29/6/77

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JOHANNESBURG. — Several shortcomings in the existing legislation on monopolistic conditions would not be removed by the recommendations of the commission of inquiry, Professor Arnt Spandau, head of the department of business economics of the University of Witwatersrand, said at a National Development and Management Foundation seminar here yesterday.

He said South Africa was now at the brink of the forma-

tion of a large domestic market. Her non-white population demanded an ever-increasing purchasing power and consequently retailing methods should be adapted to deal with this change in environment.

One of the major obstacles against competition had recently been the with-holding of supplies as was evident in the case of motor vehicles, motor spare parts, certain hardware items and petrol.

"I would argue that the Mouton report has only gone halfway in bracing up obsolete business structures and inappropriate modes of business behaviour.

## Right direction

"The commission went in the right direction when it proposed a control of dominant market power and merger.

"But the commission did not go far enough in that it did not successfully break up certain restrictive trade practices so largely abused in South Africa. That is, horizontal cartel agreements and the with-holding of the supplies."

Some of the other shortcomings mentioned by Professor Spandau were:

- The report does not give detailed proposals as to how exactly proposed mergers should be controlled.

- The commissioners decided against the definition of clear cut legal notification criteria which impose on meriting parties the duty to seek the prior approval of the merger tribunal which is to be established.

- The commission did not declare illegal the practice of refusal to sell or with-holding of supplies.

- It did not see fit to outlaw certain restrictive trade practices, such as price collusion.

Mr M Katz, an attorney, said there were certain strings attached to the recommendations of the commission of inquiry into monopolistic conditions.

These were:-

- The restructuring of the

bodies that will be vested with the administration and enforcement of the proposed legislation and in particular a creation of a merger tribunal, a monopoly board.

- The maintenance of a system which, by and large, does not contain *per se* prohibitions but rather enables the prohibition of practises which are found to be pernicious regarding the public interest.

- The conferring of the rights to initiate investigation into monopolistic conditions of the new proposed monopolies board and not only on the minister for the ability to prevent mergers which are likely to be pernicious, having regard to all the probabilities, instead of being limited to breaking up existing mergers after much harm has already been done.

He submitted that the following additional aspects ought to be embodied in the final legislation.

- Conferring on the monopolies board, the power to bring about remedies to correct indiscriminate practices, instead of limited this power to the minister.

- The conferring of a right of parties in the investigatory procedures in favour of the complainant at whose instance such investigation were started.

- The introduction of a statutory civil remedy in favour of victims of monopolistic conditions.

- An appreciation of the necessity not to eliminate the speed and surprise of the offer or, in take over situations, having regard to the immense advantages enjoyed by incumbent management in take-over battles.

- The introduction of guide lines as to the definition of the concept of public interest. This will facilitate commercial certainty and corporate planning.

It was not, however, suggested that an extensive definition of the concept of public interest to be introduced. —

Sapa

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The Natal Mercury, Saturday, August 6, 1977.

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## Price control is back

PRETORIA — The Minister of Economic Affairs, Mr. Chris Heunis, announced here yesterday that the Government had decided to reintroduce price control on agricultural machinery, implements and equipment.

All such prices would be frozen immediately at the August 5 levels.

The Minister said the Government had decided in June to abolish price control of such equipment from July 1. The main reasons were that there were large numbers of suppliers and distributors and no shortages, and the forces of supply and demand would maintain prices at reasonable levels.

However, since the abolition, prices of a wide range of agricultural machinery, implements and equipment had been increased.

"It has therefore been decided that the justification, or otherwise, of such increases should be verified by the Price Controller.

"It should be emphasised that only the maximum selling prices are fixed in this way and that any individual firm is free to sell the goods supplied by it at lower prices," he said.

A Government Notice giving effect to this decision would be published in the Gazette "as soon as possible."—(Sapa.)

D.D. 6/8/77

## Prices pegged

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PRETORIA — The Government is to reintroduce immediate price control on agricultural machinery, implements and equipment.

This was announced here yesterday by the Minister of Economic Affairs, Mr Heunis.

He said the Government had abolished price control of such equipment from July 1 in the belief

that the forces of supply and demand would maintain prices at reasonable levels.

However, since the abolition, prices of a wide range of agricultural machinery, implements and equipment had been increased.

Mr Heunis emphasised that the reimposed price control would apply only to maximum selling prices — SAPA.

## Sunday Express

### Business

THE Price Controller must be dancing on the horns of a dilemma. He has been asked to approve a new coal price hike, but the pressures against his granting it are as strong as those from the industry for it.

The application for a price hike from the Transvaal and OFS coal producers was delivered in early April but he deferred any decision-taking until this month — September.

The whole issue was discussed at Cabinet level last

# Controller must decide on coal price hike

week and after a lot of deliberation was deferred, again, until Wednesday this week, it has been said.

Already two major producers, Tavistock and Amcoal, have gloomily noted a rapid slackening in local sales of recent weeks

due to the mild winter and the fact that supply exceeds demand.

It seems that the classic South African scenario is to be read again — a surplus exists so let us increase the price. But it's going to be dif-

ficult for the Government to wriggle out of the bargain it struck with the coal producers last year. They agreed a revised price formula to encourage producers to install new capacity for the domestic market.

The coal men responded wholeheartedly and committed themselves to a R1 000-million expansion programme for the next three to five years. Recently the outgoing Chamber of Mines president Robin Plumridge, sharply critical of the whole coal

pricing structure, said: "Price control on the domestic market as it now operates still inhibits orderly development of coal mining and it's imperative that the authorities move towards the removal of this restriction of as soon as possible."

The pressures from the industry are growing but as all politicians know, a coal price increase coming on top of the Eskom price hikes, is not going to be good news in the constituency.

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# Unlucky strike by the match sellers

JOHANNESBURG cafes are overcharging by as much as 65% for matches and the city's Price Control office is investigating the matter.

The Sunday Express carried out a survey this week to see how much cafes were charging for matches per box and per packet of 10 boxes.

In nine out of 10 cases, matches were two cents per box and 20 cents for a packet of 10 — half a cent more per box and five cents more per packet than laid down in an agreement between the Price Control Board and the

**By SHARON LEVIN and JILL SHIRES**

manufacturers

Asked why matches were so expensive, most shopkeepers answered that they had been charging those prices for some time and did not think this was expensive.

The Price Control Board is keeping an eye on the matter. "We are investigating and the matter is to be taken to the Price Control Board's chief department in Pretoria," he added.

These were the cafes visited and this is how much they charged.

● Excelsior Cafe, corner

Twist and Esselyn Streets, Hillbrow — two cents per box and 20 cents per packet of ten boxes.

● Yeoville Cafe, Raleigh Street, Yeoville — two cents per box and 20 cents per packet.

● Delfi Cafe, corner Pretoria Street and Catherine Avenue, Hillbrow — two cents per box and 20 cents per packet.

● Estoril Books, Hillbrow — two cents per box and 15 cents per packet.

● Clairmaine Restaurant, Wolmarans Street, Braam-

fontein — two cents per box and 20 cents per packet.

● Mayfair West Cafe, Brixton — two cents per box and 20 cents per packet.

● Golden Finger Stores, Central Avenue, Mayfair — two cents per box and 20 cents per packet.

● Saunders Supermarket and Cafe, Saunders Street, Yeoville — two cents per box and 20 cents per packet.

● Western Bazaar, Church Street, Mayfair — two cents per box and 20 cents per packet.

● Junction Tearoom, Solomon Street, Braamfontein — two cents per packet and 20 cents per box.

## A little pruning 245

Rumour has it that about one-third of price-controlled goods will soon have their shackles removed

Price Controller Joep Steyn's Department of Commerce is busy reviewing the list of items whose prices are controlled. They account for about 18% of Gross Domestic Expenditure and include a wide range of household appliances, photographic and sound equipment, and building materials, not to mention items like firearms, yellow margarine, and mineral waters.

Steyn will give no details, but it is likely that the next four to six months will see porcelain insulators and most household appliances and photographic and sound equipment freed from price restraint

"Essential" items like sugar and steel will almost certainly remain subject to price ceilings, however

Why not throw out price control altogether?

Steyn argues that it does not throw the free market mechanism out of kilter, as critics claim. His main concern, he tells the *FM*, is that an open season in the marketplace would unleash a spate of price increases. This is precisely what happened with agricultural implements which were de-listed but then had to be

re listed barely a month later

"In spite of the fact that prices for those implements had not been determined at unreasonably low levels, considerable price increases were introduced with the removal of price control"

Ironically, some industries are not altogether averse to remaining subject to price control. Price-controlled industries have little chance to build up financial reserves during good times, during bad times, the controlled (or maximum) price often becomes the minimum since industries do not cut prices to boost sales. The result is that controlled prices may actually be higher during recessionary times than free market forces would dictate.

Indeed, Terence Pears, president of the Witwatersrand Master Builders' and Allied Trades Association, recently pointed out that controlled prices have been rising at 17% a year while the average rise in uncontrolled industries has been between 10 and 11%

Despite complaints about price control from manufacturers, organisations like Seifsa and the FCI privately admit that many of their members would rue the day of its demise.



8/12/77. (249)

# Bureau calls for wage, price control

CAPE TOWN — Controls on wages, prices and imports for 12 to 18 months are favoured by the Bureau for Economic Research at the University of Stellenbosch.

It said in a report on prospects for 1978: "Restrained prices and wages being ensured, and with a brake on imports in operation, the Government can mount a fairly ambitious programme of stimulation which should add handsomely to the gross domestic production real terms and to the numbers in employment."

For the achievement and maintenance of a

desirable growth rate, "a measure of import control, in whatever form or by whatever name, is a sine qua non."

Inflation had become "the iniquitous outcome of a chronic price spiral." Since prices rose, employers were raising wages and salaries "and since higher wages mean higher costs, prices have to be increased

"This process continues almost without brakes."

Given physical controls, the programme of stimulation could include:

Greatly increased expenditure on housing, expanded by any amount

that could be pruned from the defence budget "In observance of the principle that the fifth column is always more dangerous than the enemy at the gates";

All kinds of infrastructural facilities including new railway construction, roads and bridges, but no new public buildings: "While we have a large surplus of office space, and no further expansion of the civil service after the recent spate of employment",

New post-primary schools and training institutions particularly for black and Coloured children "Which may have to be staffed by white teachers, of whom there will soon be a surplus in any case, arising from the demography of the white population";

More than customary attention to the development of the homelands,

Special attention to the establishment of sectoral export corporations in manufacturing, industry, etc

The bureau said that favouring physical controls did not reflect a lack of confidence in the efficacy of the traditional instruments to curb or excise balance of payments deficit and inflation.

"If an authority is prepared to reduce money supply sufficiently, he will succeed. But it will undoubtedly be a pyrrhic victory.

"It is considered that after three years of sub-normal growth and employment one would not want to use means that would turn a lean economy into an emaciated, if not expiring economy." — SAPA