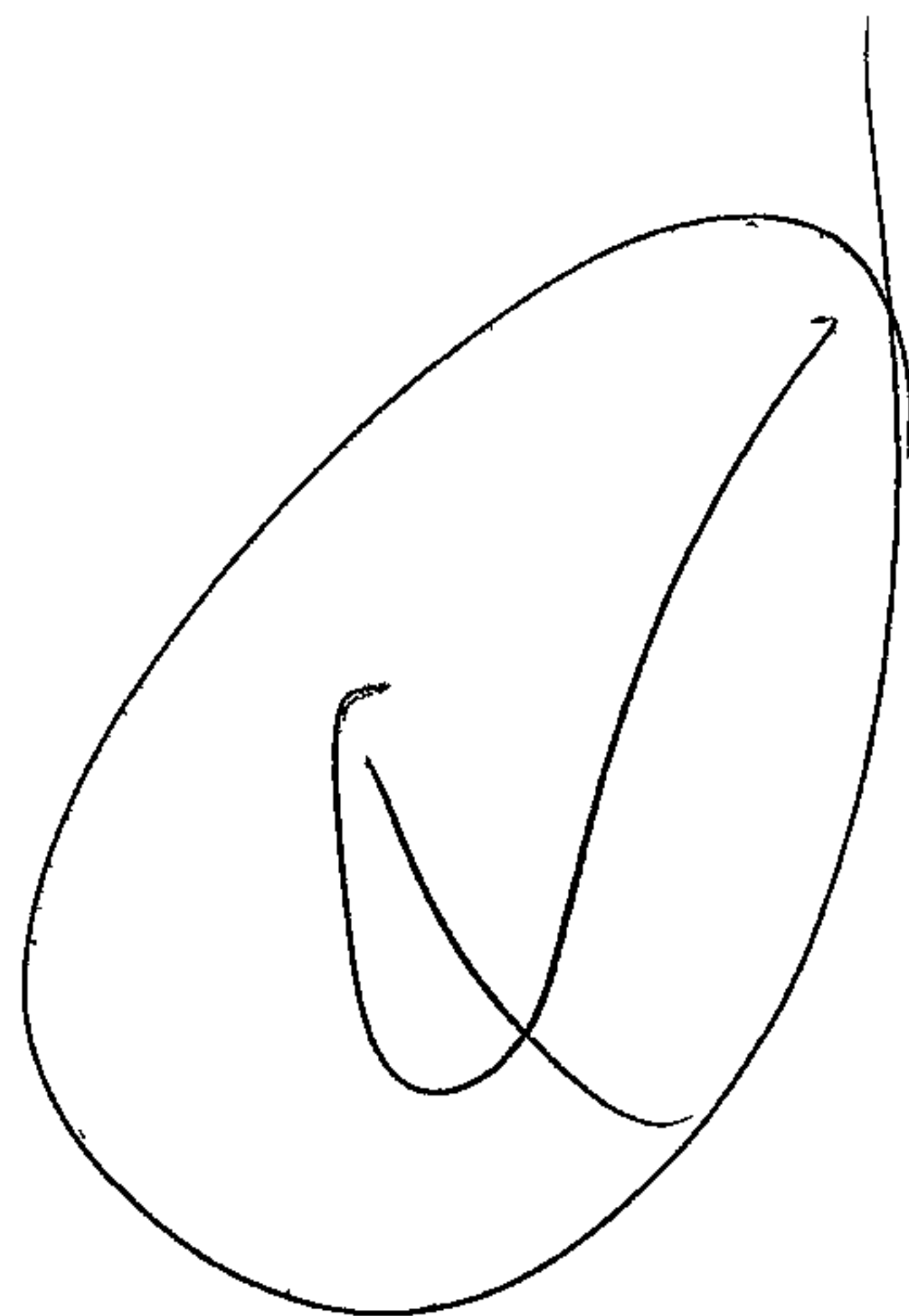


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PILES GENERAL

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Coal gets on price increase bandwagon

Star 4/1/79

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 244

African Railways absorb the New increases in fuel and electricity costs for the coming year, a spokesman says. The increases, which would add about R22-million to the Railways' budget, would not be passed on at least the end of the financial year. A meeting would be held on March 31, when the Minister of Transport, Mr. Pieter Mulder, would reconvene the situation. He may introduce new structures with the budget, but we cannot say at this stage," said the spokesman. The increases would add R3,4-million to the 1976 bill and R18-million to the 1977 bill.

The price of coal is likely to go up before long, giving another boost to the double-figure inflation rate.

Costs rise to hit all: Schoeman

Political Reporter

A gloomy picture of rising prices for agricultural products was painted today by the Minister of Agriculture, Mr. Hendrik Schoeman.

He said it was a fact that even if rain came to drought-stricken areas, it would be too late to prevent great damage to farming in vast areas of the country.

But in addition to the drought, farmers now face higher costs for fuel, fertiliser, electricity and possibly also for coal.

Mr. Schoeman said all production costs had gone up. Even the cost of items such as tractors had risen.

It could therefore be expected that higher prices would have to be paid by the consumer for agricultural products in the future, he said.

It was particularly unfortunate that the drought had come when it did.

Among the areas worst hit by drought are parts of the Eastern and Western Free State.

Mr. Schoeman has already warned that last year's crops could never be equalled this year.

Mr. R. Hoare, general manager (finance) of the Transvaal Coal Owners' Association, said today that his association had asked the Government for an increase in coal prices.

He would not reveal the percentage asked for and said he did not know if the request would be granted or, if it were, when the announcement would be made.

Mr. Hoare said his association had received no response from the Government since the request was made "quite a while ago."

"At this time, when all other costs are rising, it might be a difficult decision for the Government to make," he said.

The association had asked for the increase because of rising costs in the industry.

Coal prices went up in February last year when the Price Controller approved a 12 percent increase.

A higher coal price would hit all sectors of the economy and could lead to further rises in electricity tariffs.

Consumers are already bracing themselves for the effect of a 5,3 percent increase in the price of Eskom electricity in the Transvaal and Free State and similar increases in the rest of the country last year.

Already consumers have been hit by a 10 percent increase in the price of petrol from January 1 which, it has been predicted, will affect prices of virtually every consumer product.

A 14 percent increase in fertiliser prices which is expected to push up prices of all agricultural products. A 15 percent increase in the price of structural timber and varying increases in the price of industrial pine. A four percent increase in the price of certain makes of cars.

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Projected rates of change of output per growth from the end of 1975 to the end of 1976).

Mr. Schoeman has already warned that last year's crops could never be equalled this year. In some areas, late harvests are the only possibility. In some areas, grazing on the endpoints and from igne and 1976).

- Already consumers have been hit by
- A 10 percent increase in the price of petrol from January 1 which, it has been predicted, will affect prices of virtually every consumer product.
- A 14 percent increase in fertiliser prices which is expected to push up prices of all agricultural products.
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- A four percent increase in the price of certain makes of cars.

NM 11/1/79 (244)

Food prices to rise

Agricultural Correspondent

CONSUMERS can expect a wave of higher food prices later this year as hard-pressed farmers struggle to stay solvent.

The secretary of the Natal Agricultural Union, Mr. Alwyn Bischoff, said yesterday that the recently announced price increases for fertiliser (14 percent) and diesel (15 to 20 percent) would force farmers to ask for across-the-board commodity price increases to compensate them.

"The combined fuel and fertiliser price increases are going to have an incredible impact on producers who are already facing severe problems as a result of earlier

production increases."

Mr. Bischoff said it was clear that the agricultural sector could not absorb these latest increases, which he described as "appalling."

He said beef, poultry, eggs, milk, vegetables and other foods would have to go up and the increases would have a ripple effect in the economy.

Asked to comment on crop prospects for the coming season Mr. Bischoff said the present drought was not considered serious in Natal.

He said farmers in the other provinces were likely to experience hard times where the drought was serious.

contractual relations as exist upon which to make or a set of local exper- casual labour and the cal labour markets under

swana's 35 000 odd migrants offul argument to start p underlines the need to age wage as is consistent

with the essential requirements that labour not be enticed away from economic activities.

A further reason for experiments is that Botswana has not devoted her own or foreign expertise to the question, "On what works can a lot of labour be productively employed?" Pasture management, for instance, has concentrated on rotational grazing, resting and seeding. It has not asked what benefit contour furrows, fodder and shade trees, grass seed raised in nurseries and distributed over the pastures by hand (or by aeroplane), and more permanent fencing in the form of trenches or stone walls would bring to different regions. Nor has much work been done on a wide variety of soil and water lands. Other areas to explore are the creation of woodlots for fuel, building material, fodder and other materials; public brick making for sale to public bodies and private citizens; the design and construction of improved cattle pens, grain stores etc. Roads, particularly in Botswana, offer considerable scope for trial with labour intensive methods on both construction and maintenance.

In figure I a simple organisation chart is presented to illustrate how the adoption of an employment guarantee programme helps to redefine the management of rural development. Funds are devolved to local government which oversees the implementation of the guarantee on behalf of the state. The technical departments assist local government in the design and the supervision of works; thereby retaining the power of technical sanction over works and their execution. Since the funding of works under the programme is controlled by local government rather than pre-allocated within annual technical departmental budgets, the technical departments are required to discover and put forward

Wine price rises 12,1 pc

244 2013/11/79

PAARL — Higher wine prices were announced here today by KWV. The minimum price of good wine has been fixed at R24,67 a hectolitre against R22 a hl in 1978 — an increase of 2c a bottle of 750 ml, which gives the producer a price of 18,5c a bottle, an increase of 12,1 percent.

The minimum price of distilling wine is R18,80 a hl at a strength of 20 percent against R16,77 last year. This adjustment of R2,03 is an increase of 12,1 percent.

A statement released by KWV said that since 1976 the wine farmer had not recovered increases in production costs by way

of prices which he received for his wine.

Production costs would rise by a further estimated 12,8 percent this year.

The KWV statement said the 1979 wine crop would be smaller than last year's and the distilling wine surplus had, therefore, been fixed at 27,3

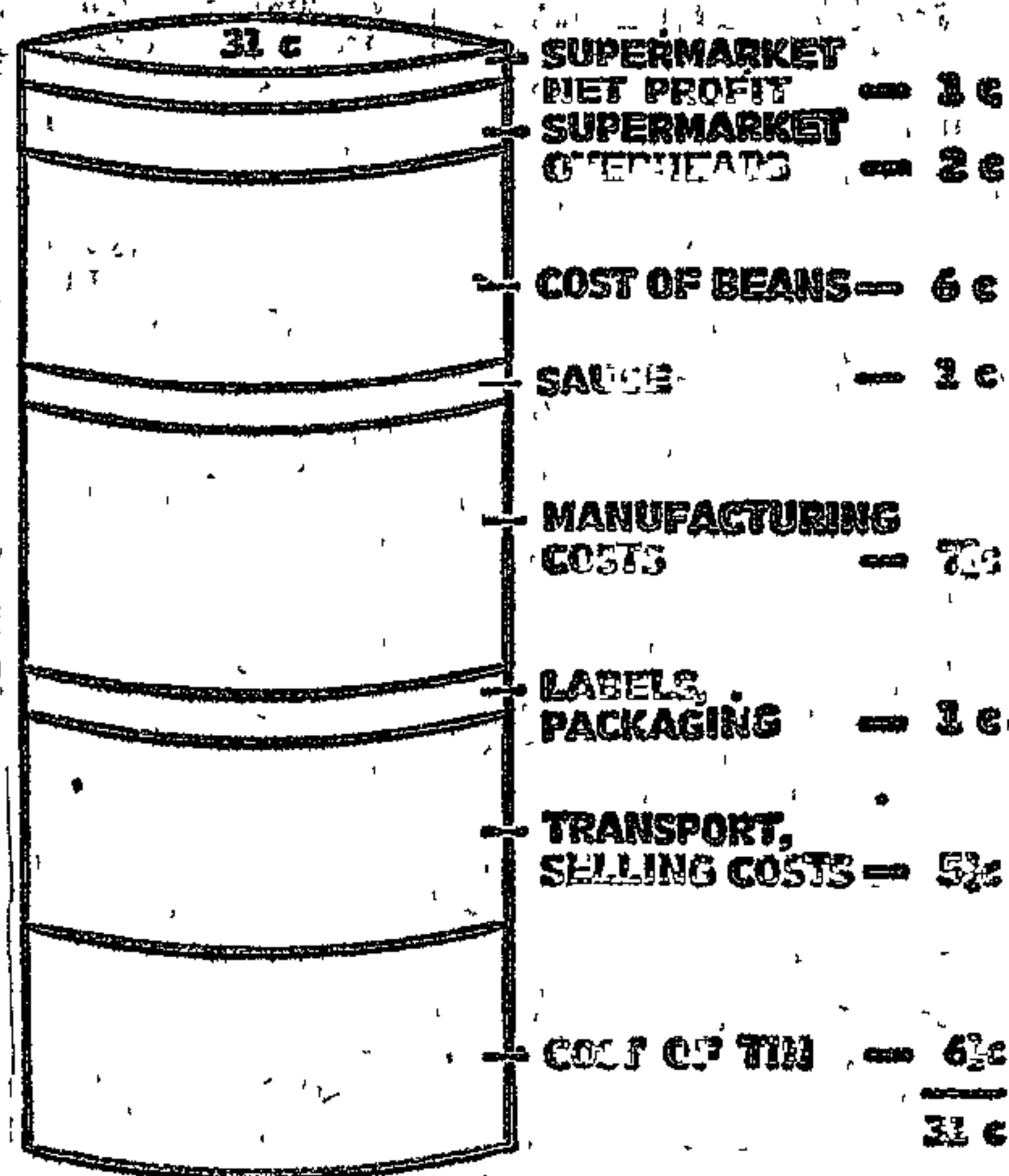
percent against 28,5 percent in 1978.

It was estimated that 72,7 percent of the distilling wine portion of the wine crop could be sold on the local market and that the KWV would have to find other markets for the balance of 27,3 percent — Sapa

(244)

18/1/79
Star

You pay more for the tin



Look at the above "cost diagram" of a 31c tin of Haricot or Michigan beans, published here for the first time, and you'll see that when you buy this tin you pay more for the metal than for the beans.

A modern fact of life is that preserving food is often much more expensive than the food itself.

Farmers have an understandable, but insoluble, complaint about this. Of the 6c worth of beans in the tin they will probably only get 4c, if they are lucky.

Eight years ago a tin like this cost 2½c, but since then steel prices have simply gone into orbit. During the past four years alone Iscor steel went up by 150 percent.

Tin can prices are subject to price control, but Metal Box now estimates that new medium tins, such as used for these beans, will average 7,25c this year. And when you throw away a beer can after drinking the contents you discard an 8,7c piece of junk.

Yet it is trite to say that without modern preservation and packaging we'd probably pay more in wastage than we now pay for containers.

One interesting item on the diagram shows that average supermarkets have to be super-efficient to succeed in selling beans at only 1c profit per tin.

Increases leave you no choice

244
18/11/79
Scar

Jaap Boekkool

In January 1967, when you could buy a 5 kg bag of potatoes for 22c — about 17,5 per cent of what spuds cost today — an average white factory or construction worker earned a mere R234 a month, and his black co-worker less than R43. It shows that living in the past has the advantage that things were cheaper then. But if you jog your

memory you'll also realise we were also paid peanuts

Since accurate statistics of nominal and real earnings of all South African workers outside agricultural have only been kept by the Stellenbosch Bureau for Economic Research since 1970, it is not easy to exactly compare the rise of wages with the rise in prices during the past 12 years. But during the seven years agriculture went up by from late 1970 to late 1977 white wages outside 97,5 percent, but in real

terms only 0,7 percent, to an average of R534 a month, barely enough to compensate for spiralling inflation.

But because of massive efforts to bridge the wage gap, especially by the mines and government services, black wages rose no less than 207 percent during the seven-year period to R122 monthly. In real terms the increase was from late 1970 to late 1977 white wages outside 47 percent.

The average Asian's wage rose by 160 percent to R226 a month and coloured wages gained 125 percent to a monthly R174.

Yet all race groups have been hit by ballooning prices of main shopping items. Prices on staples like mealie meal, sugar and butter have been kept down by government subsidies or controls. But black wage earners are hit under the belt by the much bigger price rises among what have become

main necessities for all races, like meat, margarine, tea, tinned goods, coffee and soap or detergents

And it is obvious that white wage earners' incomes have nowhere risen as fast as the 284 percent spiral in the prices of the 14 sample supermarket items in our list. Many whites in the higher income groups suffer a further blow with even modest rises in income marginal tax rates increase disproportionately. Increases in income

are whittled away by a new form of supertax.

A white salaried worker who earned R12 000 a year five years ago needs R26 830 today to maintain his former spending power. This, according to a Financial Mail survey, includes rising taxation burdens and a 77,7 percent increase in the Col index.

Whatever race you are it seems just another case of "heads you don't win, tails you lose". Or: "You takes your money and have no choice."

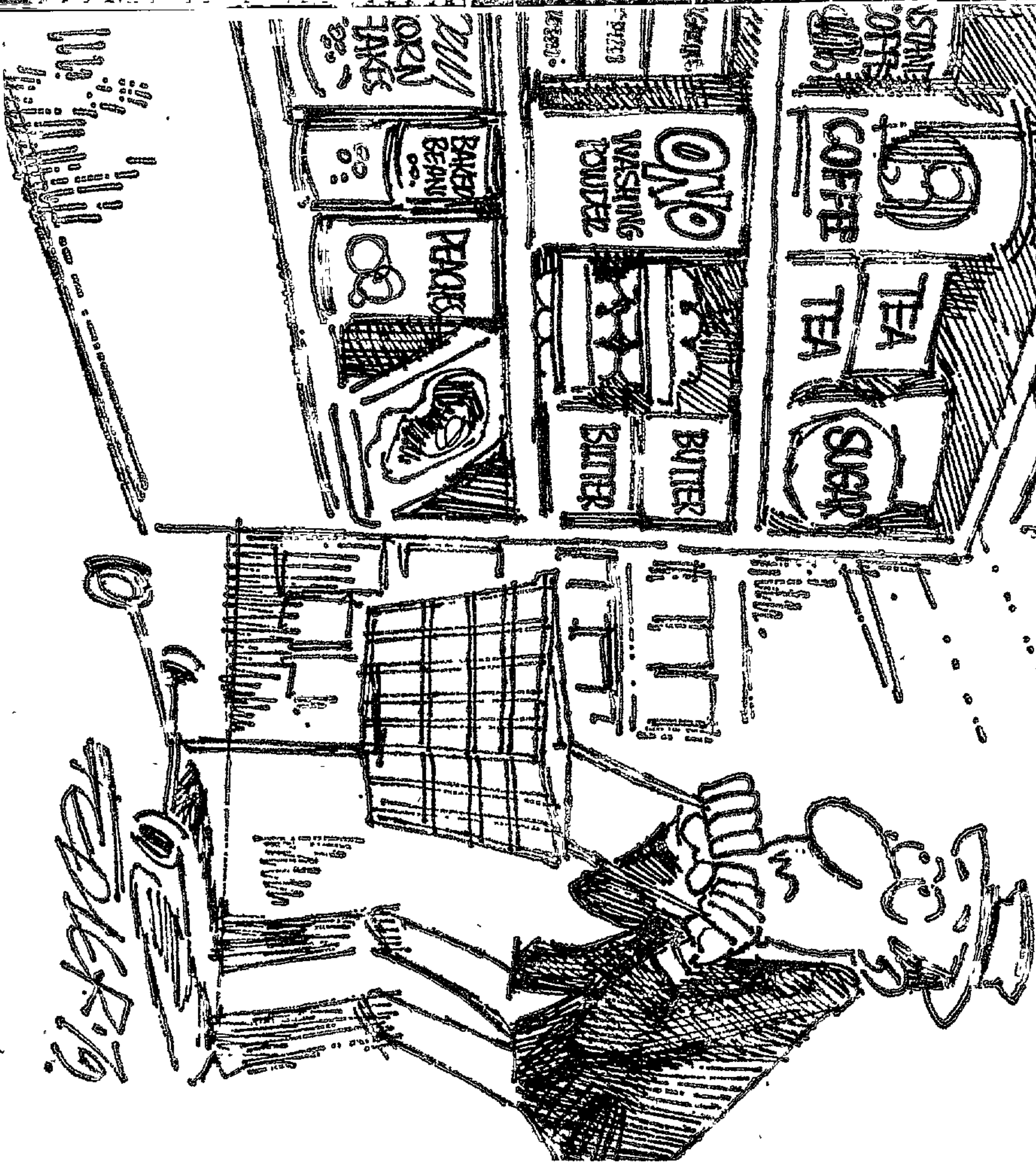
HOW PRICES HAVE ROCKED

STAR

18/1/79

(244)

LUXURIES



What goes up must come down. Thanks, Isaac Newton, but your law of gravity is being defied in South Africa's shops daily.

The new law: What goes up, goes up further. Look at it: a dozen years ago you could keep body and soul together for a few bob. Now they fall apart for less than a few rand.

Many prices have gone up between three and five times during this period. You can see it from the chart on this page.

This investigation was researched and written by JAAP BOEKKOOI who also initiated the 1967 and 1971 price surveys.

Price index shocks

Prices of 14 main shop-ping items used in the first supermarket price index published in a South African news-paper have almost quadrupled over the past 12 years.

The average price rise on the items this week, compared with January 1967, was 284 percent. During the same 12-year period South Africa's accumulated inflation rate, calculated by the Standard Bank Economic Research Department, was 151 percent.

Only two foodstuffs on the 14-item comparative list of supermarket prices, published in The Star in 1971, had price rises of less than 151 percent. During the dozen years sugar prices went up by 147 percent and butter prices by 149 percent. Both are subject to government price control.

The highest price increase was in potatoes which cost an average of 44c a kilogram in 1967. They now cost an average of 25c a kg, a rocketing rise of 468 percent, while toothpaste prices went up by 470 percent.

Both instant coffee and canned peaches are now 389 percent dearer than they were 12 years ago. Five Roses tea prices spiralled by 386 percent, and fillet steaks cost an average 294 percent more.

The Star's 1971 Supermarket Price Index was the first exercise in consumer journalism which openly published prices of eight supermarkets, a pioneer concept widely followed by other newspapers: single Today's chart repeats

PRODUCTS	Average Jan 1967	Jan 1971	Average Jan 1979	% Increase	% Increase since 1967
Eggs, dozen, large	24	32	65	170	103
Fillet steak 2 kg.	66	88	2,60	294	195
Potatoes 2 kg.	2.2	5.5	12.5	468	127
Butter 2 kg.	33½	49½	96	149	121
Margarine 2 kg.	22	26½	79	232	175
Tea ½ kg. (Five Roses)	61½	72½	2.68	336	269
Sugar 1 kg.	15	17	37	147	113
Corn flakes (bags and boxes)	19	14½	51	235	232
Instant Beans (medium cans)	9	12	31	244	153
Peaches (medium can)	9	12	35	389	192
Bath-size soap 150c	10	11	30	200	179
Washing powder (medium box) 500c	20	29	64	220	121
Toothpaste 50 ml.	10	22	57	470	159
Instant coffee (pure, per 250 g.)	39	1,10	4,35	389	295

some of the prices of the 14 items in 1967 and 1971, plus present average prices in five supermarkets tested in 1971 (three of the originals have since closed) plus percentage increases to show how prices have shot up

The five supermarkets on which current average prices are based are OK Bazaars in Eloff Street, Checkers in Northcote, Pick n Pay in Blackheath, Woolworths in Elif Street and Thrupps in

19
214
18/1/79

Appeal for higher meat prices

Pretoria Bureau

A top farming representative has urged consumers to accept higher prices for red meat to help forestall a slump in meat production during the early 1980s.

Farmers had already sent more heifers for slaughtering in 1978 than ever before, said Mr Jan van der Walt, meat industry officer at the South African Agricultural Union.

This proved that farmers were being discouraged from producing more beef, he said.

It would be in the consumer's own interests to encourage meat production by paying reasonable prices, Mr van der Walt said.

If farmers continued to cut back on their herds a meat shortage could set in, leading in turn to a sharp rise in prices

A shortage would force South Africa to import more meat, Mr van der Walt said.

IMPORT

Improvements in the price of meat in 1974 had encouraged many farmers to go into livestock in a big way. But prices for meat had remained virtually constant ever since.

In Johannesburg the average producer prices for all grades and classes

of beef had increased by only 2,4c a kg over the past five years, according to a survey made by Mr van der Walt.

In spite of these low prices farmers had struggled to sell their produce and disenchantment with meat production had set in.

There had been positive signs, however, of an increase in demand and higher meat prices since September last year.

244

Luxury loaf price rises

The Star Thursday Nrioca
30/1/74

The price of super-white bread, a luxury-type loaf sold in sliced and wrapped form — is to be increased by six cents to 32c from tomorrow.

And it is likely that the price of cakes and biscuits will also be increased over the next few weeks, although by a smaller percentage.

The general manager of the Wheat Board, Mr D F van Aarde, said today that there would be no increase in the price of ordinary, subsidised loaves of white, brown and wholewheat bread at present.

Super-white bread was a luxury-type bread which constituted only 1.8 percent of total bread production in this country, he said.

The increase in its price had become necessary because of increases in the price of cake flour, Mr van Aarde said. In 1974, when super-white loaves were first introduced, cake flour cost R148.17 a ton, he said. Now it costs R274.74 a ton.

Commenting on the bread increase, Mrs Joy Hurwitz, president of the Housewives' League, said super-white bread was a "convenience" type of loaf and a luxury. She predicted that people who used to buy these loaves would now switch to the standard, subsidised white loaf.

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thus with accidents on the gold mines where there is an average of 500 deaths a year plus 22 222 injured in 1974.

6. The Commission commended the gold mining industry's co-operation in the promotion of industrial health. "The history of the promotion of industrial health on the gold mines, ... speaks of a sensitivity and a willingness on the part of the authorities as well as of the industry itself to accord humanitarian considerations their rightful place at all times."

The Commission identifies the relative peacefulness among the workers as one of the main features of the gold and diamond industries "... the unrest among certain ethnic groups during the past few years had nothing to do with industrial health". It attributed comparatively peaceful labour conditions to that in diamond and gold industries "the workers safety and health is of constant concern".

The Commission described the theory of the second industrial revolution in relation to the development of secondary industry in South Africa (the period where factories and variety of process came into being). They note an absence of features which marked the second industrial revolution - "alleged rebelliousness of worker towards modern machinery and unwillingness to tolerate exposure to conditions they know are hazardous". This they assert is because of three factors

- 1) Many factories employ "black workers who are in contact with or are friends of fellow tribesmen on the mines who are well treated".
- 2) Majority of the rural blacks are totally ignorant about industrial health and
- 3) "They feel reasonably well compensated by the workmens' Compensation Act, Act 30 of 1941 "which is explained to them".

In South Africa there are 8 million workers. Not all of these are working on mines (674 140 miners working on controlled and uncontrolled mines), surface works, quarries or factories. 0.25 million are employed by S.A.R. & H. 2.5 million are involved in agriculture, fisheries, hunting and forestry. 1.25 million work in factories which are under the control of the Department of Labour in terms of the Factories, Machinery and Building Act 22 of 1941; Section 51 relates to working conditions affecting workers' health.

In 1975 676 000 persons employed on controlled and uncontrolled mines. There are 1 100 mines in the Republic and South West Africa. Only 294 are controlled mines covered by mining laws relating to occupational disease and compensation. However 494 995 of 674 140 are employed on controlled mines. Phthisis found to signify joint condition of dust disease and TB. Dust recognised as biggest hazard. Legislation extended to include other non gold mines. 1956 generic name pneumoconiosis to include all forms of dust disease. During the past seven years an average of 396 white and coloured, and 1348 blacks of a total of 494,995 employed on controlled mines and works were certified as new cases of compensatable occupational disease (excluding tuberculosis) annually. Average 48 white and coloured and 3846 blacks found to have tuberculosis annually. Deaths from TB averaged 2 whites and coloureds and 101 blacks. The Commission compares

the death of several miners from miners' phthisis between 1899 and 1901 a commission of inquiry was set up. This resulted in the promulgation of various regulations to inhibit the creation of dust in 1905. The Miners' Phthisis Act of 1911 provided for compulsory compensation. During 1911 the first legislation for strict control over safety and the health of persons on mines was enacted. This was consolidated by 1912, 1916, 1925, 1933, 1946, 1956 Acts and the occupational diseases in Mines and Works Act of 1973.

1/27/79

POWER POLICE INCREASES SOOTLES TOWN

Mercury Reporter

UTRECHT — This town's 2 000 white ratepayers are paying more for their electricity than the people of Brakpan in South Africa's richest gold mining area

Mr Sarel Pretorius, one of three butchers here, is so outraged by the recent increases — between 50 and 300 percent — that he is selling up and leaving town

He has property in Brakpan and plans to set up business there

He calculated yesterday that a business in Brakpan using exactly the same amount of electricity as his butchery would have to pay R220,92 a month, compared with R277,36 at Utrecht

Overheads

Several other businessmen said they would leave if they could find buyers, but they feared their businesses would not be attractive because of the high overheads compared

board meets next week

Mr Flip Nell, the town clerk agreed that, although conditions are high now, but pointed out that properties were revalued in 1976 in boom times

The possibility of a provincial inquiry into the massive increase in electricity tariffs did not worry him, he said

New loan

A petition circulating in the town has been signed by about 300 ratepayers to support a call on the Administrator, Mr. Ben Havemann, to hold an inquiry.

"We have nothing to hide. Anybody can come and have a look," Mr Nell said

New loan

A petition circulating in the town has been signed by about 300 ratepayers to support a call on the Administrator, Mr Ben Havemann, to hold an inquiry

"We have nothing to hide. Anybody can come and have a look," Mr Nell said

The municipality was, in fact, trying to persuade the Province to authorise a further loan of R120 000 to pay for street lights

This would not mean a further electricity tariff as the new charges were drawn up on the basis that the additional loan would be raised

He calculated yesterday that a business in Brakpan using exactly the same amount of electricity as his butchery would have to pay R220,92 a month compared with R277,36 at Utrecht

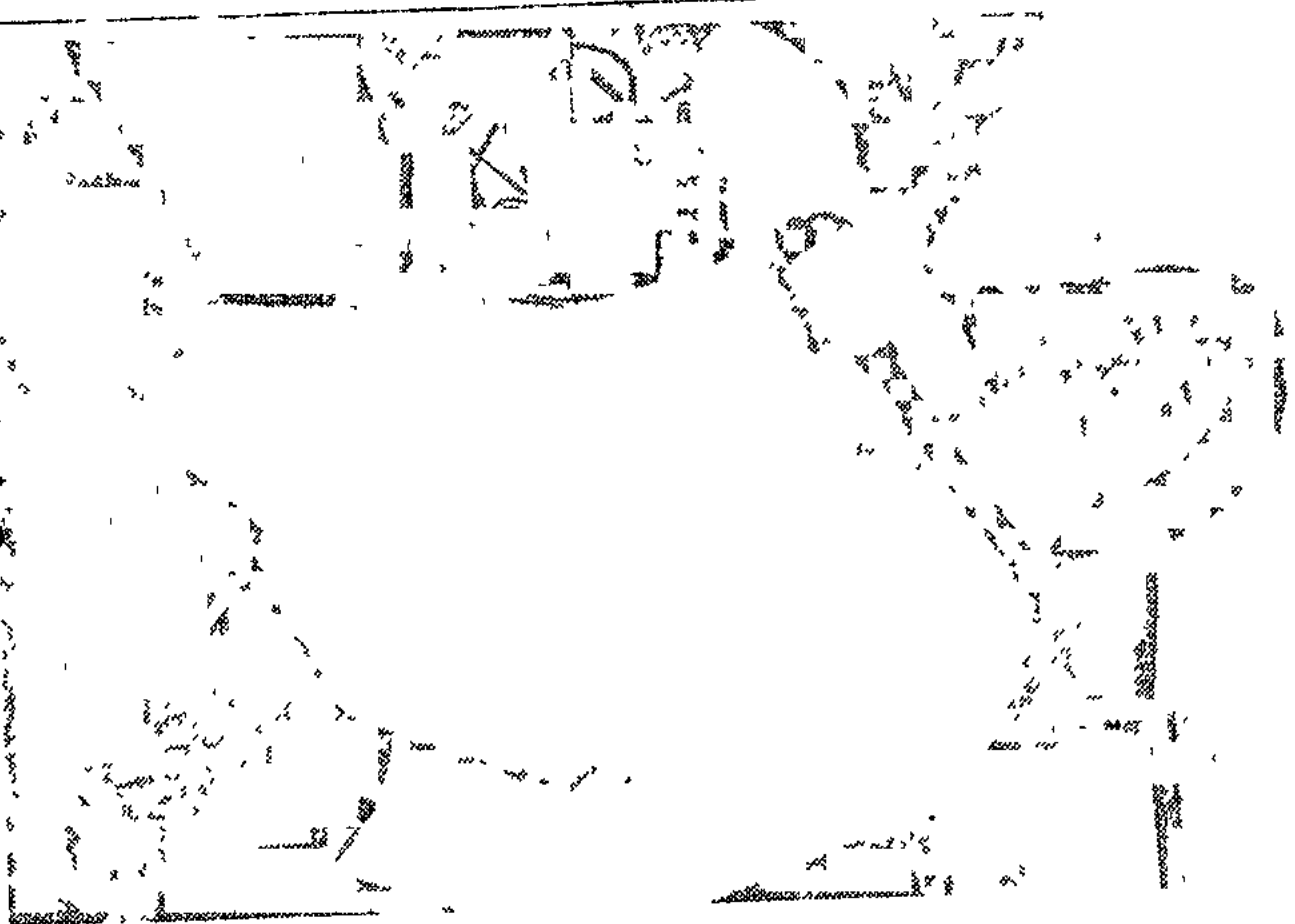
Overheads

Several other businessmen said they would leave if they could find buyers, but they feared their businesses would not be attractive because of the high overheads compared with other towns

Municipal property valuations are also a sore point with ratepayers

Several, who had valuations cut after appearing before the appeals board last year, are to argue

UTRECHT butcher Sarel Pretorius — set to cut loose from the town because of rocketing electricity tariffs



1

Dear Forest Glader,

Half a year has passed since our last A.G.M., and you may like to know what has been, and is, happening in the Association.

1. COMPOSITION OF THE BOARD

Regulations of R.A. Provan. H.S. Rumball

^{(244) 212/19}
Brewers silent on report of big price rise

By SIMON WILLSON
BEER INDUSTRY spokesmen were tight-lipped yesterday on reports from Johannesburg's leading liquor retailers that the price of South African Breweries' beer was due to rise by up to 4c a bottle next week.
Mr Laurie van der Watt, general manager of the SAB beer division, was on a tour of new SAB brewery plants in Transkei yesterday and was unavailable for comment on the reports.

A spokesman for the SAB public relations department said Mr Van der Watt was the only person qualified to confirm or deny the reports. However, the spokesman said a price increase as big as 4c a bottle was extremely unlikely.

"There has never been a rise of that size and the industry would never impose one. Based on past increases, beer price rises from the brewers usually average about 4% or 5%, which means an increase to the customer of less than a cent a bottle," he said.

The managing director of Intercontinental Breweries, Mr D Steinmetz, said he was unable to comment on

the reports of an increase. One retailer said the SAB had warned that the price of beer would go up at the end of January. He expected the increase to be imposed today or tomorrow.

Liquor retailers expect that if the price increase is implemented it will be imposed suddenly and overnight to prevent a wave of panic buying and stockpiling to beat a price increase.

Meanwhile the director of the food buyers of a large national supermarket chain forecast that the whole range of potato and corn based snacks such as crisps and corn chips would be 18-20% more expensive by the end of this month.

He said new stocks of canned food were already more expensive and would cost the consumer more within weeks as old stocks ran out. He gave the following examples of increases already on the shelves.

- 410g Koo' cream-style sweetcorn up from 31c to 33c
- 825g Silver Leaf canned peaches up from 66c to 69c
- Purity junior baby food up from 24c to 27c
- 200g slabs of Cadbury chocolate up from 84c to 95c with Nestle chocolate going up as well next week
- 50ml Nugget shoe polish up from 20c to 21c
- 100g Colmans mustard powder up from 73c to 79c

of the Divisional Council. The common area must be kept open for the use and enjoyment of all members. No full enclosures of any sort can be permitted, and all which have been made must be completely opened up. Barriers or obstructions

2 /

put on the common area and interfering with the enjoyment and use of the common area of all must be removed.

We quite realise that some people have gone to a lot of trouble and expense to plant on their own or the common area. Thus where enclosures have been made by planting, we hope that they can be opened up by the least possible disturbance and the judicious moving of certain, rather than all, plants. Mr. Roberts, the Architect for the estate, and member of the board, will be glad to discuss and advise on the possible methods of doing this, and we would suggest that people who have enclosures made by plants should contact him before moving or removing plants themselves.

The Directors have most reluctantly decided that if these enclosures, barriers or obstructions have not been removed by the end of 1978, they must take the necessary steps, possibly through legal action, to have them opened up or removed. While some people have already received requests to open up enclosure and remove barriers, we wish to make it clear that the regulations and policies apply equally to all.

As a general rule, the Directors have decided that they will consider applications for fences, hedges etc. along the eastern and western boundaries of the estate or that none will be permitted on the northern boundaries of any private erf.

4. PLANTING AND GARDENING ON COMMON AREA

We are all very grateful to members who have helped to improve the common area with extra plants, which the Association could not have afforded. Of course once planted they form part of the common area, and so have to be maintained by the Association, and the gardeners on the estate may have instructions, from time to time, to clip, prune or move the plants for the good of the plants themselves, or to ensure that the common area is kept open for the enjoyment and use of all members.

5. PETS

People are constantly complaining about animals straying round the estate and dirtying area close to houses. Sometimes this is so bad that it is a health hazard. It is extremely difficult to see a solution to this problem, and in the past the Board has felt unable to do anything about it, save ask for consideration from dog-owners in cleaning up and generally keeping control of their dogs. The trouble is now becoming so acute that we must remind all members of Regulation 4.1.3 which requires permission from the Board for the keeping of animals. This in future no one may keep a pet without first obtaining the permission of the Board, which can of course be refused. To try to decide on a future policy to contain this problem and be fair to pet-lovers, we wish to have a complete picture of the situation. For this we need details of the pets kept in each household, and we should be grateful if you will complete the attached form and return it to Mrs. Fox, House No. 44 (Violet 4), as soon as possible.

6. The Directors have received complaints that quite a few people have washing lines up on their balconies in the full view of passerby. All the houses have yards especially to avoid this unattractive feature. Moreover, it is quite possible to put up lines at a very low level on 1st floor balconies so that washing hanging on them cannot be seen from the ground or from other houses. Please would people refrain from putting washing in a place or at a level where it can be seen by others.

7. EXTERIOR LIGHTS

For a glorious few weeks after the repair work on the lights had been completed

3 /

Cape Times 3/2/79
244

Price hike on beer, bricks and coal

By GORDON KLING

THE PRICE of beer, bricks and coal is to go up in a new round of increases which will produce a ripple effect throughout the economy.

A spokesman for the office of the Price Controller said yesterday that the weighted average producers' price of coal had been raised by about 10 percent with immediate effect. The pithead price rise would raise the retail price by between 2,5 and 5 percent since other factors, such as transport, which makes up the big-

gest component of the cost of coal in the Cape, are unchanged.

Inevitably the increase will put pressure for compensatory rises on other basics such as electricity.

This new price rise maintains the lead of coal over oil in South Africa with a hike of some 40 percent in the past two and a half years compared with a 30 percent jump in oil.

The Price Controller has also authorized an immediate increase in the price of bricks. Depending on the region, it will

range from 5 percent in the case of standard bricks and from 8 percent for face bricks. The effect on the price of a typical house using some 30 000 bricks, will be in the vicinity of R100, but higher transport charges will also add to costs.

Even the wholesale price of beer from the biggest brewery in the country has been raised, by four percent or about a cent a bottle, from Monday. And higher wine prices are expected to be announced shortly in the wake of the KWV's increased price to wine farmers.

On the brighter side, howev-

er, the rate of inflation has been on the decline since the jolt provided by the introduction of the general sales tax last July, and it is highly unlikely that this year will see an increase in the consumer price index comparable to last year's 11,6 percent.

The University of Stellenbosch's Bureau for Economic Research recently forecast a real improvement in consumer buying power this year and tax relief is widely expected in the March national budget.

Coal, bricks and beer prices rise

244

Increases in the prices of coal and bricks — expected to have far-reaching effects on the consumer — have been announced. And a major brewery will put up its beer prices from Monday.

The chairman of the Transvaal Coal Merchants' Association, Mr Wilfred Stoloff, announced yesterday that Transvaal coal distributors had been granted permission to increase their coal prices from R2,14 a 90 kg bag to R2,33 — an increase of about 9 percent.



Anthracite prices would go up from R4,47 to R4,80 a 90 kg bag — an increase of about seven percent. (Prices include General Sales Tax).

The distributors' price rise, which will come into effect on Monday, follows increases in the pithead or producers' prices of coal and anthracite.

TRANSPORT COSTS

The pithead price of coal went up yesterday by 9c a 90 kg bag and the pithead price of anthracite was increased the same time by R3 a metric ton.

Mr Stoloff said today the increase had been granted "to compensate distributors for the unavoidable increase in transport costs over the past two years," he said.

Economists and industrialists say the rise in the coal price will inevitably lead to further increases in the price of electricity — which has doubled since 1976.

CEMENT TOO?

An increase in the price of bricks manufactured in the Pretoria Witwatersrand area — averaging between 12 and 13 percent — is reported to have been announced in the Government Gazette yesterday. Housing costs are expected to climb as a result.

The increase follows a 15 percent increase in the price of structural timber and is expected to be succeeded by a rise in the price of cement.

Mr J H D Grotsuis, director of the Building Industries Federation, who

confirmed the brick price increase today but could not give exact percentages, said his federation was also expecting a cement price increase soon. The price of South African Breweries beer will be increased from Monday by an average of four percent. This is expected to push up the price of a 375 ml "pint" bottle in stores by 2 cents.

Heunis explains why fuel price may go up

CAPE TOWN — The Minister of Economic Affairs, Mr Chris Heunis, said yesterday that the price of petrol may have to be adjusted if the premiums South Africa has to pay for crude oil continued or increased.

At the same time the Minister denied South Africa was buying crude oil with gold bullion.

Mr Heunis said no-one had been instructed or given the authority to exchange gold for oil.

The increase in the price of petrol, which came into effect on January 1, had provided for premiums which would have to be paid for oil purchased from sources other than Iran, but it was already evident the premiums were much higher than anticipated.

The increase in price again emphasised the seriousness of the situation and underscored his warnings that the amount of crude oil imported had to be curbed and better use made of the oil available, he warned.

"It is undeniably clear that if the high premiums should continue or even increase it will be necessary to adjust the prices of petroleum products."

Mr Heunis said this was a step which South Africa would wish to avoid so that the economic revival should not be harmed.

He did not think there was any connection between the increase in the price of gold and the price of crude oil.

The price of oil was determined by the smaller amount of crude oil avail-

able on the world market and the serious reservations existing about the stabilisation of the political situation in Iran.

Mr Heunis said it was not South Africa's intention to go on a panic buying spree for crude oil.

The Minister yesterday introduced a Bill which would empower him to impose a levy on any fuel manufactured, distributed and sold anywhere in the Republic.

The State Oil Fund Amendment Bill says the money raised by such levies would be used to finance any increase in the cost of purchasing crude oil or for other purposes determined by the Minister in consultation with the Minister of Finance — Sapa

RDM 9/2/79

Now up go wine and spirits

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By CHUCK MITCHELL

AFTER Tuesday's increase in the price of many popular brands of beer, it was announced yesterday that the wholesale price of wines and spirits is also going up.

The biggest increase is for whisky 5.3%

Wines and most locally produced spirits — brandy, gin, cane and vodka — will go up by between 1 and 4%.

The increases were announced by the Cape Wine and Spirit Institute, which represents most of the major wine and spirit producers and wholesalers and whisky importers.

If the full increase for whisky is passed on to the public, a bottle now costing R6 will in future cost R6.31.

The Liquor, Hotel and Catering Association of the Transvaal, which makes recommendations to retailers on the size of any increase, will meet today to discuss the situation.

Johannesburg retailers would not comment yesterday pending the association's meeting.

Mr N. J. Hofmyer, director of the Cape Wine and Spirit Institute, described the increases as price adjustments. They were necessary because of higher production costs.

(244)

Brewers battle for market

By Karin Ireton

It is not war, say the breweries — just price-promotion. But the full-page advertisements and flying froth indicate it is a serious battle for the beer market.

With South African Breweries announcing a four-percent price increase recently and almost immediately beginning price promotions on certain

brands and sizes, there was definite confusion about what was happening.

Intercontinental Breweries told beer drinkers it would hold its prices until there was fair and reasonable distribution of its products, and until existing agreements hampering the sale of its products had been discontinued.

To which SAB answered

that the ICB parent company and affiliates — the Rembrandt Group — owned twice as many bottle stores and off-sales as SAB.

SAB was, it claimed, actively promoting the "concept of simultaneous withdrawal from the retail trade by both brewers."

Could it be that the war is all a bid for the beer money of black drinkers? Those on the outlet side believe so. The breweries say no.

As early as September last year financial journalists predicted that the two breweries were gearing up for war.

On the finance pages of The Star it was said that Dr Rupert, with his Rembrandt group, was wasting no time in lining up his forces to do battle for the beer market.

devout young men intent on praying and studying the Bible. "That such a

Additional reading program should have provoked ridicule. It has not, however, been observed, "a

revealing sermon in the second volume of the *Journal of the Society for the Propagation of the Gospel*,

1786, any mention of the *Journal of the Society for the Propagation of the Gospel*,

collected by the *Journal of the Society for the Propagation of the Gospel*,

great journal, "I went very unwillingly to a society in Aldersgate Street, which

was preaching by one of the most eminent divines in the Kingdom, the Rev. Mr. Wesley,

to run and while he was describing the change which God works in the hearts of men,

through the instrumentality of the Holy Spirit, I felt my heart strangely warmed.

and Christ's blood for ever atoned for all my sins, and that I was forever free from all

iniquity, and saved by the blood of Jesus Christ, the Son of God.

At this time I was in the city of London, and was attending a school in the Strand.

It is remarkable that this conversion took place on the same day as the conversion of

John Wesley, who was converted on the same day as I was, and who has since become

one of the most eminent divines in the Kingdom.

It is remarkable that this conversion took place on the same day as the conversion of

John Wesley, who was converted on the same day as I was, and who has since become

famous thesis has recently been disputed, and the essential impact of

Methodism remains a matter of debate. But what is clear is that Methodism

reached the masses, which by the eighteenth century Church of

England depended on Wesley's preaching, and the slave trade, and

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Rising prices put farmers in danger

17/2/79
244

THE ASSEMBLY - Urgent steps should be taken to ensure that the cost problems facing South African farmers did not develop into a nationwide food supply problem, Mr J J G Wentzel of the National Party said yesterday

Mr Wentzel, (Bethal), was proposing a Private Member's Motion "That this House takes note of the important function of agriculture as food supplier and of the Government's responsibility in regard to a general lowering of cost structures"

Agriculture's basic task was to see that the country's 25-million inhabitants were properly fed, and in the past the food supply had increased at a greater rate than population growth

The supply position was, however, becoming more vulnerable, with agricultural land being lost every year

Food's share of the Consumer Price Index had been rising,

but food prices were now rising faster than other consumer goods

The farmer, on the other hand, did not reap any benefits from the rising prices. Five years ago, where the farmer might have received 50 cents in the rand, he now received only 47 cents

Lately, the public's buying power had decreased and it was known that when consumers made savings, they did so by cutting their food bills

This in turn contributed to increased prices by causing under-utilisation of the marketing components of the agricultural industry, such as produce markets and abattoirs, which were very sensitive to market fluctuations

Farmers had been faced with enormous cost increases in the past few years and now suffered from a disproportional relationship between income and expenditure. Farming was in danger of becoming a subsistence industry

The Government would have to play a more positive role in helping farmers overcome their cost problems, Mr Wentzel said

The effectiveness of subsidies, stabilisation funds and price controls on stimulation of the agricultural industry would have to be re-examined

Mr Philip Myburgh, (PFP Wynberg), said during the coming year farmers could expect a 17% increase in the price of diesel and a 14% increase in the price of fertilizer, which meant an increase of R39-million and R35-million respectively

For the period ending July, 1978, the gross income of farmers had dropped from R3 566-million to R3 413-million, while their net income showed a decrease of 19%, or R326-million

remained to... was dimming, but it had not been dimmed in 1766, an advertisement offering a certificate of about 240 fine healthy Negroes' duly noted that 'the utmost care has already been taken, and shall be continued, to keep them free from the least danger of being infected with the small-pox', indeed, a postscript added, 'full one half of the above Negroes have had the small-pox in their own country.' Nevertheless, in some areas of Europe, notably in England and Flanders, the birthrate actually rose to contribute to the general increase. Even periods of high mortality, caused by bitter winters, bad harvests,

10. What is the effect of the oligopolist curve) faced by the oligopolist.

in perfect market of a monopoly

(15)

³¹ For the controversy, and the population explosion, see Chapter 14

³² Reproduced in the picture section of Daniel P. Mannix and Malcolm Cowley, *Black Cargo: A History of the Atlantic Slave Trade, 1518-1865* (ed 1965)

²⁹ G R Cragg, *The Church in the Age of Reason (1648-1789)* (1960), 142

³⁰ England in 1815 (1913, 2nd English ed., 1949), 387

Speed and big cars target in

Star 22/1/79.

244

Mr Heunis . . . new plans to save fuel.

new fuel plan

Speedsters are ^{continued} new fuel target

From page 1

which rebates were allowed would be revised. He said he could not at this stage say whether the level of the present would be increased. It was considered advisable to spread the levy basis as wide as possible to keep the level of the levy as low as possible.

He considered it in the interest of all consumers of petroleum products, including sensitive sectors such as agriculture and the road transportation service for passengers, to establish a secured source of supply of this important product input.

The Minister's announcement follows a recommendation from a committee of experts appointed in January to investigate ways, especially in the light of events in Iran, to accelerate production of liquid fuels.

The committee concluded that the most obvious and economical step to bring about a material improvement in the country's liquid fuel position was to expand production capacity of oil from coal.

The committee of experts, headed by the Secretary for Industries, Mr P F Theron, confirmed

conclusions by the Energy Policy Committee that the supplementation of crude oil supplies by means of ethanol or methanol production installations did not at this stage present a solution, but that research should continue.

Diesel up

Farmers and other users who enjoy a rebate on diesel would also have to pay more in future, according to an announcement made by Mr Heunis.

Mr Heunis told a Press conference that the present levy on petrol, diesel and other liquid petroleum products are to be extended to be paid by all consumers of all products of petroleum.

The effect would be an increase of the price of a wide range of goods, including plastics, rubber, drugs, fabrics and even some cosmetics.

While the present levy is 4c a litre on petrol and diesel and 7,4 c a kg on liquid petroleum gas only, Mr Heunis said there was an obligation on all users of all petroleum products to pay their share towards the new Sasol project.

For that reason existing measures in terms of

To Page 3, Col 6

Political Staff

Cape Town

New fuel conservation measures accepted by the Government and private sectors include tax on larger cars, rationalisation of transport deliveries and strict enforcement of speed limits.

A petrol price increase is also in the pipeline. How much it is will be determined by the level of premiums South Africa has to pay on imported crude oil.

And prices of a wide range of consumer goods made from petroleum products are to be increased to provide part of the State financing of the planned R3 276-million Sasol 3 at Secunda.

The decisions were announced today after the Minister of Economic Affairs, Mr Heunis, met representatives of State departments and representatives of commerce, industry and agriculture to discuss the fuel crisis.

A coupon rationing scheme would be reconsidered in the future in the light of the level of savings achieved through the measures recommended by the Van der Walt Committee and accepted today by the parties concerned.

In reconsidering coupons, finality would also have to be reached on the ratio of products which could be refined from one barrel of crude oil. There was evidence that it might be possible to change the ratio so that greater quantities of petrol and diesel could be obtained than before.

Mr Heunis said the petrol increase announced in June had taken account of the increased price of crude oil and the premiums which would have to be paid. Now it appeared premiums of imported oil were higher than the Government anticipated.

The next increase would provide more for the fund from which premiums on imports were paid and more funds by way of levies for the financing of extensions to Sasol 2.

Rationing

Mr Heunis was asked at a Press conference whether the idea of petrol rationing by a coupon scheme had been shelved.

Petrol will cost 50c a litre before the year is out. This is the forecast of Mr Colin Adcock, managing-director of Toyota, who was commenting on the latest 6c-a-litre rise.

And bank economists today issued warnings of price shocks on everything from shopping baskets to new houses in the chain reactions to the oil crisis

The warnings were coupled with forecasts of a new damper on hopes of a faster economic revival in 1979.

Dr Johan Wolpe, chief economist at Barclays National Bank, said: "The impact of the new 20 percent price increases on fuel will be more like a tidal wave than merely ripple effects. Hardly a single item will escape a drenching."

He estimated an immediate upward twist of the inflation spiral of around two percent all round, to send the consumer price index soaring to around 14 percent — with as bad to come from repercussions in the months ahead.

Family budgets will be hit in virtually every product on the market.

Industry experts believe with the cost of fuel to the farmer rising, the prices of basic food products like wheat, vegetables and maize will rise. Added to this will be an increase in factory processing and transport costs, causing a sharp rise in food prices.

Public transport will suffer cost increases which industry sources believe will lead to a rise in busfares.

The South African Railways and Airways are massive consumers of fuel and rail and air fares can be expected to rise. This is expected to place a damper on the holiday trade.

Plastic

The price of cars is likely to be pushed up by higher steel, rubber, plastic, tyre and spares prices.

Because bricks are made using large quantities of oil the cost of housing will go up.

Plastics are based on petroleum products so the price of packaging and containers will increase. Far more serious is the extent to which plastic is used in manufacturing — virtually every product on the market contains some, from ballpoint pens and buttons to furniture and television sets.

With municipalities and provincial administrations using vast quantities of

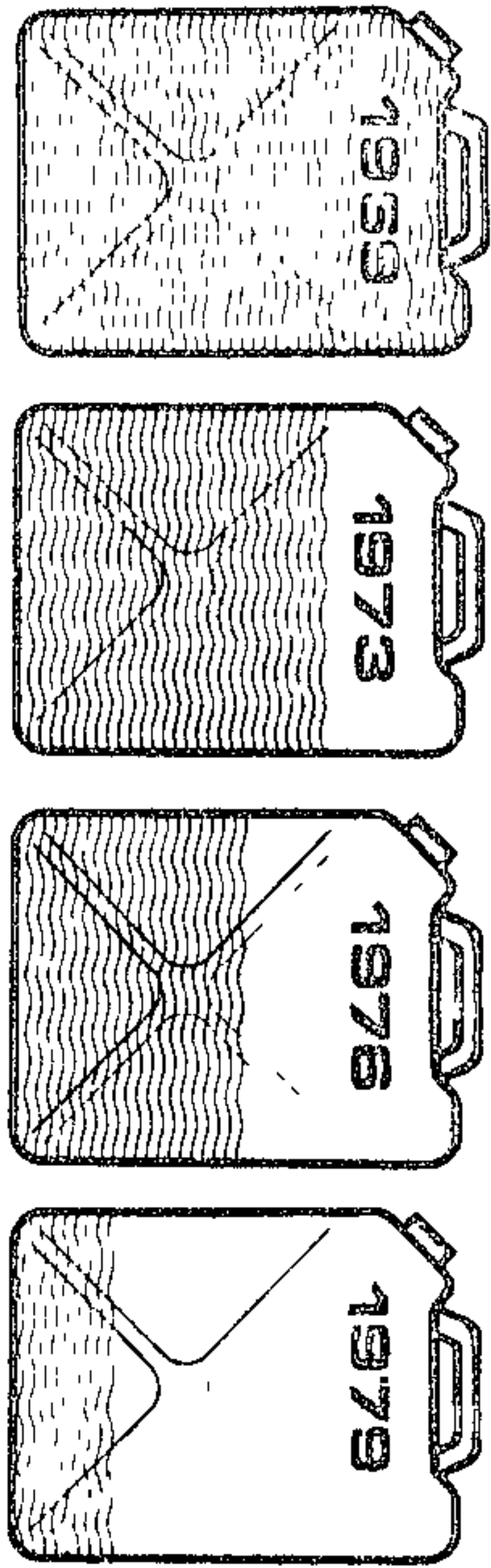
Star 23/2/79
244

P.T.O

Everything from food to new houses will go up

Star 23/2/79

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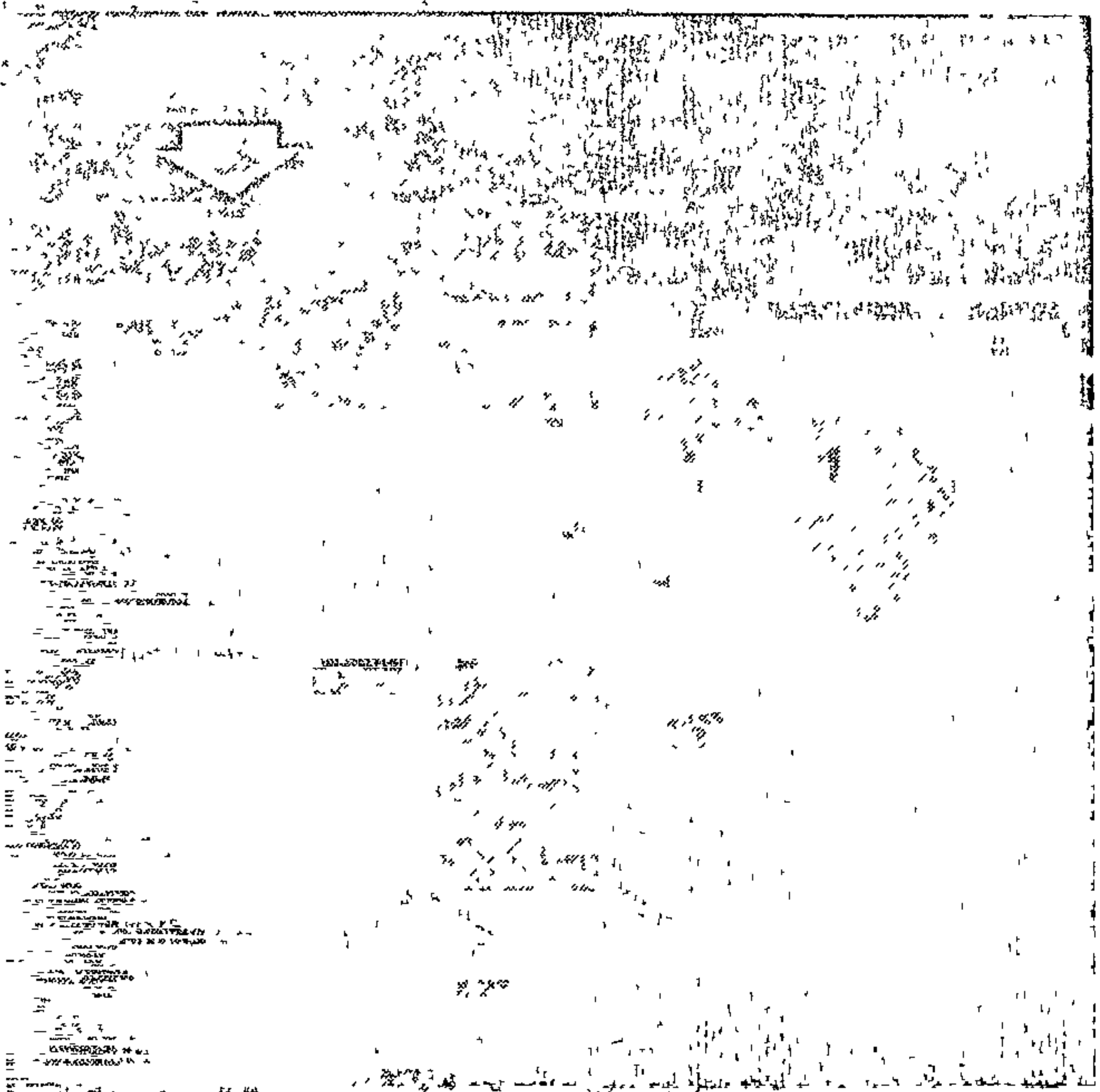
How the petrol-buying power of your rand has sunk .

'Petrol will cost 50c a litre this year'

By Michael Chester, Financial Editor, and Anne Colley

Petrol will cost 50c a litre before the year is out. This is the forecast of Mr Colin Adeock, managing director of Toyota, who was commenting on the latest Gea-Hire rise. And bank economists today issued warnings of price shocks on everything from shopping baskets to new houses in the chain reactions to the oil crisis.

The warnings were coupled with forecasts of a new dampness on the economic scene.



Talks on meat price

CAPE TOWN — The Minister of Agriculture, Mr Hendrik Schoeman, has agreed to arrange a round-table conference of all interested parties to discuss the price of meat

The decision was taken at a meeting with representatives of the Housewives League of South Africa

The league's first vice-president, Mrs Yvonne Forshaw, said representatives of the Meat Board, wholesalers, agents,

retailers, producers, and the league would be invited to attend the conference

The league was concerned about the "grey area" between low prices paid producers and high retail prices

Mr Schoeman had assured the league no meat quota was in operation and producers did not therefore need permits to send their stock to the abattoirs — SAPA

PLENARY SESSIONS

Monday Evening (8.00 - 10.00 p.m.)

Welcome : Marius Barnard

Chairman, Samst

Director, Saldru

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Tuesday Morning (8.30 - 10.30 a.m.)

McGrath Health Expenditure in South Africa

du Plessis Nutrition Guidance Programme for

the Ciskei

and Bourne Health Statistics

Chairman : J.P. de V. van Niekerk, Deputy Dean of Medicine, University of Cape Town

Tuesday Evening (8.00 - 10 p.m.)

Rice King Microplanning in the third world

in Sorkin Health and Development

Chairman : Stuart Saunders, Deputy Principal (Planning) and

Head Department of Medicine, U.C.T.

as session is open to the public and will take place in the

at the Lecture Theatre, Main Campus, U.C.T.

Thursday Morning (8.30 - 10.30 a.m.)

Bruce Dick Planning Rural Health Services

Tim Wilson The need for health professionals

Michael Savage The Political Economy of Health

Chairman : E.B. Dowdle, Head Dept. of Clinical Science and Immunology, U.C.T.

Sugar price goes up

25/10
24/11
12/11

EAST LONDON — The price of white sugar went up here yesterday by 3c a kilogram — a cent higher than in the Pretoria-Witwatersrand area.

The increases — brown sugar went up by 1c a kilogram — were listed in a special Government Gazette released yesterday. They became effective immediately.

The prices listed in the Gazette, which was not available in East London yesterday, are for areas within an 8km radius of the nearest railway station.

The prices housewives will pay today are (with the former maximum price in parentheses): 1 kg 40c (37c), 2,5 kg 98c (90c), 12,5 kg R4,76 (R4,42), 25 kg R9,25 (R8,50).

Brown sugar is now 37c a kilogram (previously 36c) and R4,45 for 12,5 kg (previously R4,31).

The price has been fixed on a magisterial district basis, with the price in Durban as the base. The further the magisterial district is from Durban, the higher the price because of added transport costs.

In Durban, the price of white sugar has been increased from 80c to 87c for a 2,5 kg packet.

The general manager of the South African Sugar Association, Mr Peter Sale, said the increase was to bring the price of sugar in line with production costs and to cover the higher production costs for the new season which starts next month.

DDR-SAPA

Price of ~~SUGAR~~ sugar 244 NM 1/3/79 increased

Deputy Financial Editor

SUGAR prices rose yesterday by about 8 percent for white and 3 percent for brown — in a move aimed at keeping the domestic price level with the cost of production.

Price changes vary according to the distance from Durban.

The Reef price for a 2,5kg pack of white sugar goes from 92 cents to 99 cents — a 7,6 percent rise.

The Durban price goes up from 80 cents to 87 cents a 2,5kg pack — an 8,75 percent rise.

Mr. Peter Sale, general manager of the S.A. Sugar Association, said domestic consumers were not being asked to subsidise exports which were being sold below cost.

The shortfall was being made up by loans raised by the industry and by cutting the return allowed to millers and growers.

Yesterday's price rise caught retailers on the hop.

Previous rises have led to massive stockpiling.

This increase, which will cope with increased fuel prices, was a well-kept secret.

Costs

A leading manufacturer said the consumer would be affected by the price increase within weeks.

"Manufacturers cannot be 'good boys' of industry and absorb all the costs.

"The consumer will be hard hit.

Sugar is not the only commodity to go up, there are other increases on the way," he said.

A leading baker said his firm had increased prices a while ago in anticipation of a general rise in prices.

"We foresaw the price hike and adjusted our prices accordingly," he said.

Durban manager of Coca Cola, Mr. L. Cork, said that

soft drinks were price-controlled and so the consumer was protected.

Mr. Cork did not think the consumer would be immediately affected.

Manager of Tomango, Mr. J. E. van der Merwe, said his firm had been cutting out products which used high quantities of sugar.

(244)
Maize
price
hike!

PREVIEW - The maize price is almost certain to be raised above R90 a ton next month, according to agricultural authorities in Pretoria.

The higher maize price will be the first of the basic food prices to be raised this year.

Dairy products, including fresh milk, are expected to follow, and later the prices of bread and the floor price of meat will also go up.

Farmers have had to contend this year with blanket cost rises - fuel, fertilisers, seed, implements, vehicles and labour - ranging between 10 and 15 per cent.

The current gross producer's price is R84 a ton.

Maize producers have lost at least a third of their crop because of drought, which will also be taken into account when the price is fixed next month.

The South African Maize Specialist Organisation will submit its price recommendations to the Maize Board on March 20.

- DDC

27/10/62

The next striking thing about the report is that the BII could not find a single body of opinion capable of arguing intelligently and persuasively in favour of a uniform price structure for petroleum products.

The BII's conclusions were self-evident even before the investigation began and clearly this was an issue Heunis could have settled with a short lecture at one or more of the Nat party congresses in 1977, instead of adding to the pile of probes heaped on BII.

The question of SAR pipeline tariffs has been a hardy annual in Railway budget debates for nearly a decade and successive transport ministers have explained that without huge surpluses from the pipeline division helping to subsidise loss-making divisions, such as rail passenger transport (R286m in the red last year and R350m this year), rates increases of up to 140% would have to be imposed to wipe out deficits on socio-economic services.

OIL PRICES *6/11* Why it's dearer inland

On the recommendation of the Board of Trade (BII), government has rejected price equalisation of petroleum products.

Under strong pressure from inland consumers, Economic Affairs Minister Chris Heunis in 1977 instructed the BII to look into the desirability of uniform oil pricing and its likely effect on commerce and industry.

Although the BII's arithmetic has been largely overtaken by across-the-board price rises of 9,2c a litre since

January, differentials remain unchanged because they are determined by transportation costs to the country's pricing zones or "grids".

Also through no fault of its own the BII report has been overtaken by imminent changes in geography of S.A.'s energy production. Government's determination to move away from reliance on imported oil to a domestic oil-frontier policy means that the centre of gravity of the oil refining industry will move from the coast to the Highveld, reversing the oil flow and reducing the disadvantages of inland oil consumers.

Pipeline problem

The BII says the major factor in creating geographical price differentials is SAR's pipeline tariffs which it implies are out of line with costs.

According to revised SAR estimates for 1978/79, pipeline revenue will be R158,1m against expenditure of R35,2m — a surplus of R122,9m after allowing for depreciation and interest.

Nonetheless, the price equalisation of say 93 octane motorgas could not result in a change of more than 1,5c/litre. At March 1979 price in Johannesburg, which is less than 4%.

In its search for an alternative to the grid system, the BII looked at three possibilities: simple average pricing, constant railage payments, and an equalisation fund. All three fell down because they were either too complicated or too expensive. For example, to set up an equalisation fund would require an initial investment of R15m and the system would cost R3,5m a year to administer. The oil companies told the PTF that more than 2m sales and cost documents would have to be analysed and counted each month from bilateral companies with more than 500 depots. At least 100 experts would be required to balance the distribution costs and price differentials. Nine oil companies have estimated that costs at current rates are about R170m.

With the weight of the evidence against equalisation, BII concludes that steps designed artificially to introduce uniformity would not be in the national interest because, *inter alia*:

• The present price structure is sound. Apart from the question of railway pipeline tariffs, it is cost-orientated and distributes costs among customers to reflect the location of industries on the basis of comparative costs;

• The equalisation might involve difficulties in or with the BLS countries and other neighbouring states, and

• In general, the relative importance of oil in the pattern of input costs of industry and other sectors is so limited that any benefits claimed for equalisation would be small. However, if it were not, equalisation would encourage industrial concentration in the PWV.

ADDING UP OIL			
	92 octane petrol	87 octane petrol (inland only)	Diesel fuel
	-----cents per litre-----		
Oil company selling price (including customs & excise duty of 10,341c/l plus 1c gst)	33,74	33,14	33,31
Retailer's margin	1,86	1,86	2,79
Retail price at coast	35,60	—	36,10
Railage to Johannesburg	3,50	3,50	2,40
Retail price Johannesburg	39,10	38,50	37,50

PETROL SALES BY PROVINCE		
	1970	1976
	-----%-----	
Cape	26,1	23,8
Natal	14,2	15,9
Transvaal	49,1	50,8
OFS	10,6	9,5

CPI a misleading inflation guide

SOUTH Africa's consumer price index is a misleading guide to inflation and could be costing the country millions of rands every year through its use as an adjustment index for wages and salaries and for contract price increases

The reason the Department of Statistics' widely-used CPI is becoming increasingly inaccurate, and inflicting damage to the economy by painting a false picture, is because the weighting given to the chosen "basket" is reviewed only every 10 years. The last revision survey was in 1975.

Cape Town economist Gerrit van Zyl points out that the CPI "assumes that consumers are stupid and incapable of shifting their purchasing behaviour to accommodate such relative price changes."

"The exercise to determine what the shopping 'basket' consists of was last undertaken in 1975 and the physical quantities purchased in that survey of a sample of representative households is now used as a basis for determining the cost of living."

"So if the average household purchased 100 litres of petrol at that time then it is the same 100 litres which now gets priced and built into the CPI."

"In practice households would tend to spend their disposable income in such a way as to generate the maximum utility or satisfaction."

"With sharply rising petrol prices they may elect to cut

Adjustments are too far between

back on petrol consumption and to spend more on other products and services which generate a greater amount of consumer satisfaction."

While the 10-yearly survey of consumer buying patterns is in line with some Western countries, it is a far longer interval than that chosen by many of the more sophisticated industrial economies.

Britain, for instance, adjusts its 'basket' weighting annually.

Criticism of this weakness in the CPI is endorsed by academics and leading economists.

Standard Bank economist Andre Hammersma stresses that the CPI is a key economic indicator "and one would like to have it as accurate as possible."

"Every 10 years is not adequate. A more regular survey for such a crucial statistic should be done, but not every year."

The Department of Statistics says that cost is one of the main reasons for not conducting more regular consumer spending surveys.

The 1975 survey, says the department, cost R300 000

The Department does not suggest, however, that it is not prepared to conduct more regular surveys, but believes the lead should come from private enterprise.

"That is why we have private enterprise representatives on our technical committees and on the Statistics Advisory Council."

"So far we have had no request for more regular updating, so we must assume there is satisfaction with the existing system," a Statistics Department spokesman told me.

But consensus of opinion in industry is that the Department of Statistics' indices are expected to be accurate and the onus is on the department to ensure as high a degree of accuracy as possible.

Assocom agrees and executive director Raymond Parsons says organised commerce will "have a preliminary look at the reliance of the cost-of-living index and, if necessary, will raise the matter further through the Statistics Advisory Council."

The dangers inherent in the use of such an index as an

accurate reflection of the country's rate of inflation was highlighted in a study last year by Peter Lewin, former lecturer at Witwatersrand University's Graduate School of Business.

"An increase in one, or even in all, prices is not inflation. An increase in one price, others remaining the same, is a change in relative prices. An increase in all prices is an increase in the absolute price level."

"If it is not persistent it may simply rank as an increase in the price level once and for all," Lewin said in his published study.

Economist Gerrit van Zyl charges that when these relative price changes occur the CPI incorrectly reflects these as an increase in the overall cost of living.

"Because the CPI still assumes the buying pattern of 1975, it assumes that consumers are irrational in that they don't react to relative price changes," he says.

A practical example of this is found in the inclusion of 454g of pilchards in 1975's shopping basket.

Since 1975, however, pilchard shortages have pushed the price sky-high and this product has been cut from many household budgets.

Another example is the inclusion of one kilogram each of beef, lamb, pork and chicken.

Yet, economists agree, the shift in buying patterns has definitely been away from increasingly costly beef towards relatively cheaper substitutes such as poultry.

Barclays Bank economist Dr Johan Cloete agrees that with no revision of this basket planned for the next six years severe distortion of the CPI could result.

This could lead to false wage and cost increases when claims are directly coupled to the CPI.

This process merely helps to build up pressure for price, wage and salary increases which, when accommodated by money creation by Government, leads to yet further inflation.

Food prices set to jump

244

19/3/29

Mercury Correspondent

PRETORIA — Consumers can brace themselves for another series of food-price shocks.

Minister of Agriculture Mr. Hendrik Schoeman said in an interview in Pretoria yesterday the price of maize, dairy products, and later in the year wheat and bread, would have to be increased.

He said South Africa had reached a point where it faced the alternative of paying economic prices for its food or suffering food shortages.

Farmers, he said, were being squeezed off their farms by rising costs.

Strategically the country could not tolerate the threat of decreased agricultural production.

The Minister emphasised that one of the country's greatest strengths was its food production ability and its agricultural know how

"It is vital the industry not only keeps up with the rising domestic demand, but that surpluses for export to southern African countries and elsewhere be produced"

Farmers debts, the minister said, were mounting as returns failed to keep pace with rocketing production costs.

Paying farmers an economic price for their products was not only "right and proper", it was essential in the national interest.

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~~245~~

21/3/79

The Natal Mercury



Consumer price index increases 0,6 pc

PRETORIA — The Consumer Price Index for all income groups (base April 1970-100) stood at 229,7 in February compared with 228,4 in January and 206,4 in

February last year, according to figures released here yesterday by the Department of Statistics.

This represents a percentage increase of

0,6 compared with January and 11,3 compared with February last year and was mainly due to increases in the cost of housing, household operation and transport — (Sapa.)

1.

Why did hunter-gatherer 'San' societies apparently mount a more successful resistance to the white advance than hunter-leader 'Khoi' societies?

The political and social systems of 'San' societies and those of 'Khoi' societies were very different, because the economic basis upon which those systems were built was fundamentally different in each case. Although Khoi, like San, practiced hunting and gathering, they also possessed cattle and sheep, which provided them

supply milk products. This essential the formation of a political and social structure, the maintenance of the livestock. It was structuring rendered Khoi societies far the disintegrating effect of the white. In San societies, it can be argued that social systems facilitated the mounting more successful resistance to the white traditional hunting techniques could

advance of the white man in form of guerrilla raiding activity. This replaced the food supply of wild game and vegetation of which the San had been deprived by the encroaching whites, and also, for a time, slowed down the white advance. Despite the frequently brutal retaliation of the Boers, the continuation of raiding throughout the eighteenth century in the Cape (and until about 1872 in Natal) is evidence of the ability to resist conferred by San political and social systems.

2.

Let us look briefly at the ways in which the possession of livestock determined the nature of Khoi societies. The secure supply of milk products enabled Khoi to live together in groups of several hundred. The production of milk required the existence of a political authority to regulate access to grazing and water, and the general tending of livestock. Hence Khoi societies had chiefs and councils to enforce decisions and carry out distribution of disputes. Since possession of livestock was based in individual households,

Big rise in fish prices

244
New 2/3/77

The major suppliers of fish in this country — Irvin and Johnson and Sea Harvest — have put up their prices by up to 25 percent.

On average, their prices were increased between 15 and 17 percent. The increases for large types of fish, which are in short supply, were considerably higher than those for small fish.

Both companies say the increases are the result of the petrol price increases.

A spokesman for I and J estimated that the petrol increases had pushed up their trawling costs by 75 percent. Fuel was the biggest cost factor in trawling, he said.

Mr L Penzhorn, marketing manager of Sea Harvest, estimated that the increases had put up their trawling costs by 79 percent.

The I and J spokesman said all their trawl varieties were affected by these increased costs, and they increased prices of whole fish by an average of 15 percent from Monday. Processed fish lines were put up, on average, by 14 percent.

Sole prices were the exception. While large soles remained in short supply, medium-sized soles were in good supply and some distributors had dropped their prices by 90c a kg.

OCEANIC CAN STUMPS

made had. It necessitated the occupation of a large expanse of territory, not all of which was permanent by occupied. Elphick puts forward the idea of an ecological cycle in Khoi society to explain a constant movement of people and livestock in and out of the society. (1) While in downsizing of the cycle dispossessed Khoi were forced to re-enter the society in the upswing. Through clientelism Khoi in reduced circumstances were able once again to build up their own herds and resume their place in society. Loss of

MAIZE PRICE

Through the roof

(244)

(3) Council Bureau's
Jan 30/31/78

Agriculture Minister Hendrik Schoeman will soon show whether his sympathies lie with farmers or consumers. Before the end of April, he must decide whether to approve the 26% hike in the maize price recommended by the farmer dominated Maize Board last week.

Speculation is that the board has followed the lead of producer organisations in putting forward a price of nearly R106 a ton, compared with the present R84/t.

The proposal still has to be considered by the National Marketing Council, Minister Schoeman, and the Cabinet's food committee.

They have several choices. They can accept the recommendation as it is, though this is considered unlikely.

The increase could be cushioned by raising the government subsidy on maize (R50m this year). In the light of Schoeman's objections to subsidies, this is also improbable, though maize men do not expect the subsidy to be lowered.

Finally, government can reject the board's price and fix a lower one. Considering the size of the proposed increase, this is the most probable outcome.

If this happens, the board will be faced, as in 1975, with incurring farmers' wrath by implementing the lower price, or threats from government to intervene if it does not. Last time, the board backed down.

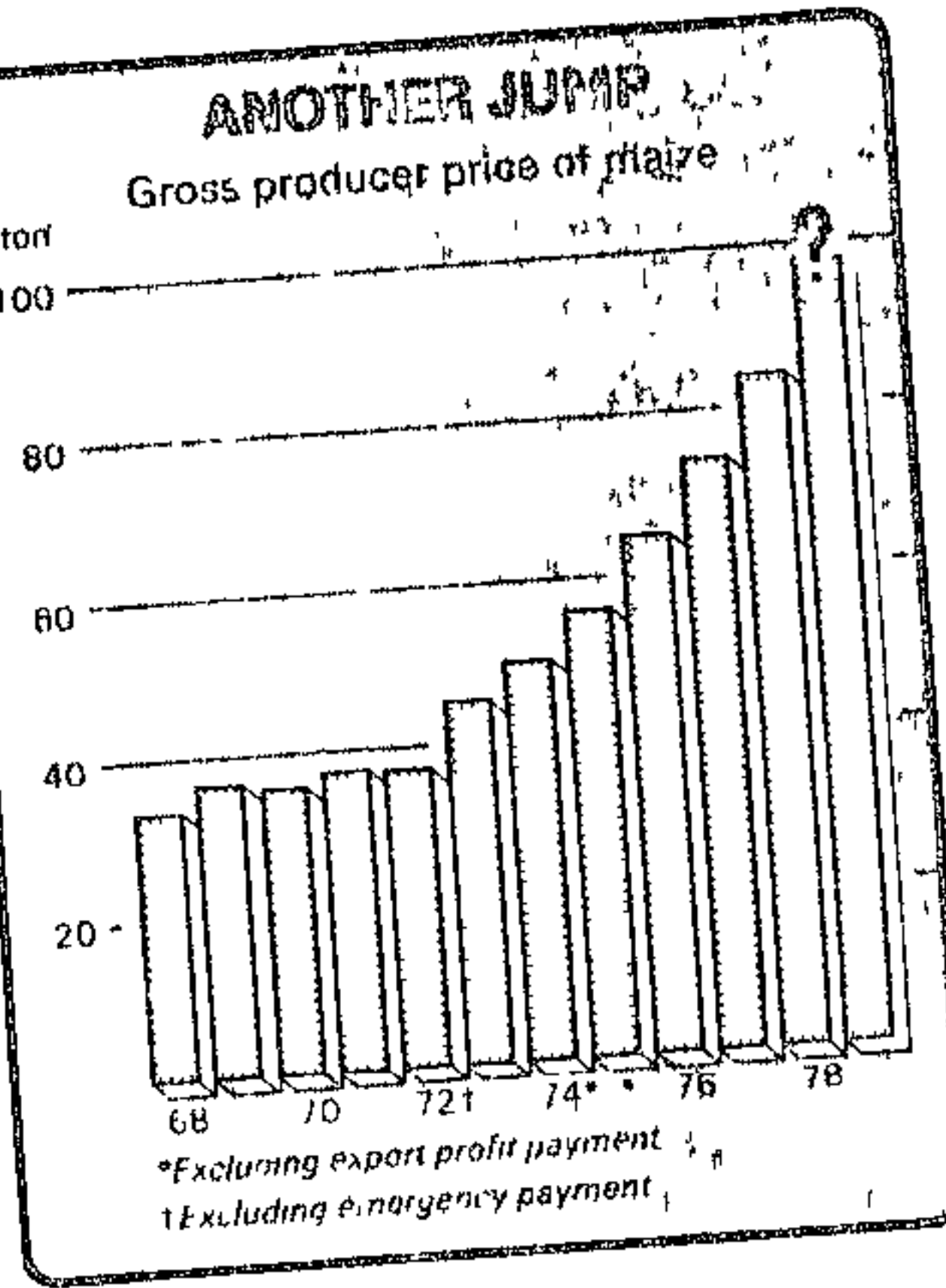
Farming costs soar

The chief motivation for the proposed sharp increase is the steep rise in farming costs, which since the early Seventies have not been reflected in producer prices, according to the farmers.

Discussions in Pretoria last week centred mainly on the pros and cons of these arguments. For instance, farming lobbies claim that the 55% jump in diesel prices over the past year has added more than R4/t to production costs. They also point to the recent 14% fertilizer price rise.

Samsco deputy director Freek Tomlinson reckons costs are rising "quite sharply." Pieter van der Dussen, economist of the more militant SA Maize Producers Institute (Sampi), doesn't see why farmers should stand "hat in hand" on pricing. "If inflation is now a part of economic policy," he says, "we want to live with it, not die with it."

This year's poor crop, because of abnormally dry weather, has further strengthened the farmers' case. Crop estimates at end February pointed to a harvest of around 7.5 Mt, compared with



'77/78	'76/77
34.00	(41.00)
40.00	(2.55)
2.52	(32.10)
22.00	
8.40	
37.00	
10.50	
3.20	---
0.00	---

last season's 10 Mt. Since then, however, the estimate has been cut to 6.7 Mt.

The final count could be even lower, and yields have already been reduced from last season's average of 2.2 t per hectare to only 1.5 t/ha.

Maize Board GM Hendrik Hickley reckons exports are expected to slide from the current season's 3 Mt to around 1.5 Mt, more than half of which is accounted for by the carry over from 1978's bumper crop.

With export prices for yellow maize currently around R104/t and transport and handling costs about R30/t, a producer's price of about R100/t will mean sizeable export losses. The board hopes, however, that the R9.7m balance in the stabilisation fund, plus producer levies, will be sufficient to absorb the shortfall.

The Maize Board has sold 50 000 t of maize to Zambia to help it overcome shortages as a result of this season's drought north of the Zambezi. The maize is expected to be delivered during May. Substantial quantities have also been sold to Mozambique.

R301.15

(43.89)
(1.04)

(50.

(-5.1

As we have already received our grant for '78/79 from CASA it is clear that we shall have to call on outside sources for help when, as is likely, the expenses connected with the above, recur this coming financial year.

11/7/79 DA ~~SECRET~~ 244

Food price hikes?

PRETORIA — Another wave of food price increases is expected to hit the consumer in the next few months.

Yesterday, the Minister of Agriculture, Mr Schoeman, announced increases in the price of ground-nuts — up from R295 a ton to R353; sunflower seed from R162,50 to R180; and soya beans from R180 to R202 a ton.

A maize price rise of about 20 per cent is expected to be announced later this month.

In the wake of oilseed price increases, prices of cooking oil are certain to rise.

The price of mealie meal and other maize products will ripple from a certain maize price increase. — DDC.

PRICES

Going unmarked

TM 13/6/76
2/6/76

Complaints about exorbitant trade-in values cited in advertisements, especially by motor car dealers, have moved government to bar any mention of cash offers in trade-in ads.

Janne van Huyssteen, director of the Motor Industries' Federation, says some dealers have been making specific cash offers irrespective of the age and condition of the car. There always, however, seems to be a "catch" when the customer enters the showroom. For example, dealers withdraw discounts on new

vehicles or even mark up their prices to make up for losses on trade-ins. "This advertising gimmick was becoming rife," says Van Huyssteen.

In similar vein, the government ruled in 1976 that the prices of all merchandise for sale have to be clearly marked by the seller. Failure to do so could mean a R2 000 fine.

Merchants seem to be learning to live with the extra hassles of price tagging, though a number of shops still doggedly resist. In Johannesburg last year there were 52 prosecutions. A spokesman for the Johannesburg price controller notes: "A number of shops just get warnings. Only the serious cases are put before the magistrate. We are not here to drive everybody into the ground."

Toni Frere, national secretary of the Housewives' League, claims complaints are only trickling in now, mainly about

butchers and greengrocers. Because of fluctuations in the prices of meat, fruit, and vegetables their laxity is understandable. However, she reckons that fresh produce merchants could comply with the law, with little extra effort, by displaying prices on a blackboard.

Michael Kitchingham, price controller in Durban, says his office often gets complaints that shops are not displaying prices. Main culprits are cafes, some of which, he claims, are deliberately not marking (in many cases to overcharge blacks, says Frere).

In Bloemfontein there were only a few prosecutions last year. Again, cafes tend to be more lax than others, but, according to a spokesman for the price controller, even supermarkets slip up. In both Bloemfontein and Port Elizabeth, however, price controllers are satisfied that shopkeepers are sticking to the law.

Food price hikes to compensate farmers

JOHANNESBURG - Farmers would have to be adequately compensated for the steep rise in production costs and crop devastation caused by the worst drought in 25 years, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday.

Mr Schoeman announced increases of up to 20 per cent in the price of oil seeds and soya beans on Tuesday.

He also confirmed an increase in next season's maize crop of 20 per cent, that will bring the cost of maize to about R100 a ton.

The maize increase will spark off a new round of massive increases in the price of meat, poultry, fresh milk and all dairy products.

Manufacturers of oil products will pay between

11 per cent and 20 per cent more for seed.

Groundnuts will go up from R343 to R385 a ton, sunflower seed from R187.47 to R210 and soya beans from R200 to R231.

The higher cost of nuts and seeds will mean further increases in the price of oil-based products. A litre of oil could cost up to 12c more.

A margarine manufacturer said his product would cost 6c more for 500g.

The assistant general manager of National Co-operative Dairies said farmers were already struggling to meet costs, and fresh milk and dairy products would have to be increased in price in the wake of the maize rise.

Milk production was low

and would drop lower. His organisation would have to import powdered milk to make up the deficit, he said.

A Pretoria economist estimated yesterday the minister's announcement could push the inflation rate up to between 12 and 13 per cent.

Mealies, the staple diet of blacks, are also a prime ingredient in cattle, pig and poultry feed.

The president of the Housewives' League, Mrs Joy Hurwitz, last night condemned the increases, saying they would have a ripple effect on all other products. She was horrified at the 20 per cent increase in maize because it would push the price of all agricultural products sky high. — JDC

Cost of living rate soars

By GERALD REILLY
Pretoria Bureau

ROM 20/4/77
941
ble in the second half of the year.

THE Consumer Price Index rose by a startling 1,7% — an annual rate of 20,4% — in March, according to the Department of Statistics

This pushes the rate for the twelve months to the end of March to 12,6% — it was 11,3% last month — giving substance to the warning of some economists that an inflation rate of more than 13% is possi-

The food-only index during March rose by 0,8%

The background to March's steep COL rise is the series of Government-authorized price rises during the first quarter of the year. These included fuel, fertiliser, power and sugar.

And there are more to come. The Minister of Agriculture, Mr Hendrik Schoeman, yesterday announced

an increase of nearly 20%. And all dairy products are virtually certain to rise by the end of June at the latest

The price of bread, the Minister told the 'Mail' last week, would be increased in September if it was found that wheat farmers' prices had to be raised

Motor industry sources say, too, that the price of petrol will be 50 cents or

□ To Page 2

FUEL PRICES

Another hike coming?

Last week's announcement that the retail price of oil-based fuels is to be subsidised by a 2c/litre cut in excise duty could herald dearer prices soon at the pump

By surrendering the excise duty on petroleum products to bolster Economic Affairs Minister Chris Heunis's equalisation fund, Finance Minister Horwood will sacrifice R120m over a 12-month period. His arrangement with Heunis to suspend part of the duty, rather than opt for yet another deflationary price rise so soon after his growth budget, is unlikely to last more than a month or two if unsettled conditions in the international oil market persist. It would then be replaced by a hike in retail prices.

Crude oil supplies on international markets are almost certain to remain tight, and pressures will increase to impose production surcharges on the more sought-after grades of crude. Since December, most Opec producers have raised prices by means of surcharges by between 24% and 31%. Fears are now sweeping the oil market that Iran and Saudi Arabia are planning to impose surcharges which would take their light crudes from \$14,54 a barrel to around \$15,70 fob Gulf ports.

The implications for SA are clear. With nearly 75% of Opec production carrying large premiums — and the possibility that Iran and Saudi Arabia may make it a full house in the near future — SA acquisitions at \$16-\$18 a barrel since the end of December are clearly something of the past. Premiums charged to buyers with pariah status, such as SA, obviously respond a good deal ahead of price movements in formal markets, and if Heunis says his equalisation fund levy is running 2c/litre short, he is probably not kidding.

Premiums shoot up

Since the beginning of the year, the equalisation fund has been pumped up at the rate of at least 7,5c/litre. This is equal to about R12 a barrel, or a premium nearly equal to the second quarter official Opec price for Arab light crude — \$14,54 a barrel.

If Heunis needs an additional 2c/litre (R3,20/barrel) to take the strain off the equalisation fund, it can only mean that the country's supplies are becoming even more expensive.

It therefore seems likely that, unless very special conditions develop in the oil markets (such as a sudden fall in demand to produce a glut), a further oil price rise in SA — the third since January — is on



Owen Horwood . . . R120m for petrol users

the cards.

● More bad news for diesel users. From May 1, trucks using private roads will no longer qualify for the rebate on diesel, currently R89,75 per 1000 litres. According to Dirk Odendaal, Secretary for Customs and Excise, this is being done because "it is very difficult to administer." Rebates for passenger bus operators, and for non-moving vehicles such as cranes, are not affected.

The mines (in particular open-cast operations) and road construction com-

panies will be worst hit. Alf Pexton, group buyer for Roberts Construction, reckons "this will make quite a difference to the cost of running vehicles."

CONSUMER MAIL

Consumer price index up 12,6%

20 m
25/12/78

244

THE CONSUMER price index rose overall by a massive 1,7 % in March and by 12,6 % during the past 12 months

These figures were released by the Department of Statistics in Pretoria

During March the CPI rose 1,1 % for lower income groups, 1,7 % for middle income groups and 1,9 % for higher income groups

Transport was largely responsible for the massive rise in the CPI with transport costs jumping by 5,3 % in March. While public transport remained fairly static, the running costs of a vehicle rose by 12 %

Household operations continued to rise by 1 % in March and domestic servants were 2,7 % more

Fuel and power went up by 1,7 % and 13 % over the past year

Education, after remaining fairly static, leapt up by 15,4 %

Food rose by 0,8 % overall in March and 14,3 % over the past year. Vegetables and sugar rose fairly substantially by 4,4 % and 2,5 % respectively

The CPI was started in April 1970 when the baseline figure of 100 was fixed

Each month since then the Department of Statistics has gleaned masses of information about the cost of goods and services in 11 major urban areas. These prices are processed and make up the index

All the information appears in the tabulation

	Mar 1979	Feb 1979	Mar 1978
ALL ITEMS	233,6	229,7	207,4
Lower income group	232,2	229,6	207,2
Middle income group	233,9	230,1	207,8
Higher income group	233,8	229,5	207,2
FOOD	253,8	251,9	222,1
Cereals	255,3	254,8	230,3
Meat	260,7	260,9	225,8
Fish	290,8	289,0	250,3
Milk, milk products & eggs	239,5	238,6	203,8
Fats & oils	279,8	278,4	237,3
Fruit	272,4	273,2	223,6
Vegetables	243,8	233,6	208,0
Sugar	255,6	249,4	220,4
Coffee & tea	319,2	319,7	331,8
Other	243,0	239,5	207,6
COLD DRINKS	225,3	223,6	200,0
ALCOHOLIC DRINKS	221,5	221,5	201,5
CIGARETTES, CIGARS & TOBACCO	208,0	208,0	192,5
CLOTHING & FOOTWEAR	206,3	205,1	189,2
Clothing	198,0	197,1	183,8
Footwear	258,2	256,1	225,1
HOUSING	198,0	195,7	183,6
ELECTRICITY & POWER	284,6	279,9	251,9
FURNITURE & EQUIPMENT	210,6	209,1	194,0
Furniture	177,3	175,9	163,0
Appliances	174,8	172,3	157,2
Other	252,2	252,0	237,1
HOUSEHOLD OPERATION	287,4	284,4	238,1
Cleaning materials, etc	247,2	246,8	211,7
Domestic servants	307,2	301,3	255,5
Other services	265,3	265,3	209,8
MEDICAL CARE	174,8	173,1	166,4
TRANSPORT	268,5	255,0	226,8
Vehicles	235,4	235,3	210,1
Running costs	311,5	277,8	242,5
Public transport	265,6	265,6	244,2
COMMUNICATION	156,8	156,8	156,9
RECREATION & ENTERTAINMENT	225,9	224,4	207,3
READING MATTER	295,5	295,5	266,3
EDUCATION	301,5	261,3	238,3
PERSONAL CARE	226,2	222,9	196,3
OTHER	219,9	218,5	201,7

Price rises
~~to~~ 28/5/79.
unfair says
^{rom}
Consumer
Council

244

THE RECENT 20% increase in the price of maize was unjustifiable, the Consumer Council said in a statement yesterday.

The council agreed that a price adjustment was needed because of increasing production costs and this year's low yield, but said it was unjustifiable to pass on to consumers cost arrears which had built up over a five-year period "merely because the maize crop is expected to be low".

Chairman Prof Leon Weyers also said the latest hikes in tyre and cement prices would deal a heavy blow to consumers.

"Although one realises the energy price increases are unavoidable, the question arises: Does the price spiral continue unabated? Will the manufacturer and the consumer have to meet the costs until both are priced out of the market?" he asked.

The price of tyres, tubes and retreading material are to rise by 10% from May 7 and cement will cost more from today. — Sapa

EGG PRICES

Boiling over

244 FM 11/5/72

Low returns on capital in the R150m a year egg industry and losses by many farmers may be enough to justify this week's hike in the price of eggs. But what now of assurances made last year that the formation of a co-operative would "ensure the lowest possible price to the consumer?"

Since the National Egg Producers' Co-operative, Nepco, was formed last October, egg prices have increased by a

"We've tried to absorb increases as far as possible," he says, "but costs cannot be contained any longer. We hope to be able to keep prices down for a further extended period."

Retailers, however, charge that the consumer is paying for inefficiency on the part of Nepco.

"The egg cartel is actually protecting the interests of the large producer, and neither the small farmer nor the

were to increase by only one egg per person, there would be a shortage.

The industry cannot be accused of inefficiency, says Apsey. It is already more efficient than it was — the number of eggs per bird has apparently increased significantly. In September 1978 there was a 10% production cutback of 900 000 hens, to 9,5m (200 000 less than in 1977), and productivity has increased by 8% to an average of 240 eggs per bird (224 eggs) since 1977.

"Feed prices and controlled price hikes cannot be blamed on inefficiency," he comments.

Retailers argue that the price increase is surprising in view of the current egg surplus. They believe that the consumer is subsidising those surplus eggs which are being exported at a loss. The Egg Board buys surplus eggs at 41c a kg, exporting them to the Far East and Japan.

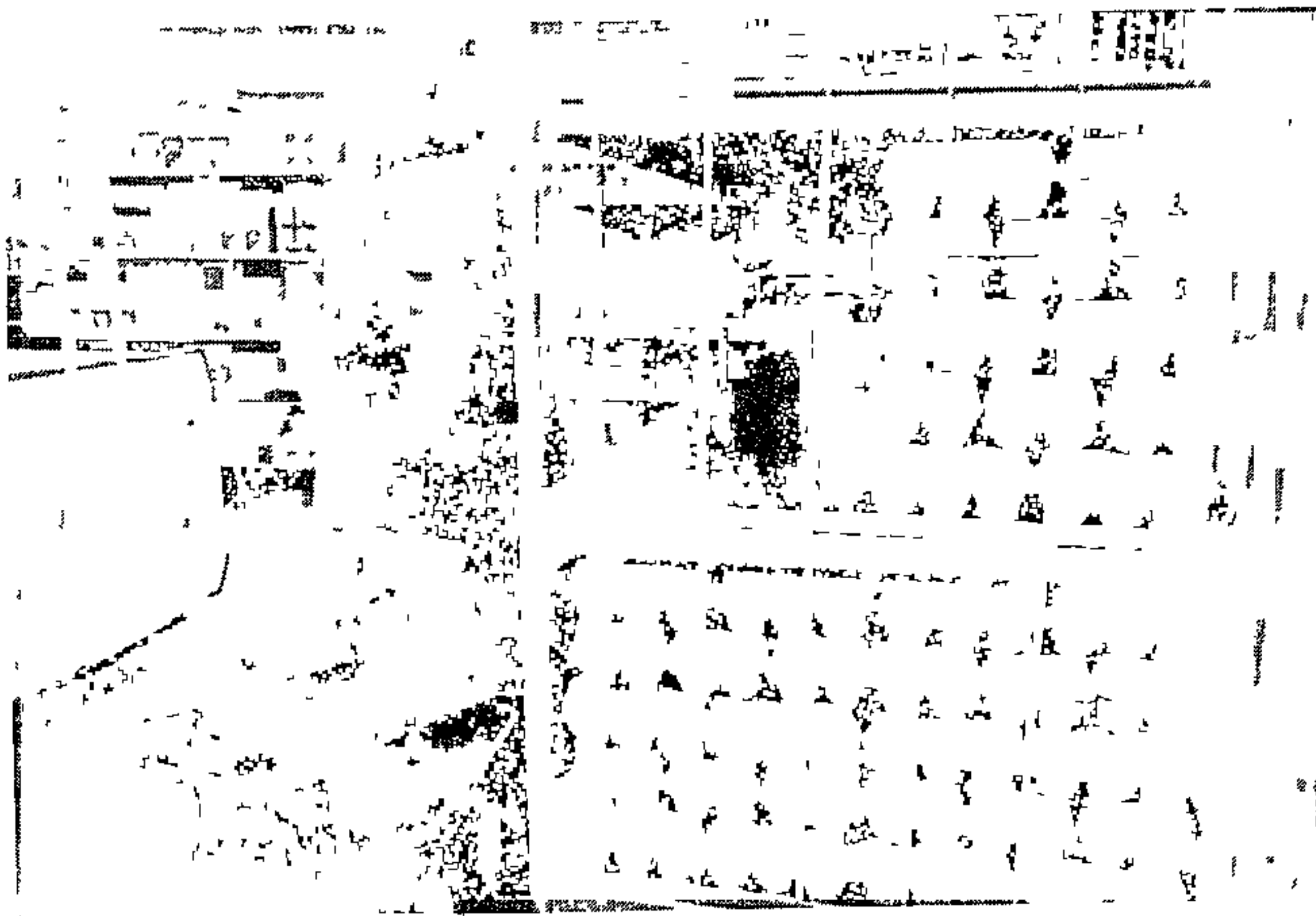
Loss to the farmer on his production costs runs at an average of 22c a kg, and the board makes a further loss on exports. Last year's surplus, for example, was exported at a loss of R4,7m.

In order to guarantee stable prices and continuous availability of eggs, he says, the industry must carry a "strategic reserve" — and that works out to about 107% of demand. However, he notes that there is at present, a "super-surplus" of 12% (about 600 000 to 700 000 cases) over and above "strategic reserves" of 500 000 to 700 000 cases.

This is obviously higher than the industry would like, but is related to increased efficiency of layers, and long response times in the industry. Production cannot be adjusted quickly enough to meet demand, and it takes at least 18 months for new levels of production to be established. The industry did in fact adjust production to meet a 6%-8% annual increase in volume offtake up to 1976-77, but demand subsequently dropped with the economic slump and production could not be cut back overnight. Last year egg production totalled 300m dozen, only 0,5% higher than the previous year, and demand fell by 2%. This year demand is down by 1,5% compared with the first quarter of 1978.

There are about 10m commercial layers of which 3,5m to 4m are owned by independent producers. Nepco has about 68% of registered hens, or 50% of the total hen population. The number of producers has declined by 25% since 1977.

Apsey maintains that the entire industry is responsible for the surplus. Independent producers undercut Nepco, and so sell all



Buying eggs . . . what about the consumer?

total of 15%, or 10c a dozen, including the latest hike. Total increases over the past three years amount to 20% (15c). Last year's 2c increase was intended to cover a 4c hike in the price of animal feeds, while the latest increase is related to animal feeds as well as general production cost increases, which Nepco maintains are beyond its control.

SA Poultry Association secretary Zach Coetzee maintains that the increase barely covers cost increases. He points out that production costs have soared, with a 23% increase in the price of maize, a 14,5% increase in packaging and distribution costs, and a 17,5% rise in transport and fuel costs, among others. Maize makes up 60%-70% of chicken feeds, and feeds comprise 70%-75% of egg production costs.

Maize, fishmeal, oilcakes, lucerne, and the miller's profit margin account for 5c of the 8c increase, according to Coetzee, while farm production costs, transport and wages account for 3c.

consumer is getting the benefit," says consumer friend Pick n Pay chairman Raymond Ackerman.

OK Bazaars' food division GM Ralph Horwitz believes that the effect of the increase will be to reduce short-term demand and possibly create a further surplus.

Nevertheless, Nepco acting GM Clive Apsey believes the co-operative has had the effect of stabilising prices and supplies in a market which traditionally suffers from a notoriously fluctuating pattern of demand. This reaches a peak at the month-end, he says, and slumps towards mid-month.

"Aiming production at the highest level of demand is not the perfect solution, but is better than any other solution at present," he asserts. "Without price stability, which Nepco has brought about, the resultant chaos would lead to even higher prices."

Coetzee notes that if city consumption

[Faint, mostly illegible text, possibly bleed-through or a second page of the article.]

Dairy products up from next month

Own Correspondent

PRETORIA — From June 1 all dairy products would cost more, the Minister of Agriculture, Mr Hendrik Schoeman, said in an interview yesterday.

He said his discussions with the National Marketing Council on the Dairy Board's recommendations for price rises were still in progress. He hoped to make an announcement next week.

However, producer sources said yesterday that they expected increases of up to 12 percent to be authorized.

Mr Schoeman said food prices in South Africa were lower than in virtually all countries in the Western world. Unless farmers were given prices which assured them of a reasonable return, acute and permanent shortages would be inevitable in South Africa.

Dairy farmers were turning to other types of agriculture, and unless this trend could be reversed, "this country will have to put up with chronic shortages of dairy products."

Last week the Dairy Board announced that because of drought and shrinking production, 11 000 tons of dairy products were to be imported. This included 8 000 tons of skimmed and full-cream powdered milk, 2 500 tons of butter and 600 tons of cheese.

3/5/79 AD 244

Dairy products may cost more

PRETORIA — The prices of dairy products and margarine are expected to rise sharply at the end of the month, according to government sources here

The SA Margarine Association says it works on a controlled margin, and it would be impossible for producers to absorb the big hike in oil seed prices, in addition to other cost increases, which became effective from the beginning of the month

Today and tomorrow the Dairy Board meets here to consider its price recommendations to the government

Farmers, it is claimed, have a water-tight case for substantial increase in both fresh and industrial milk. Their production costs, it is further claimed, have risen to a point where a large percentage of dairymen "won't even break even" this year

The Minister of Agriculture, Mr Hendrik Schoeman, has indicated that government policy is to fully compensate farmers for higher costs

and to ensure that returns on capital are reasonable

He said last month the price of fresh milk would have to be raised by two to three cents a litre

However, producers say that two or three cents a litre would only compensate for the steep rise in animal feeds following the 22 per cent hike in the maize price

Other big cost rises were in fertilisers, power, fuel and farm machinery

Distributors, too, are expected to demand compensation for increased costs. Their representatives will attend this week's Dairy Board meeting. They too have a strong case for compensation

The deputy chairman of the Dairy Board, Mr J J De Villiers, said prices would have to be raised at least in proportion to the rise in costs

Without this the drift of dairy farmers into other branches of farming would continue, and crippling shortages of dairy products would be the consequence — DDC

18c discount to stores

... but eggs to cost 4c more

Agricultural Correspondent

HOUSEWIVES will pay 4c a dozen more for eggs on May 15, but retailers will be enjoying an 18c-a-dozen discount from the National Egg Producers' Co-op, it was learned yesterday.

Mr Cedric Savage, managing director of Tongaat Foods in Durban and a director of Nepco, said the co-op was offering a promotional discount to all retailers

He said 120 outlets in Natal so far had accepted the co-op's promotional offer that would enable retailers to purchase eggs at 18c a dozen below normal cost price

Up to stores

Mr Savage said it would be up to individual stores to decide whether this discount would be passed on housewives

If it were, he added, then consumers would pay less if they ate more eggs

Mr Savage described as "unfounded" a report in a Sunday newspaper which said that the cost of eggs might double and only producers will gain

He said egg producers were, in fact, lowering the price of eggs and not increasing it, as long as more eggs were bought by the public Mr Savage said the egg promotion was being offered by the industry in an effort to reduce the country's egg surplus

He pointed out that an 8c-a-dozen increase in price amounted to a 14-percent rise

Egg producers, on the other hand, will now have to pay 22 percent more for their maize alone," he said

No option

Mr Marinus Oosthuizen, chairman of the Egg Control Board and Nepco, said yesterday that because of increases in farmers' production costs — which now made producing eggs virtually uneconomic — Nepco had "no

option" but to increase the price

Mr Oosthuizen said, however, that Nepco had decided to absorb 4c of the 8c-a-dozen increase, and would pass on a rise of 4c a dozen to consumers.

In August (a) shareholders revenue shown in that date

1. The share acquired connected liquidated formal liquidation necessary liquidated Share Capital 300 000 Deficit

NOTES:

Less: Trade creditors

Bank
Investments in quoted companies
Debtors
Township land at cost
Current Assets
Investment in wholly owned subsidiaries
Furniture and fittings
Motor vehicles
Fixed Assets

Represented by

Loans secured by mortgage

Share capital - 200 000 ordinary shares
Unappropriated profits

was as follows:

The summarised balance sheet of Somme Limited at 30 November 1978,

R400 000
200 000
600 000
240 000
R840 000

(35 MARKS)

QUESTION 3

OUR annual inflation survey shows that the average percentage increase over the past 12 months is 12.7 percent.

The survey is calculated on the price increase of 91 items from four lists which were first surveyed in 1974. These items are priced at seven major supermarkets annually and then an average is worked out.

In 1975 the average percentage increase over 1974 was a shattering 21.4 percent. There was a heartening drop to 7 percent the next year but in 1977 it was up to 15 percent. In 1978 it was down a bit to 11 percent.

The 12.7 percent increase this year includes GST so consumers are not complaining unjustifiably when they say their money is buying less.

The seven supermarkets in the survey were Checkers (Windermere), OK Bazaars (Berea), OK Bazaars (Hyperama), Pick 'n Pay (Berea), Pick 'n Pay (Hypermarket), Spar (Avonmore) and Woolworths where only Princess lines were surveyed. (See table below).

This year we are presenting the survey in two stages, covering two lists at a time. This week 46 items were probed.

Topping the heavy increases is All Gold tomato sauce at 34 percent, but we must appreciate that this line has twice dropped in price — probably due to special offers at the times of surveys.

Another anticipated high rise was Helios cooking oil on 31.5 percent but it, too fell last year at special offer time because of an oil price war.

Meat products are up again. Marmite rises 30 percent but again this item has twice dropped in the past and the overall increase since 1975 has only been 31 percent so all is forgiven.

Not so heart-warming is the rise in Baynesfield pork sausages — 23.5 percent — and Eskort red viennas — 18.5 percent. Since 1974 pork sausages have increased over 100 percent in price.

The meat increases are also reflected in bacon. Note that Eskort back was all rindless this year — I could not find the other. However, that is better for us as a survey on bacon some time ago showed that rindless is fractionally cheaper.

Top and High Seas, both well worth a try.

Sea Harvest frozen fish cakes rose by 1.5 percent.

Talking of frozen fish cakes, there are two new lines on the market. These are Hilda Haggie fish croquettes — available in some Spar and Checkers stores — and I & J savoury fish cakes.

Hilda Haggie were much fishier and very good indeed but I & J had an odd smoked flavour and seemed to have a predominantly potato base.

Both contained 12 fish cakes weighing 400 grams but there was a big difference in price. Hilda Haggie was 92 cents and I & J 69 cents. However, as we find time and again, you get what you pay for and my choice would unquestionably be the more expensive Haggie fare because it was really fishy.

Also new in the pre-cooked frozen field is Hilda Haggie's potato croquettes which are also first class. For 79 cents at Checkers Overport you get 8 croquettes weighing approximately 400 grams. At this price it isn't meant as a family filler but would be most suited to entertaining.

Check samples

But in these cases the bread must contain superior ingredients and the Wheat Board periodically sends check samples to Pretoria for testing. If you are suspicious about any special breads just telephone the Wheat Board — Durban 312750.

A sharp-eyed shopper complained about sugar prices at Pick 'n Pay Hypermarket — a case of smaller packs being the better buy. At that store the 12.5 kilogram pack costs R4.09 and the 2.5 kilogram pack 79 cents, so five of the smaller packs would cost R3.95. Can't take anything for granted, can we?

*S. Tribune
20/5/79*

Chickens

Frozen chickens were knocking 24 percent this year but last year their increase was only 1 percent — and since 1974 the rise has only been 50 percent. I don't think we can complain much.

Peck's Anchovette maintained its consistent rise since 1976 and is conspicuous on a 17 percent hike this year, as are Outspan rusks.

Fortunately for Bakers they had many special offers on assorted biscuits and cream crackers this year so we can not obtain a clear picture on the price increases.

However, we have to remember that flour went up 16 percent, and sugar 12 percent.

Butter, too, tops 16 percent and vacuum-packed cheeses 15 percent. Gouda and Cheddar are both controlled at R2.46 a kilogram so, if you intend using this cheese promptly, do consider buying the delicatessen-sliced cheeses — these averaged R2.00 a kilogram in the stores. Remember you can freeze grated cheese.

Those just mentioned are the worst offenders — that is above 14.6 percent without GST. We will now have a more comforting look at those items which miraculously dropped in price.

Kudos here go to I & J frozen fish fingers at minus 9 percent. This could be due to a proliferation of fish fingers on the market and the competition is welcomed. Two new brands are Table

Drop in price

A fight for survival in the field of quality is obviously responsible for Lecol orange squash's 7 percent drop in price. There are so many cheap orange drinks and squashes on the market that Lecol had to beat 'em or go under. It is an effort which deserves support. We can't lose if we buy quality so let's be loyal to the good lines.

Bovril also gets a bouquet for a slight drop in price — 3 percent. Even more acceptable is Jenny Post vinegar — minus 6 percent — down for the second year running after some very poor showings in previous years.

I found fresh cream on special offer as low as 35 cents for 250 ml at several stores. When buying dairy products do check all brands because generally at least one is on promotion. This applies to yoghurt, cream and orange juice.

While on dairy products, a woman queried the sudden rise in the price of Ultramel whipping cream from 75 cents to R1.09 for 500 ml.

This is a Clover Dairies product so I approached them for the facts.

Ultramel whipping cream has been on promotion since its introduction a year ago, and R1.09 is the regular price. And when one considers the regular price of fresh cream is 56 cents for 250 ml, I suppose one must accept R1.09 for 500 ml.

And Ultramel has a 7-week shelf life, unlike fresh cream. It was a surprise to find this product on Checkers' shelves at 79 cents because the original complaint concerned a May expiry date — the time of the price rise — and yet Checkers' stocks were dated June.

Another complaint related to one of the items on survey — bread. Someone complained about Kuhne loaves. The controlled price is 8 cents if it is baked in a pan that is, rectangular with straight sides. Otherwise it is classed as a special bread and the store may charge what it likes.

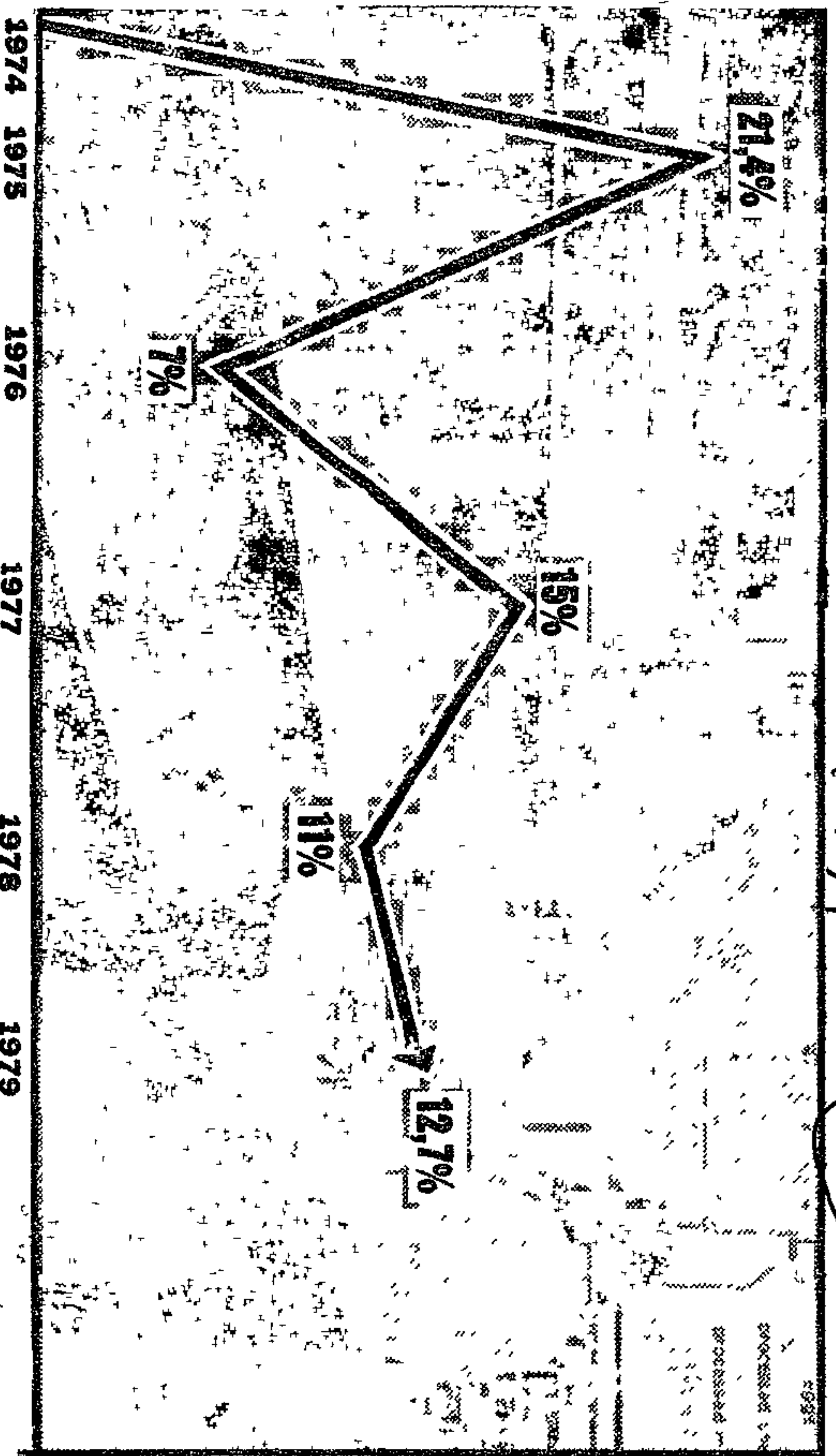
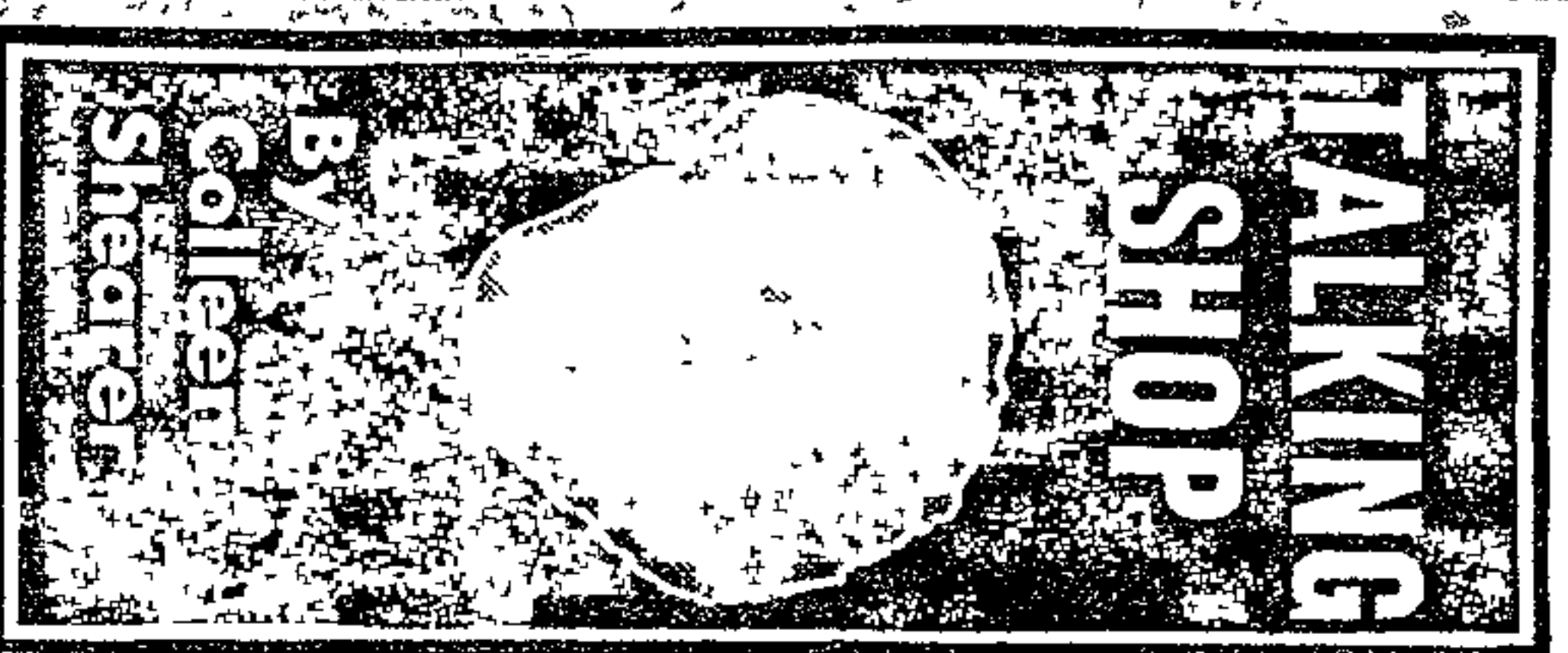
CHECKERS (Windermere)	R32.97 : 11.1%
OK BAZAARS (Berea):	R33.11 : 17.6%
OK BAZAARS (Hyperama):	R32.16 : 14.3%
PICK 'N PAY (Berea):	R33.54 : 11.7%
PICK 'N PAY (Hypermarket):	R32.59 : 16.6%
SPAR (Avonmore):	R34.13 : 9.5%

BLAME IT ON GST!

*S. Tr. Bureau
2015/1-79
2144*

You've

got a gripe as food prices go up ... but figures show '79 isn't the worst



The graph above gives an indication of the annual percentage increases of inflation over the past five years. The highest increase was in 1975 when inflation was a staggering 21.4 percent more than in 1974. The lowest was in 1976 when it was only 7 percent more than the previous 12 months

Spring prices 20% shock 1979 has been a black year so far for the consumer

prices 20% shock 1979

From page 1

of the inflation spiral, labour leaders warned that they would have no choice but to make fresh wage demands in the face of the latest round of price increases

Mr Henry Ferreira, deputy general secretary of the 37 000-strong SA Iron and Steel and Allied Trades Association, said today the 10 percent wage increase just negotiated for members had been swallowed up even before it came into effect

"I am afraid we will have no choice but to go back to the employers and ask for an interim increase within the next 12 months," he said "The price increases are disgusting"

The secretary of the Public Servants' Association Mr R H Landman, said the new price shocks would have to be taken into consideration when the PSA made fresh wage representations

"Public servants have just been granted a much-disputed pay hike, and many have received hundreds of rands of backpay in their cheques this month"

PANIC FEAR

This is also expected to cause panic buying over the next few days before the price hikes take effect

Mr Attie Ntshumane to

By Melissa Rawlinson

In the first five months of this year the consumer has been buffeted by a series of price increases affecting every part of his life

The increases in three basic commodities — fuel (over 30 percent), fertilizer (14 percent) and maize (22 percent) — have had ripple effects on

almost all consumer products

Despite a Budget aimed at stimulating economic growth, the price rises have struck crippling blows

The price of a house has been affected by increases in cement (six percent), bricks (13 percent), paint (10 percent) and structural

Leaders

Warm of

Food cost

Revolt

Warnings of a consumer revolt and record double-figure food inflation came from trade and consumer spokesmen today after the big price rises in butter, cheese and milk.

Union leaders warned that the dairy industry

timber (15 percent) increases in the prices of various makes of cars were announced for 1979 in late December, and a warning was given that prices could rise by up to 20 percent this year.

In addition, the motorist has been hit by tyre increases firstly an unofficial rise caused by manufacturers reducing discounts to retailers in January

vary (a drop from a maximum of 15 percent to about 8 percent), then an official increase of up to 10 percent on tyres, tubes and retread materials this month

Electricity and coal have also gone up in price. Eskom tariffs rose by 5.3 percent in most of the Transvaal and Orange Free State in January. The maximum pithead

price of coal went up by 10 percent in February, which meant an increase of between 2.5 and 5 percent to the consumer.

Shoes are going up in price because of the leather increase: in March it was reported that hides were costing up to 30 percent higher, which meant at least R5 on the price tag of shoes. Clothing manufacturers

warned earlier this month that with the increase in the price of man-made fibres derived from oil, prices of 12 percent could be expected. The poorer sections of the community have been hit hardest with the increases in foodstuffs. February saw increases in milk powder (up to 10 percent) and sugar (eight percent), in March came

+	5	-	10	1	3	-	5	+	3	-	23
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Verlan

in SA

The Star Tuesday May 29 1979

increases of up to 34 percent in fish, and April brought the maize increase

This month the consumer has faced the marine rise (up to 11.8 percent wholesale) and an increase of up to 35 percent in plastic packaging (the second this year in February such oil-based

products rose by as much as 16 percent), which also affects food prices.

Yesterday's increase in dairy products does not mean the end of price rises the new floor price for meat is due to be announced shortly, and this could mean an increase of 10 percent or more

BUDGET FOR THE YEAR
1000's of Units Sold

MARCH

Verlan

April

Meat, egg rises to follow dairy shocks

Nation staggers

2144
29/5/79 Star

as prices soar

and that industrial and agricultural fuel supplies will be sharply cut, said by Mr Chris Heunis, Minister of Economic Affairs, after his meetings in Cape Town today with business leaders and the Cabinet.

Plastics

The price of plastics is to leap by up to 35 percent, hitting a wide range of consumer goods from wrapping materials to kitchenware and toys. Polypropylene plastic is up R300 a ton or 30 percent, low-density polyethylene R320 a ton or 35 percent.

Consumer costs of dairy products have shot up by as much as a quarter and plastics by up to 35 percent. Milk is up 5c a litre, or just over 16 percent, butter 40c a kg or about 22 percent, cheddar cheese 48c a kg or about 20 percent and gouda cheese 52c a kg, or about 25 percent.

Mr Mike Sander, deputy manager of the plastics division of a major production company, said the reason was the rise in world prices of oil, from which plastics are derived.

Rations

Business leaders stressed at today's key meeting that if fuel prices went too high too fast, the economic target of a 4 percent growth rate could be jeopardised.

This in turn could trigger new employment problems.

Supermarkets today started rationing the amount of butter and cheese per customer as consumers flooded stores in a bid to beat Friday's 25 percent hike in dairy products.

Some garages reported that petrol sales were up by as much as 75 percent yesterday. In another vicious twist

To Page 3, Col 1

Mr Schoeman — may increase egg prices

South Africans, still reeling from last night's massive dairy price rises can expect worse to come — increased prices for meat and eggs as well as petrol, plus a wave of wage demands which will send living costs even higher.

A top economic team has pleaded with the Government to absorb the shocks.

The influential Bureau for Economic Research of the University of Stellenbosch, the leading body of its kind in the country, asked the Government to buffer the soaring living cost by cutting its income from taxes on fuel.

As housewives and motorists scrambled today to stockpile supplies it was learned that:

● The floor price of beef, pork and mutton is expected to go up by 10 percent "within a matter of days"

● Mr Hendrik Schoeman, Minister of Agriculture, is expected to announce an egg price increase this week after the recent freezing of prices.

● Powerful labour organisations are poised to make fresh pay demands because of the rocketing cost of living.

In political and motoring circles, it is widely predicted that petrol will rise to as high as 50c.

AFTER THE DAIRY PRODUCTS ...

HOUSEWIVES, girdle your loins. If you thought the dairy products price hike was the end of the matter, you're wrong. Soon it will be meat.

For the man South African housewives most love to hate has another shock in store for a country already reeling from a series of mammoth food price hikes

From his Marble Hall farm this week, the Minister of Agriculture, Mr Hendrik Schoeman, said South Africa may soon have to digest a 10 per cent increase in the price of meat.

"I am waiting for the Meat Board to come to a decision on a new floor price, but the increase could be in the region of 10 per cent," he said

The floor price of red meat has not been increased in two years — just like the price of dairy products, which this week soared by 16 to 25 per cent

The meat price hike, expected next month, will once again have housewives reaching for their "I hate Hendrik" buttons

But Mr Schoeman is unrepentant

"I know I am a very unpopular man

"It's not easy for me to increase food prices, especially because of the needs of the black population

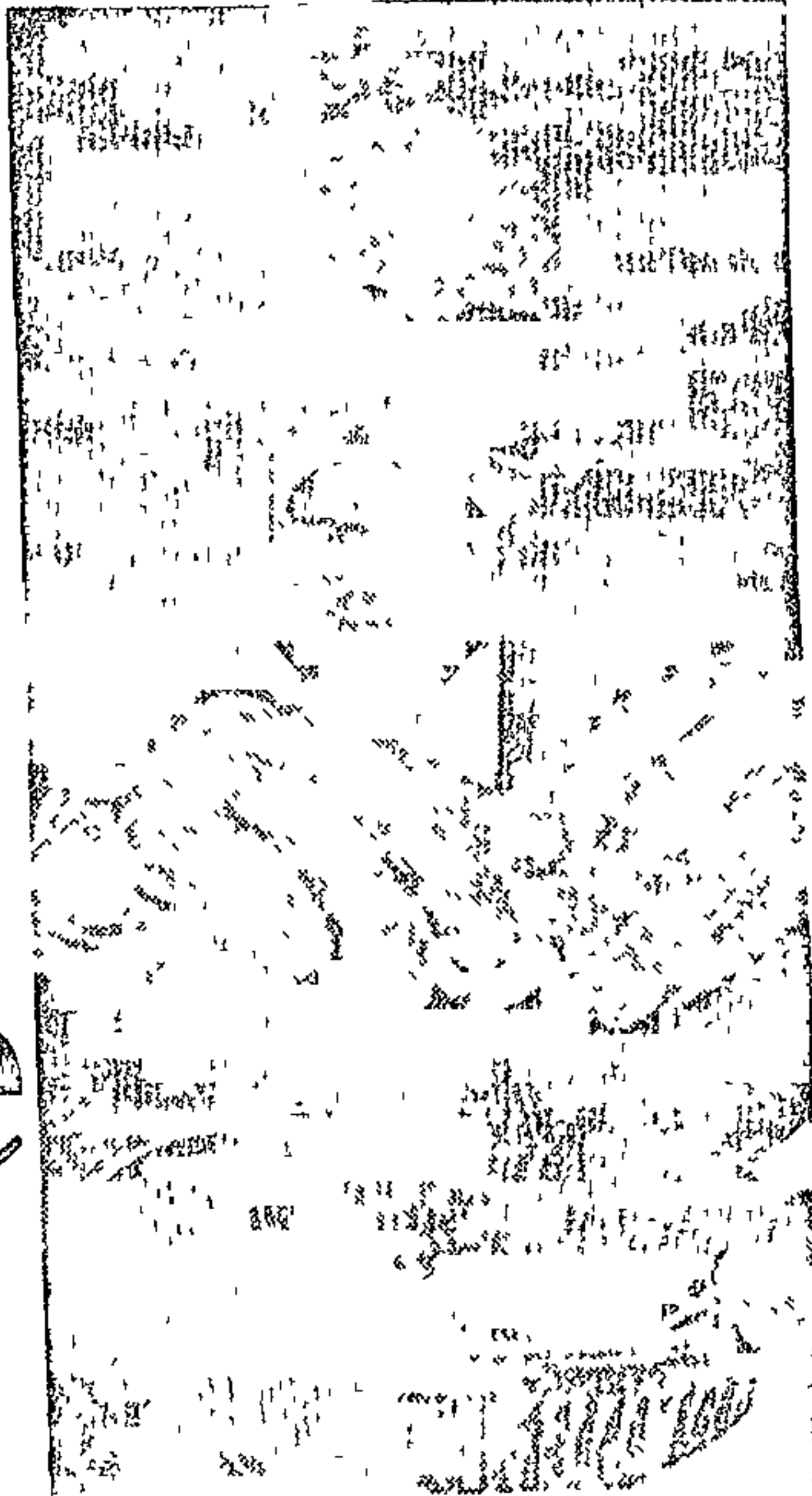
"But I have to keep the farmers on the land

"I have to ensure that South Africa has enough farmers to produce the food to feed our growing population"

The dairy price increases — which mean that today housewives are paying 43c more for a kilo of cheese, that half a kilo of butter costs more than a rand and that milk has rocketed by 5c a litre — are, according to Mr Schoeman, the "minimum" to ensure the One of the Minister's long-term nightmares — a food shortage — is today a reality as South Africa waits for emergency butter and cheese imports to fill the empty shelves in supermarkets and shops

For the first time in years — despite a recent 25 per cent hike in the price of maize which is giving the farmers R100 a ton — South

Meat next in the price spiral



Hendrik Schoeman ... costs soaring

BY FILE PHOTOGRAPHERS

Africa may, he says, be forced to import third grade white maize next year at a landed price of R157 a ton South Africa — which today earns R1 400-million a year from its agricultural exports — cannot, he says, afford to become a food importing country at a cost of millions to its balance of payments

Cutback

The key to the food price dilemma is soaring farming costs, fuelled by oil price increases, which in the last 10 months have added R800-million to the debt burden of farmers

The price of diesel fuel alone has soared by 50 per cent in the last year, tractors by 28 per cent, labour by 25 per cent

A further 10c hike in the price of diesel will add R100-million to farming costs

And today the farming sector is not only crippled by costs, but is expected to make a significant contribution to the national fuel economy drive

Once again farming production will suffer

"If farmers undertake to reduce their diesel consumption by 15 to 20 per cent, there will have to be a 15 to 20 per cent cutback in the amount of land under cultivation," Mr Schoeman says

South African farmers have become far more productive in the past few decades

Some 20 years ago, there were 124 000 of them Today their numbers have dwindle

dled to 77 000 as inefficient farmers have been driven off the land by rising costs.

Over the same period, yield per hectare has increased by 44 per cent

But if more farmers quit, the country will no longer be self sufficient in food production, Mr Schoeman says

The only answer appears to be increased food subsidies

But Mr Schoeman is cautious on this point

Subsidy

"We have a R70-million bread subsidy, R50-million on maize and R4-million on milk", he says

"A subsidy to cover the milk price increase will cost the taxpayer an extra R50-million"

And he makes it clear that higher food subsidies will depend on the size of the South African fiscus and the generosity of the Minister of Finance

Meanwhile, Mr Schoeman — who is also one of the few successful South African farmers — remains optimistic, despite his problems

"Things will come right. The farmers are at a low ebb, but they're producing food

The important thing is to keep South Africa well

"But South Africans will not be well fed if they cannot afford to eat"

"That," says Mr Schoeman "is the other prob-

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200,000-strong SACC on-federation of Labour, suggested that the increases smacked of mismanagement. He compared the increases to recent wage hikes and said he feared for the future. And Mr Johann Bernardi, secretary of the 89,000-strong Railway Staff Association, warned that the dairy industry was busy pricing itself out of business.

slump.

"We could be looking at a 14 percent food price inflation, and that could be disastrous," Mr Rex Glanville, head of a large super-market chain, said.

"Hungry people are not stable"

He suggested the Government could help with subsidies on freeing market competition by limiting the control boards.

Mrs Joy Hurwitz, president of the Housewives League is sending a telegram to the government to ask them to reconsider their decision.

CUTBACK

"People cannot afford these increases," she said. "There will obviously be a cutback in consumption, resulting in a surplus which will be disastrous for the farmer."

"We look to the Minister of Agriculture not only to protect the farmers, but also to protect consumers."

Mr Johann Verheem, director of the Consumer Council, felt that the increase had serious implications not only for the consumer, but for the entire dairy industry in falling sales.

"It will not do the producer or the economy of the country any good," said Mrs Betty Hirzel, chairman of the Consumer Union.

Consumer Council spokesman Mr Mike Hawkins said "The consumer has been hammered this year."

DEPLORED

"The consumer does not have any money to spare, which means he will buy less."

"We deplore it — it is totally unnecessary," Mr H Goldberg, national merchandise manager of Checkers said of the price rise.

Mr Ralph Horwitz, general manager of OK Bazaars said: "It is dangerous and unbelievable to allow prices of basic foods to escalate like this."

He and Mr Goldberg blamed the control boards for allowing the situation to arise.

"The consumer has no place to hide," said Mr Eugene Roelofse, the SACC ombudsman. "His last cent will be ferreted out of his already threadbare pockets."

Mr Simon Chilchik, MPC and city councillor for Hillbrow, said old age pensioners would be badly hit.

"By the end of the year the dairy industry will be worse off than ever before," said Mr Johann Benade, Railway Staff Council secretary, warning of a consumer revolt.

Milk, butter, cheese cost more

CAPE TOWN — The chairman of the Dairy Control Board, Mr J van Vuuren, yesterday announced increases in the prices of dairy products

The new prices, approved by the Minister of Agriculture, Mr Hendrik S'hoeman, will be effective from Friday

Consumer prices for butter will rise by 40c a kilogram, fresh milk by 5c a litre, cheddar cheese by 48c a kilogram and gouda cheese by 52c a kilogram

The percentage increase for butter and milk will be 23 and 15 per cent respectively

The prices to producers will rise by 3.5c a litre for

fresh milk, 350c a 100 kg for industrial milk and 35c a kg for butterfat

In a statement, Mr Van Vuuren said production costs had increased to such an extent since the previous price adjustment that the production of fresh and industrial milk had become uneconomical for producers

Several producers had left the industry which had resulted in shortages of certain products, making it necessary to import It was hoped that as a result of these price increases, producers would continue to produce and also increase their deliveries of fresh and industrial milk — SAPA

Handwritten notes:
The
20/5/79
of

Anti-Soviet Dairy Producers

JOHANNESBURG — Reaction to the latest wave of increases in the prices of dairy products ranged from anger to disbelief.

The managing director of Pick 'n Pay, Mr Raymond Ackerman, said he was "absolutely stunned and shocked" by the extent of the increases

A director of OK Bazaars, Mr Philip Horwitz, said it was "terribly unfortunate that the rises should have been announced at the present time

"We knew something was imminent and that there would have to be some incentive to persuade farmers to go back into dairy. But if the market had been played fair and square there would have been no need for this"

The national merchandise manager for Checkers, Mr Harry Goldberg, described the increases as "judiciously high" and said they were indicative of government interference

Mr Eugene Roelofse, ombudsman for the South African Council of Churches, said "It's quite

clear that the government had abdicated in the face of strident demands by farmers who would like to have more money in the bank

"It is equally clear that the government doesn't give a fig for the problems of the consumer who is expected to bear an increasing burden of higher costs"

The president of the SA Confederation of Labour, Mr Attie Nieuwoudt, said, "Where is it all going to end? Day after day the price spiral spins faster and we are all getting poorer."

It was the poorer worker, Mr Nieuwoudt

stressed, who was hardest hit. The decline in living standards had become critical, and the drift of thousands of families into poverty had to be stopped.

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, agreed it was the whites and blacks at the lower end of the income ladder who were suffering most.

"In a country with so vast an unemployment problem it is dangerous to allow the prices of basic foods to escalate at the current rate"

The only defence the poorer section had was to buy less food. They had no

other alternative. This, Mr Grobbelaar said, would undermine national health standards

"The government seems powerless to stop this price rise merry-go-round," he added.

"I am furious, how dare they," said Mrs Evonne Forshaw, the vice-president of the Housewives' League.

"I believe that the only people who can afford this increase are the farmers themselves. We can blame it on the recent 22 per cent increase in the price of maize which I was distressed and horrified to hear the Minister granted to farmers. Now, it's dairy

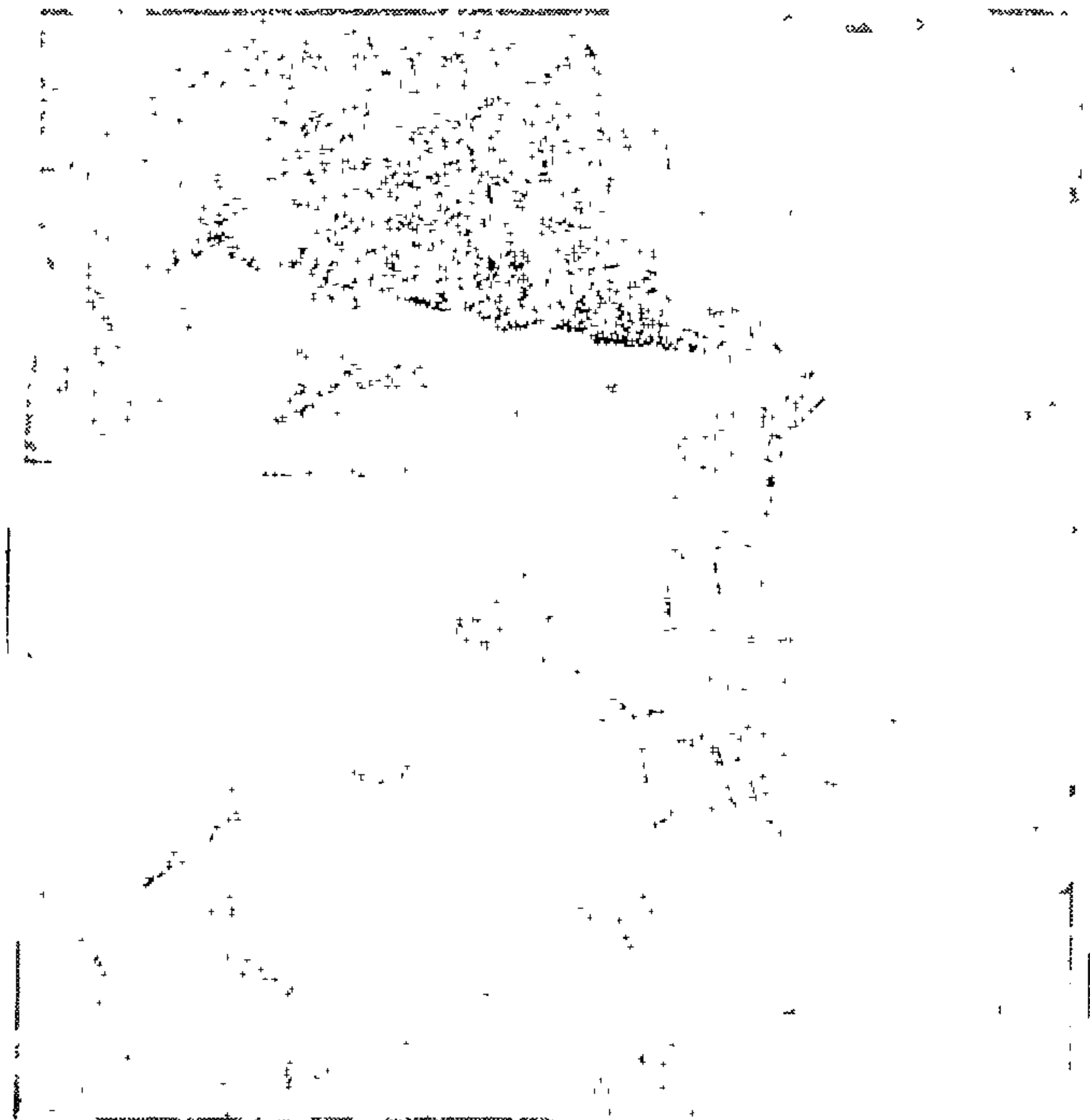
produce, what next?"

Mr Rupert Lormer, the Progressive Federal Party's spokesman on agriculture, described the increases as "unbelievable."

He said it was the result of "years of bungled marketing" by the Dairy Control Board.

Dr Nthato Mottlana, chairman of the Soweto committee of 10, said he thought it a sad thing when the basic commodities that kept people healthy were being priced out of reach of those who needed them most.

DCCSAPA, East Londoners react, page 17.



Mrs Linda Falk stocking up with dairy products in East London yesterday.

Food prices may rocket warns chainstore boss

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AD

JOHANNESBURG — Inflation in good prices would reach double figures unless the government, suppliers and retailers exercised strong discipline, a spokesman for a leading supermarket chain said here yesterday.

The managing director of Checkers, Mr Rex Glanville, was reacting to the latest spate of price increases. He said many basic prices had risen by up to 15 per cent in the past few months, and "already Checkers is ex-

pecting others to rise sharply".

He gave the following examples of recent price rises: processed meats, between 8 and 15 per cent; margarine, about 12 per cent; poultry, 8 per cent; fish, 15 per cent; frozen vegetables, 12 per cent; sugar, 8 per cent; maize, 22 per cent; cooking oil, 13 per cent and soap powder, 11 per cent.

"If the price of petrol is increased, prices of food will rocket further. The poor and the unemployed will face at the beginning of winter a situation in

which they will be unable to cater adequately for their families."

Meanwhile, retailers stand to make a massive profit when the dairy products price increases come into effect on June 1, because there is no way of controlling the increase in the price of old stock.

A spokesman for the Dairy Control Board in Pretoria said there was no way the board could keep check on retailers or control price increases on old stock. — SAPA-DDC.

No rush in EL, page 18

THE BREADLINE

	African	Coloured People
Bentons	119 34	
Bloemfontein	15 06	166 54
Bokburg	147 71	
Brakpan	147 57	
Bnts	117 35	
Capetown	171 04	179 02
Durban	152 11	169 96
East London	155 64	155 04
Germiston	117 11	
Johannesburg	153 76	161 56
Kimberley	153 5	15 21
King William's Town	156 80	161 31
Port Elizabeth	154 67	
Peddie	132 62	
Port Elizabeth	153 15	159 2
Port Elizabeth	153 62	166 55
Queenstown	157 91	146 09
Spring	119 01	
Uitenhage	151 85	142 13
Umtata	116 00	
Vaal Triangle	155 21	
Windhoek	182 45	214 49

pleeg in verband met sake

NAV

Gedurende die verslagjaar sentrum die volgende behel

A. Mobiliteit en Politieke Hierdie projek is 'n paar ja soek onder die kleuring be eiland is onderneem. 'n Aant

THE BREADLINE

Rural rises

244
Pm 16/79

This week's shock round of swingeing rises in milk, butter and cheese prices will obviously push up the cost of living for all. For African and coloured families the shock comes hard on the heels of the maize price rise earlier this year.

The latest price shocks — milk up 16%, butter 22%, and cheese 20%-25% — come at a time when the rate of increase of the breadline has slowed. This trend is noted

in the latest breadline survey by the University of Port Elizabeth's Institute for Planning Research, although the Institute notes that the maize price increase had not yet had its effect at the time of the survey.

The Institute monitors the Household Subsistence Level (HSL, formerly known

as the PDL), the minimum a coloured family of five, or an African family of six needs to survive. It also reports that the breadline rose on average by just over 4% in October 1978 to April this year, compared to just under 6% in the preceding six months. It rose by 9,7% over the whole year (April to April). In King William's Town and Queenstown, however, the African HSL rose by 10,7% and 7,8% respectively over the second half of that year. Umtata was another hard-hit area, seeing a six-month rise of 9,1%. The Institute says one reason for the massive increase in Eastern Cape areas is the rise in rents — in some towns they almost doubled.

Mr H.W. Middelmann
Erw. M.T.L. Moletsane
Professor A.D. Muller
Sheik A. Najjar
Mr Victor Norton
Professor N.J.J. Olivier

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, bare vergaderings toegesprek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbode aan verskeie universiteite besoek.

Gedurende Augustus en September het die Direkteur Engeland, Nederland, Switserland, Swede, Israel en Zambie besoek. Hy het vooraanstaande joernaliste, Suid-Afrikaanse diplomaate, senior amptenare van die Suid-Afrika-Strigting en verskeie regerings betrokke by Suid-Afrikaanse belange ontmoet. Hy het besprekings gevoer met stigtings, trusts en opvoedkundige verenigings. As gevolg van sy besoek aan Nederland het hy 'n toelae vir die konstruktiewe Program ontvang van die Algemeen Diakonaal Bureau van die Gereformeerde Kerken in Holland.

Professor J.L. Boshoff, ere-Fellow van die Konstruktiewe Program, het met 'n aantal instansies, wat universiteite in Natal en Transvaal insluit, en met verskeie handels- en industriële firmas in Natal, kontak opgebou.

(b) Konferensies

Gedurende 1978 het die Direkteur die volgende konferensies bygewoon.

Jaarlikse Konferensie, Nasionale Uitvoerende Komitee- en Raadsvergadering van die Suid-Afrikaanse Instituut vir Raasseverhoudinge, Kaapstad (Januarie)

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede
Verhandelings voorlegging in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosio-logiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

Food prices may rise 20 percent by end of year

Star 8/6/79

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Farmers and retailers say that the fuel price increases will have a disastrous effect on food prices which could jump by as much as 20 percent

this year.

The South African Maize Speciality Organisation (Samso) said in a statement today that a survey indicated that 3 000 maize farmers would

not be able to continue farming as a result of this year's crop failures. The fuel price rises would aggravate this situation.

Samso said the rapid increases in diesel fuel

prices in the past six months had pushed maize farmers' fuel costs up by 140 percent. In the same period the average consumer's costs had gone up by 85 percent.

The diesel fuel price increase had outdated the recently-announced new maize price, reports Farming Correspondent Hannes Ferguson. Mr F Tomlinson, director of Samso, said maize farmers could not possibly absorb the extra costs.

The Cape director of operations for a major supermarket chain, Mr Chris Niehaus, fears that food prices could go up as much as 20 percent this year.

Economists consider the estimate of a 1.9 percent rise in the consumer price index unconvincing in the light of past experience. They feel the fuel price rises will push the consumer index higher.

As a result of these fears consumer and political spokesmen today called for special measures to stem the inflationary effect of increased petrol costs on food prices.

It was imperative that something be done to minimise the effect on food prices, a Consumer Council spokesman said in Pretoria.

He suggested that a subsidy be introduced on fuel used by food producers and distributors.

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, MP, said the extra tax collected by the Government because of the higher gold price could be used to subsidise essentials, particularly foods.

The president of the Afrikaanse Handelsinstituut, Dr Martin van den Berg, warned that the fuel rise would raise the inflation rate by 2.6 points.

Now watch all the prices zoom

244
9/6/79
R.D.M.

By GERALD REILLY

FURTHER substantial increases in food prices were unavoidable because of the new fuel prices, the Minister of agriculture, Mr Hendrik Schoeman, said yesterday.

Farmers, he said, were already operating on dangerously thin margins, and if South Africans wanted to avoid future serious food shortages producers would have to be paid reasonable prices

The director of the South African Agricultural Union, Mr Chris Cilliers, said: "Consumers will have to bite on a bullet and pay more, or put up with serious shortages of basic farm products."

Fuel leap may double bus fares

Staff Reporter

BUS fare increases are inevitable following this week's massive fuel price jump unless the Government boosts its bus subsidies, the Urban Passenger Transport Association warned yesterday.

The association yesterday sent a telegram to the Ministers of Transport and Economic Affairs asking for an urgent interview to discuss the transport crisis. Pretoria's white bus commuters can prepare themselves for massive increases in fares.

"If, because of shortages the country had to import food, food costs would rocket way beyond what they were now

On the basis of the agricultural industry's consumption in 1978, the 16c a litre increase in diesel fuel would add another R200-million to farmers' costs, Mr Cilliers said. In 1977, the total farming fuel bill amounted to only R200-million. It was now approaching R600-million.

The two earlier fuel price rises this year had added

GROUP B R 20 - 99

double fares.

A spokesman for PUTCO said yesterday that they were still considering raising the fares of black commuters in the Pretoria area.

Petrol rationing on the cards

Staff Reporter

THE "final solution" to South Africa's fuel problems — rationing — has not been discarded but only shelved, according to Pretoria sources

If the conservation measures announced by the Minister of Economic Affairs, Mr Chris Heunis, fail to bring about the target saving then consideration would again have to be given to rationing.

It was pointed out, too, that the ceiling had not yet been reached for crude oil prices.

Paraffin gloom

Staff Reporter

BLACKS yesterday expressed shock and dismay at the news that the price of power paraffin has gone up by 16c a litre

Paraffin is used by millions of blacks throughout South Africa as fuel for light, heat and cooking

Blacks interviewed yesterday by the Rand Daily Mail said the increase was "crippling"

Before yesterday's price increase, a litre of paraffin in black townships about 35c — now it costs about 51c

Garages closed today

PETROL pumps at garages throughout the country will be closed today in terms of the fuel-saving measures announced by the Minister of Economic Affairs, Mr Chris Heunis, on Thursday. Motorists should also note that the new 70 km/h speed limit is already in force in the Pretoria/Witwatersrand/Vereeniging area

costs

Mr Cilliers said the position had become so serious that consideration would probably have to be given to interim relief for dairy farmers and others.

This could lead to further increases in the prices of dairy products this year. The prices of most basic foods are normally fixed once a year

Government sources warned in Pretoria, too, that a bread price increase from the beginning of October now appeared certain

Bakers had already applied for interim relief, and Mr Schoeman was expected to agree to this early next week. The increase in bakers margins would probably be absorbed by the bread subsidy "which is fast running out".

Wheat farmers — fuel plays a major role in production — would ask for substantial price rises when they met the Wheat Board next month

The Pretoria sources said a reasonable increase for farmers, taking into account the big mealie price rise earlier this year, would be 25%

Millers and bakers are also demanding bigger margins — and they, too, are certain to get relief

These increases — for the producers, millers and bakers — could send the price of bread soaring to more than 30c for a white loaf.

New food price hikes predicted

DURBAN — The Minister of Agriculture, Mr Hendrik Schoeman, yesterday warned consumers to expect another round of food price increases.

No sooner had he spoken than it was announced that the floor price of meat is to be increased by between 14 and 20 per cent from Monday.

An increase in the floor price of beef, mutton and pork will not mean an immediate rise in prices. All that will happen is that farmers will be given a higher guaranteed price for meat.

At present butchers are paying above this guaranteed price because of good demand.

Speaking at a ceremony near Pietermaritzburg yesterday, Mr Schoeman said it was inevitable that consumers would have to pay more for their food.

"Farmers will have to be given an incentive to stay on the land," he said.

He said the agricultural debt had soared to a record R280 000 000. "If farmers were in a healthy position financially they would not be in debt," he added.

Mr Schoeman predicted that the price of bread

would rise later this year when the new price of what was announced.

In a statement released yesterday by the chairman of the Meat Board, Mr P. R. du Toit, it was announced that the average floor price of beef would go up by 14 per cent, lamb and mutton by 14,5 per cent and that of pork by 20 per cent from Monday.

The Meat Board said it did not expect consumer prices to be influenced and therefore did not expect lamb and mutton prices to rise.

However, the chairman of the East London Meat Traders' Association, Mr D. Meyer, said consumer meat prices here would definitely be increased. But it was impossible to estimate the price increases from the percentage increases in the floor price.

The actual increases in the floor prices of the various grades of meat would be known on Monday, and then consumer prices could be determined.

Mr Meyer said it was unlikely mutton and lamb prices would change much because they were already above the floor price. — DDC:DDR.

EDITORIAL OPINION

Everything will cost more

The burden of the massive increase in fuel prices will fall, as usual, most heavily on people least able to counter them.

The lowest wage earners, small-salaried people, pensioners, widows will soon find themselves struggling harder than ever to make ends meet.

It is not that they will not be able to cut down on their use of private motor vehicles, if indeed they enjoy the luxury of owning them. It is that everything they need, every essential purchase or service, is likely to rise in price.

That will be the ripple effect of the 30 per cent fuel price hike. There is no way that producers, manufacturers and service undertakings can absorb such an addition to their costs. Fuel for power and for transportation are absolutely necessary to their operations. They will be able to meet their fuel bills and stay in profitable positions only by charging more for what they provide.

All these undertakings — agricultural, industrial, commercial and professional — are the main fuel users. The private motorist uses very little comparatively, not more than 20 per cent of the country's total fuel consumption.

Therefore the cutback in petrol

selling hours and stricter speed limits will save very little. The consumption cuts to industry may have more significant effects. But there will be a price to pay for that, too.

South Africa is about to become one of the most expensive places in the world to live in.

It will remain so unless alternatives are found to oil for power, locomotion and even lubrication or unless we strike oil ourselves.

The Republic's problem is aggravated by the fact that its government's policies have made it the whipping boy of the world. The oil-producing nations do not want to supply us and we are forced as a nation to pay premium prices on what remains of the open market. Few other countries, apart from Israel, have to pay more for their oil.

Fortunately for the economy, the blow of the oil bill will be cushioned to some extent by the high prices being realised for gold exports. Fortunately also for economy, the new selling prices for petroleum products make expansion of South Africa's own oil-from-coal industry more practical.

South Africa will ride the shock in the long term but changes in everyone's life styles are inevitable.

Meat, — bread face a rise

Tribune Reporter

(New)

0.333
0.333
∞

HOT ON the heels of the petrol price increase this week was the Meat Board announcement that the basic floor price of meat would go up on Monday to between 14 and 20 percent.

Local transport authorities have said that bus fares will increase — but no figures have been given

Government sources in Pretoria have hinted that because of increased farming costs, wheat farmers would this week ask the Wheat Board for a price increase.

The millers and bakers also want an increase and are likely to get it — it gets the price of a loaf of white bread to about 30c in October.

The petrol price increase could push 3 000 mealie farmers off the land, Mr Faan Basson, chairman of the South African Mealie Speciality Organisation said.

Farming costs would rise from R24 to R41 a hectare. The mealie farmers' costs had risen by 14,8 percent while his living standards had dropped by 9,3 percent.

Director of the South African Agricultural Union, Mr Chris Cilliers said the increase of 16c a litre diesel fuel would add another R200 million to the farmers' annual costs.

The total farming fuel bill was fast approaching R600 million.

* S. Timoshenko and J. N. Gooden
York, McGraw-Hill Book Company

β	0.141	0.196	0.229
α	0.208	0.231	0.246
b/c	1.00	1.50	2.00

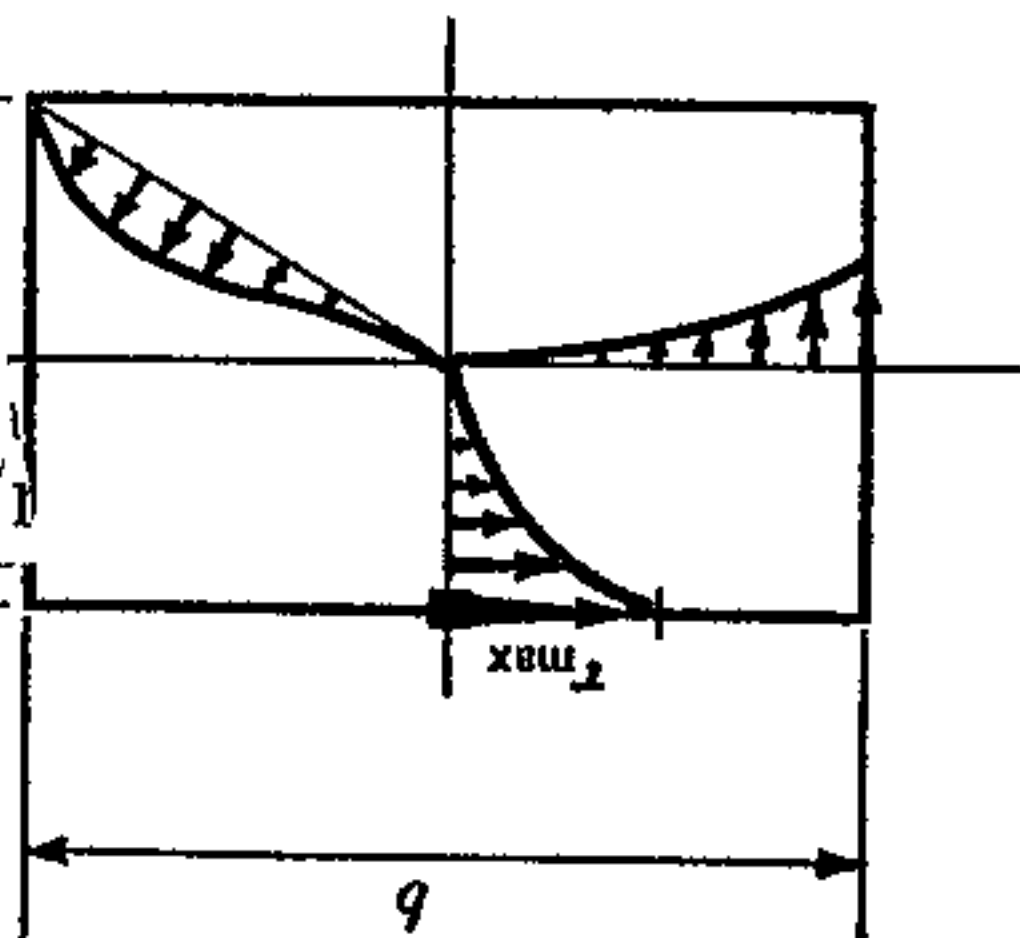
TABLE OF COEFFICIENTS

thin sections, when b is much greater than c . A few of these values of the ratio b/c . The value of T as before is the applied torque; b is the width of the section.

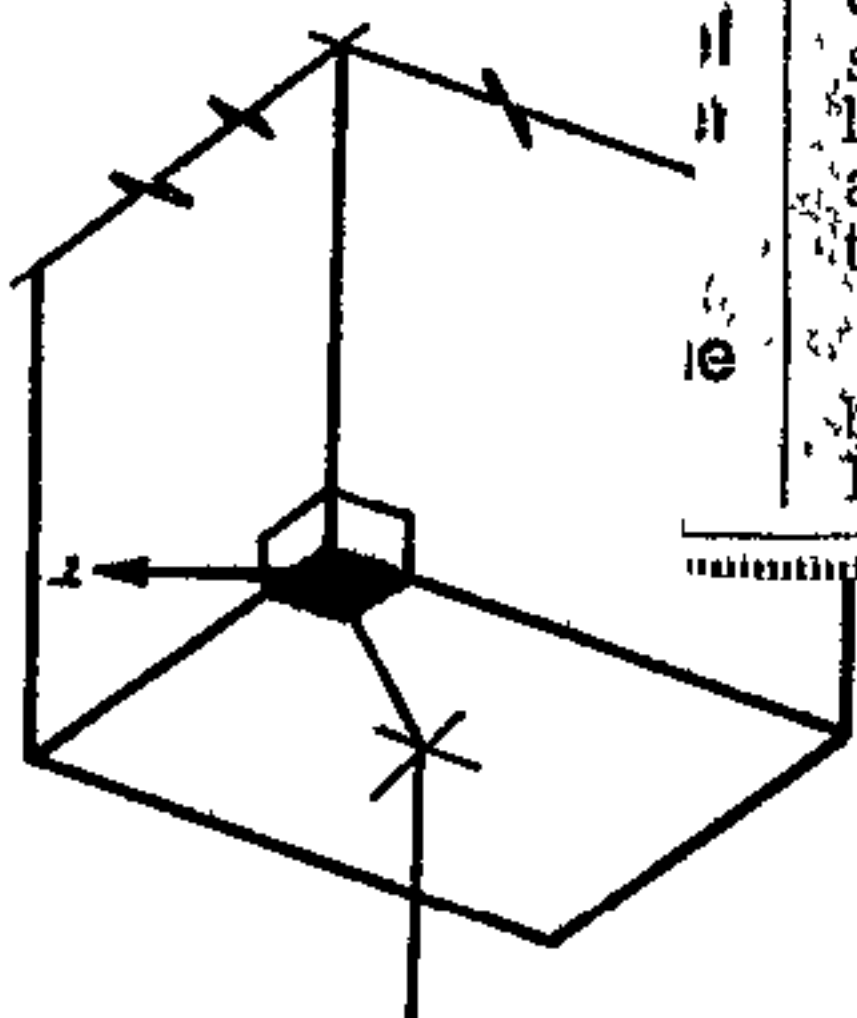
$$T_{max} = \frac{\alpha b c^2}{T}$$

can be put into the following form: maximum shearing stress (see Fig 5-20) The final results of such analysis, however, have been obtained. The methods used are analytical solutions for torsion of a cut near the boundaries are applied to other points on the boundary. Hence τ must be free of all stresses. The latter situation these components would have to be resolved into two components parallel as shears always occur in pairs acting shown in Fig. 5-21. If a shearing stress

Fig. 5-20. Shearing-stress distribution in a rectangular shaft subjected to a torque



shearing stress shown



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27/11/53

TIME FOR ACTION ON FOOD PRICES

SIR, — Your caption "No escape from price hikes" is a timely reminder that inflation is approaching frightening proportions, calling for combined public protest, irrespective of political party affiliations

This demands a meaningful approach by every Member of Parliament, setting aside their differences in finding solutions towards easing this crushing burden upon the family budget

The petrol increase with its concomitant effect upon the CoI, is only the most recent of a series of body blows upon a punch-drunk public. How much more can they take?

- Petrol price hike and more to come
- Increased dairy product prices.
- Higher meat prices.
- Increased maize costs
- New postage rates
- Egg and bread price rises
- Threatened increase in bus fares

These, quite apart from spiralling costs such as clothing, and the spill-over into other everyday needs of the average family

Yet there is hardly a whisper from any of the political parties who apparently are more concerned with issues other than every-day bread-and-butter ones

Subsidies

Surely it is reasonable to suggest that some of the vast sums flowing into the exchequer from general sales tax, fuel price premiums and the bonanza from gold price earnings could be siphoned into food subsidies?

And what about control boards? Are they serving the interests of the consumer, as well as the producer?

People depending upon fixed incomes from investments are hardest hit, with interest rates declining

Mr. Editor, this is of national importance and should be approached outside of political divisions, for it concerns every section of the people. There is a responsibility which devolves upon the Press, to bring home to Members of Parliament the seriousness of the position, which cannot be allowed to drift along without some meaningful approach from those who control the destiny of our country

KEN CLARKE

31 Lansdowne Crescent,
Durban North

If you're on the ropes now, get ready for the knockout

Star
28/6/79

214

By Anne Colley

While consumers reel under the direct impact of this year's round of price increases, economists are calculating that the inflation rate could reach anything from 14 to 20 percent this year — once the chain reactions are fully felt.

Inflation reached 12,8 percent by the end of last month — and that was before Mr Heunis, Minister of Economic Affairs, dropped his latest pet-

rol price bombshell on June 8.

Mr Heunis estimated that by putting the price of petrol up to 54,3c a litre he would steepen the inflation spiral by a further 1,9 percent. Other economists say this is a conservative figure.

Add that to the other price increases that have sent consumers into a state of shock and the effect on inflation will be staggering.

Dr Johan Cloete, a noted economist at Barclays Bank, believes that the direct impact of the latest round of price increases will immediately take infla-

tion one percent higher. And then the indirect impact — which "will be more like a tidal wave than a ripple effect" — could add yet another 2 percent to the cost of living of the ordinary man.

Dr Cloete estimates that inflation will reach 13 to 14 percent by the end of the year. His predictions, however, assume that no further fuel or other price increases will rock the boat and that something will be actively done about containing inflation at that level.

"If we don't do something, the rate of inflation will almost certainly accelerate" says Dr Cloete. And according to this economist there are only two methods open to the authorities for restraining inflation — either restrict spending by the man in the street, or restrict price increases.

But Dr Cloete's estimates look conservative compared with those of other prominent economists and politicians. Mr W Kilian, chief economist of the Stellenbosch Bureau for Economic Research, believes that "we will shake hands with a 15 percent inflation rate before the end of the year."

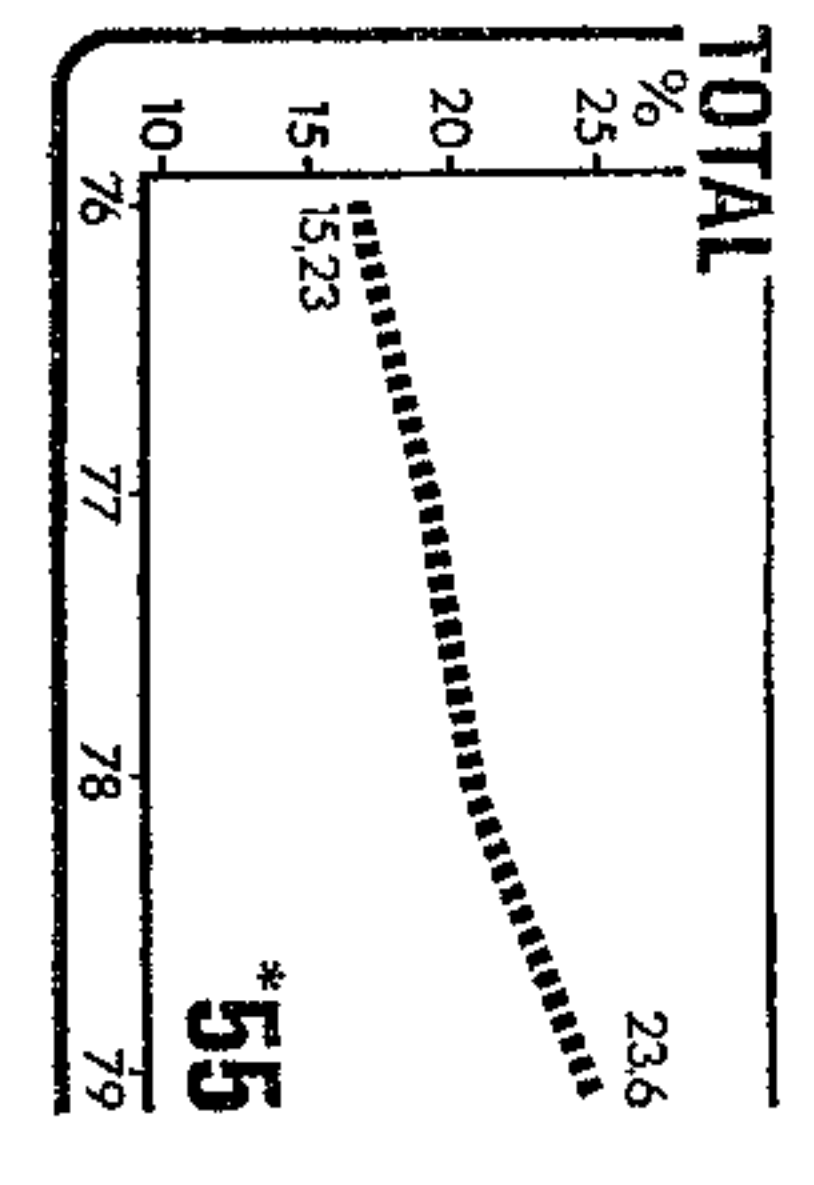
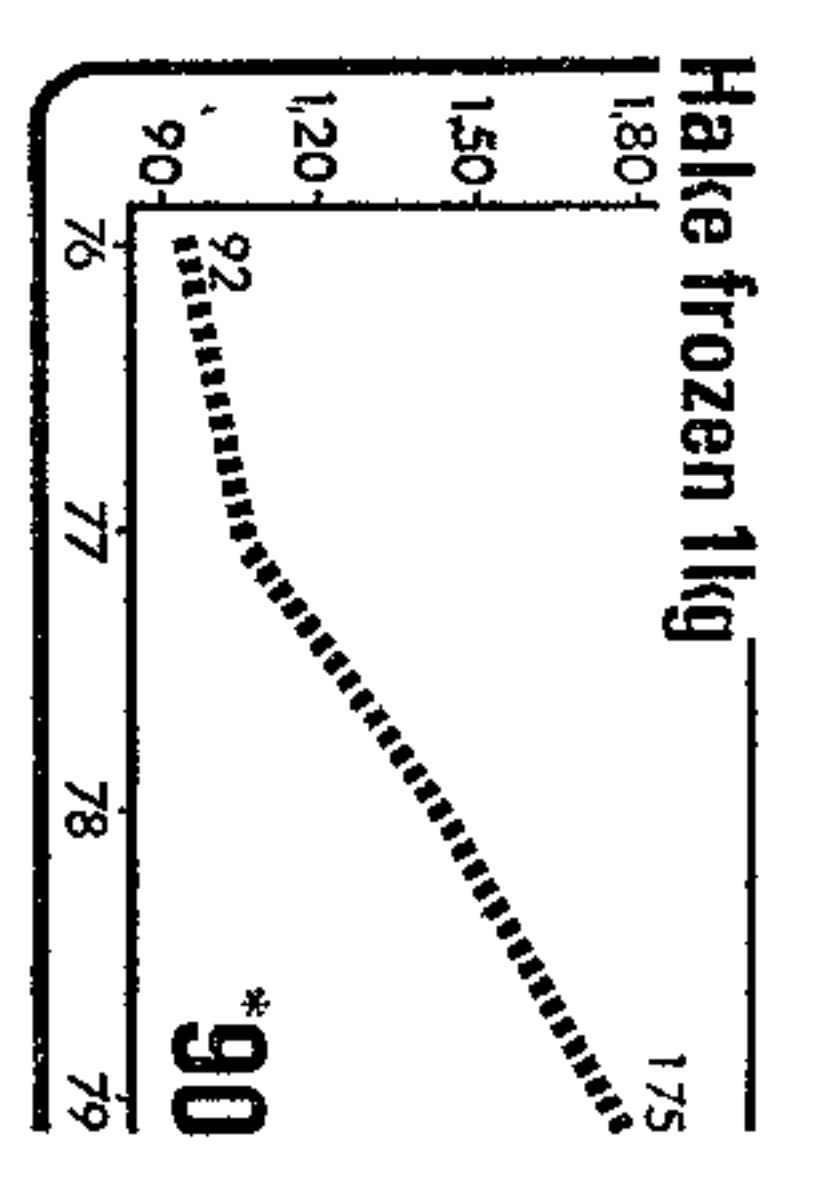
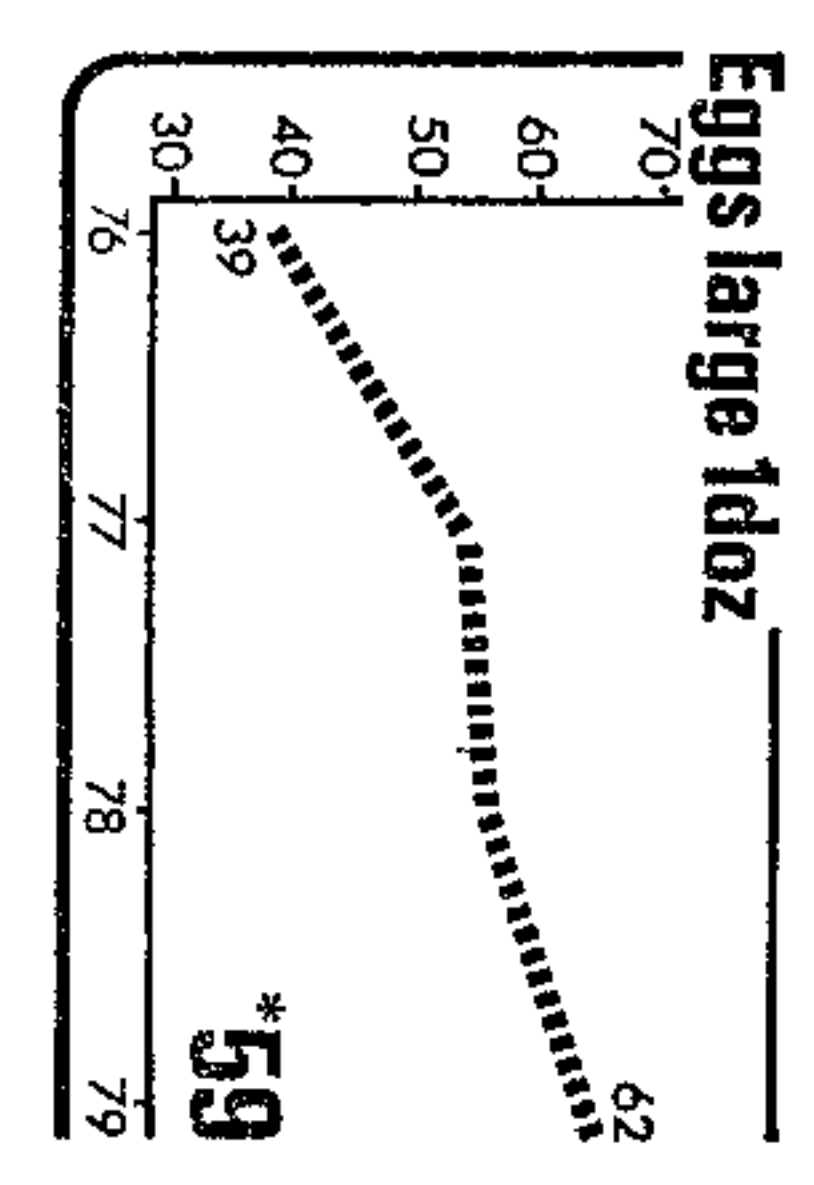
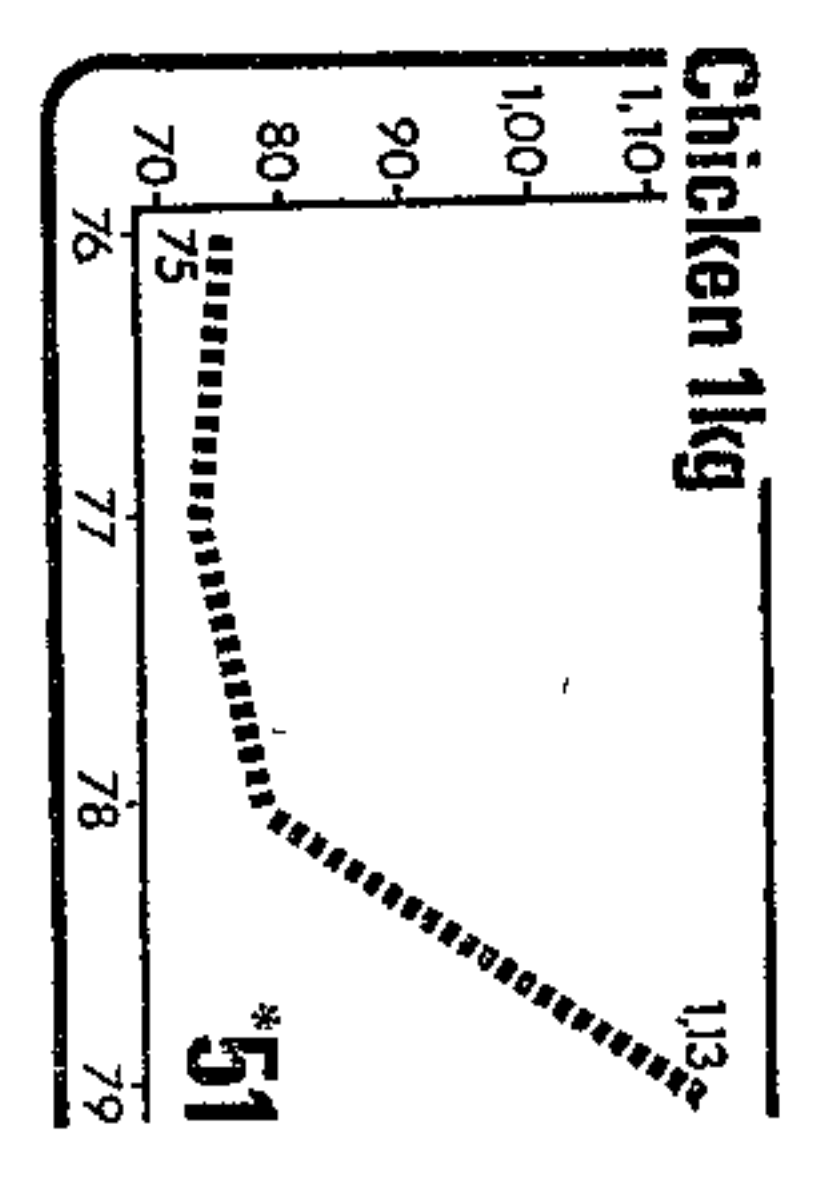
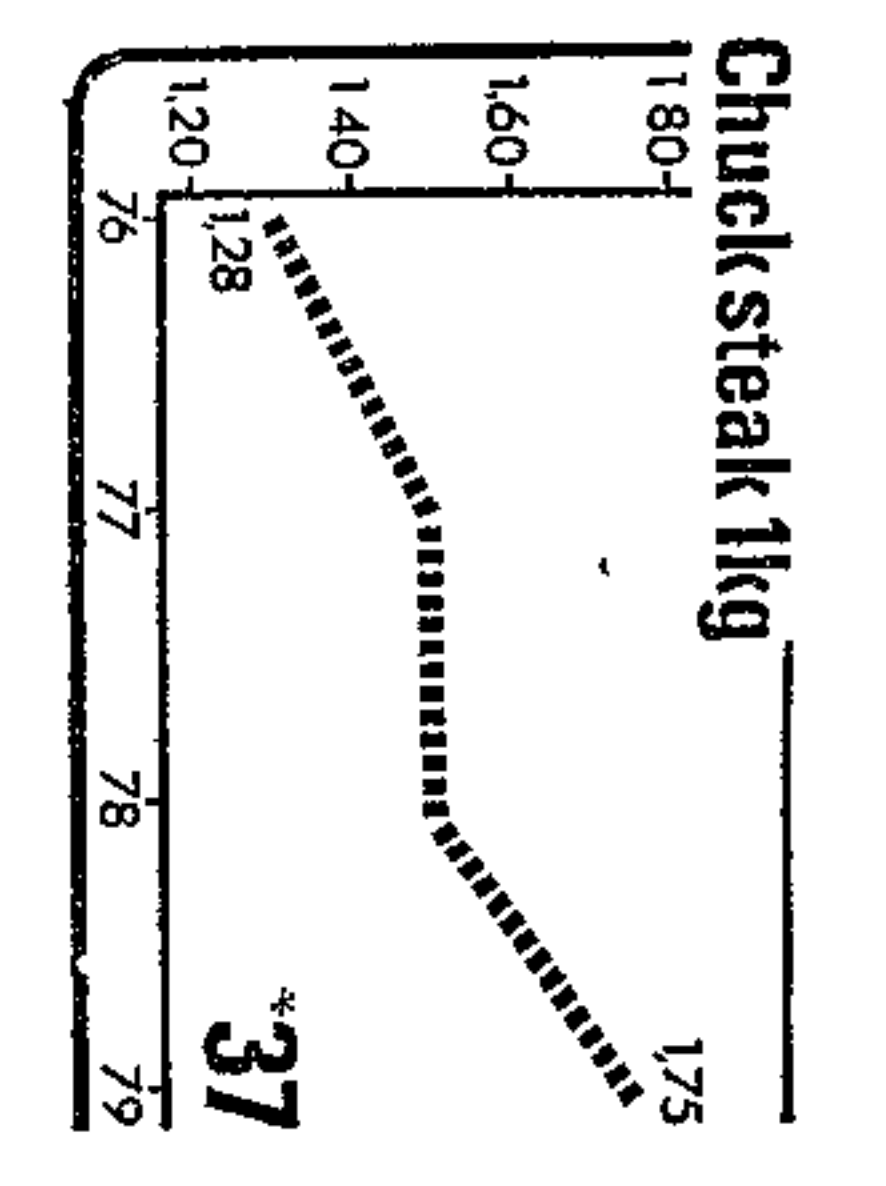
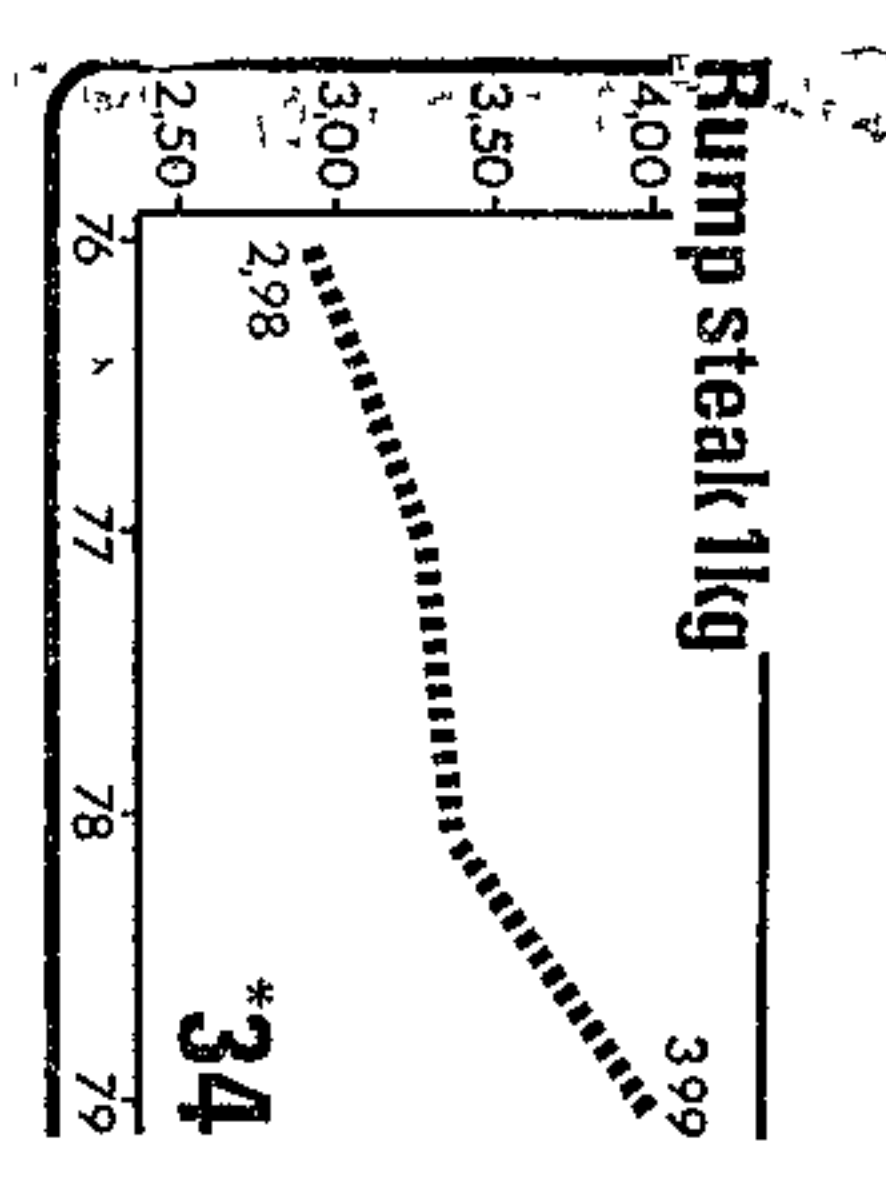
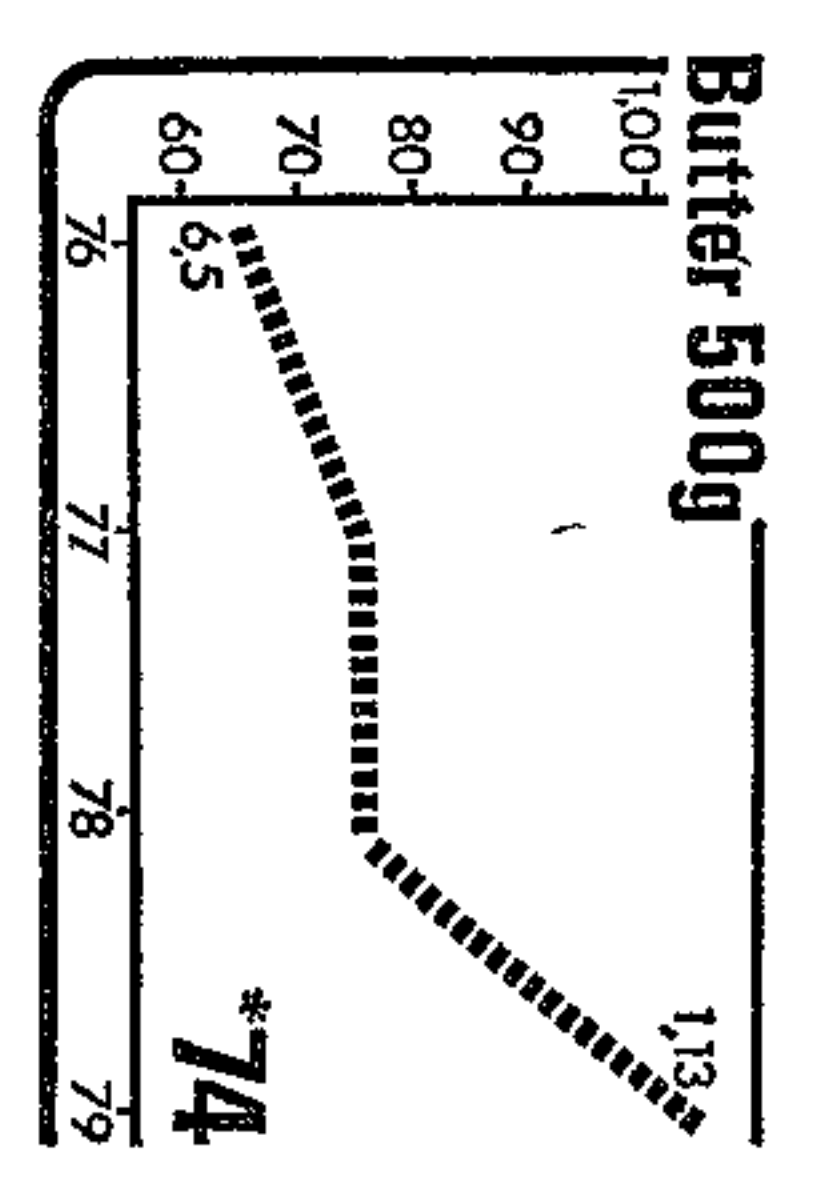
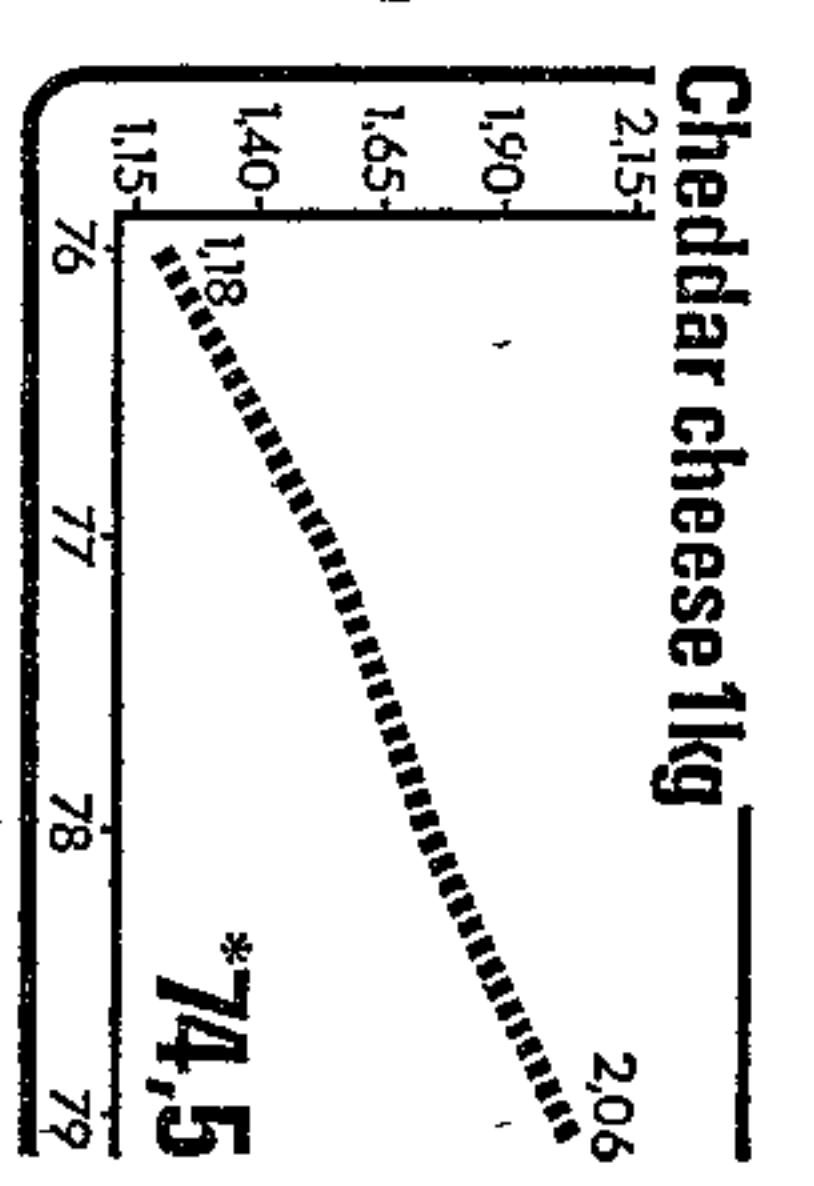
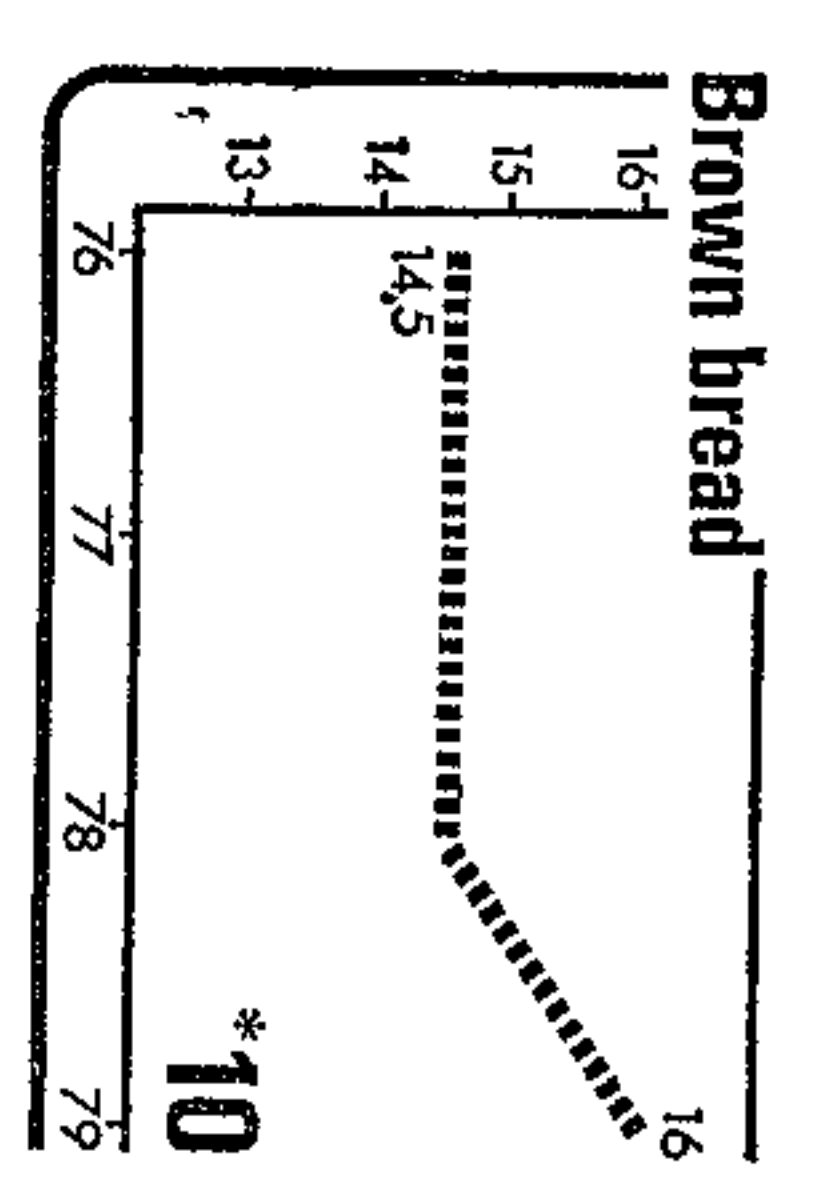
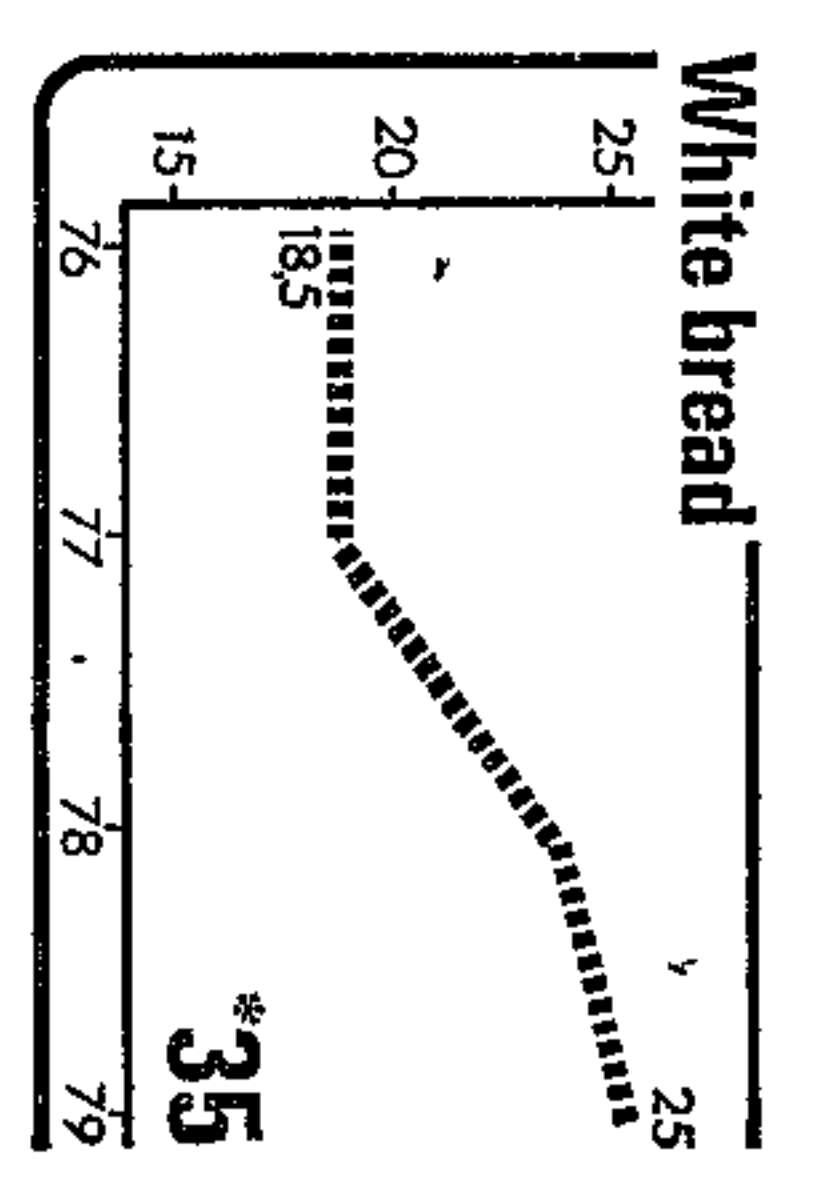
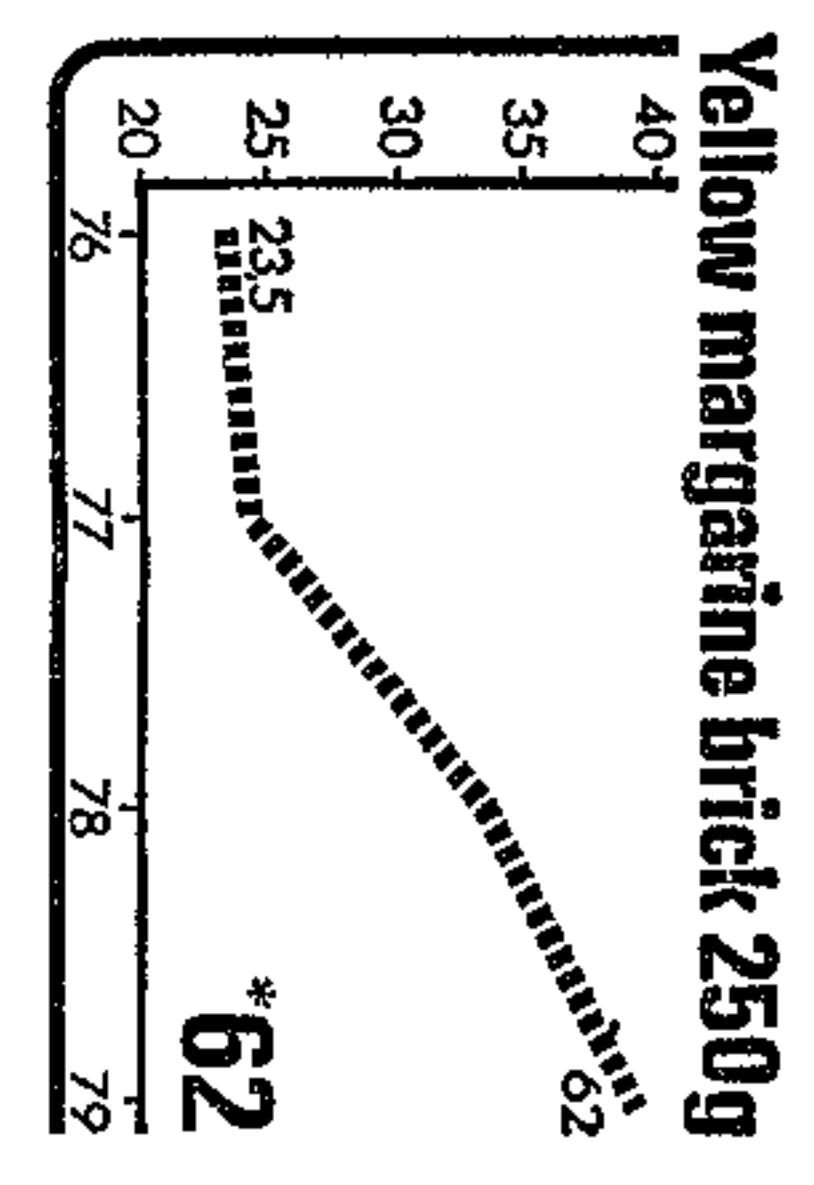
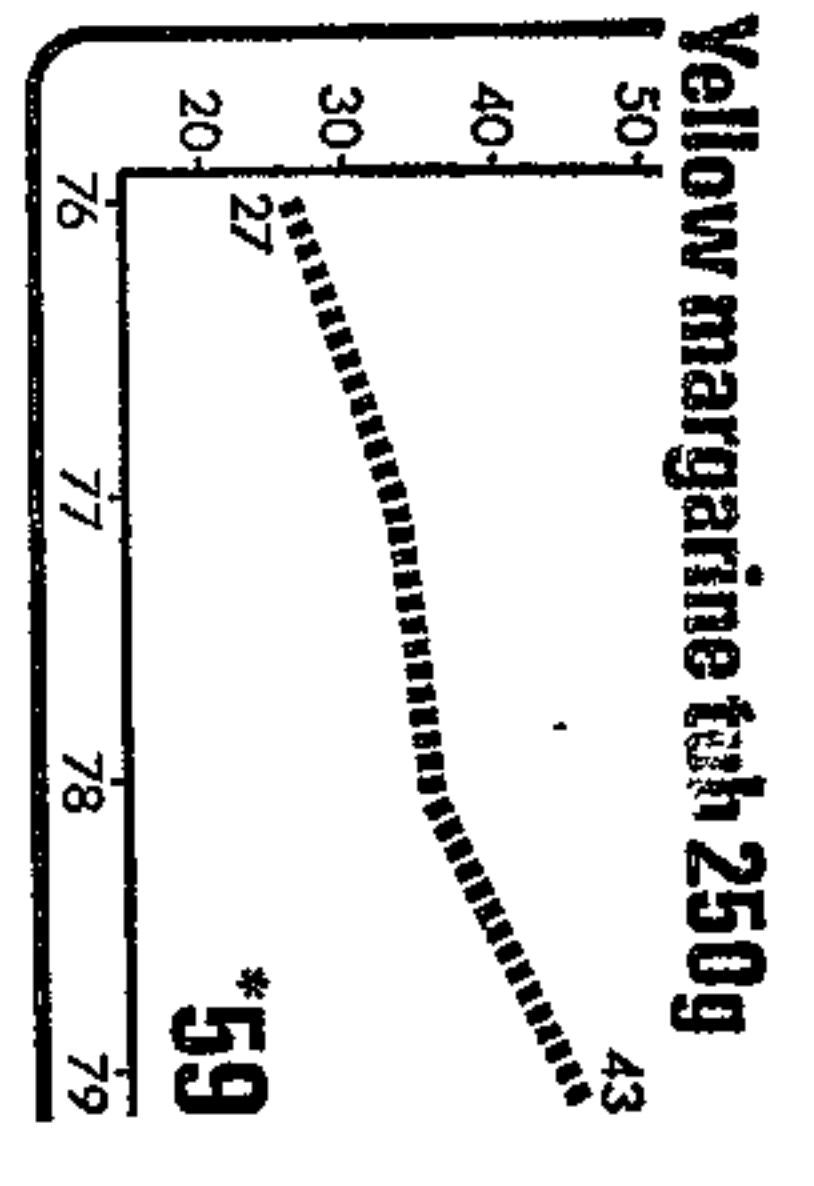
Opposition financial spokesman Mr Harry Swartz has warned that Government failure to keep a tight grip on prices could stretch inflation to 20 percent by the end of 1979.

A gloomy picture indeed.



The household shopping adds up to more . . . and more . . . and more.

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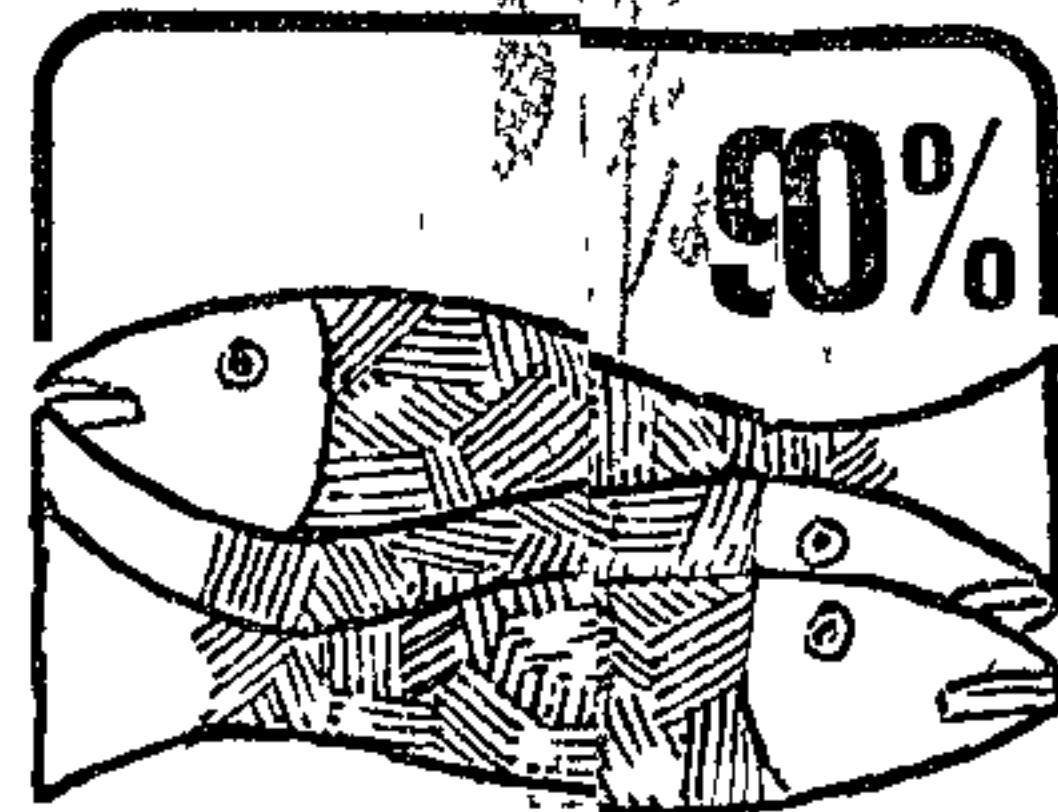
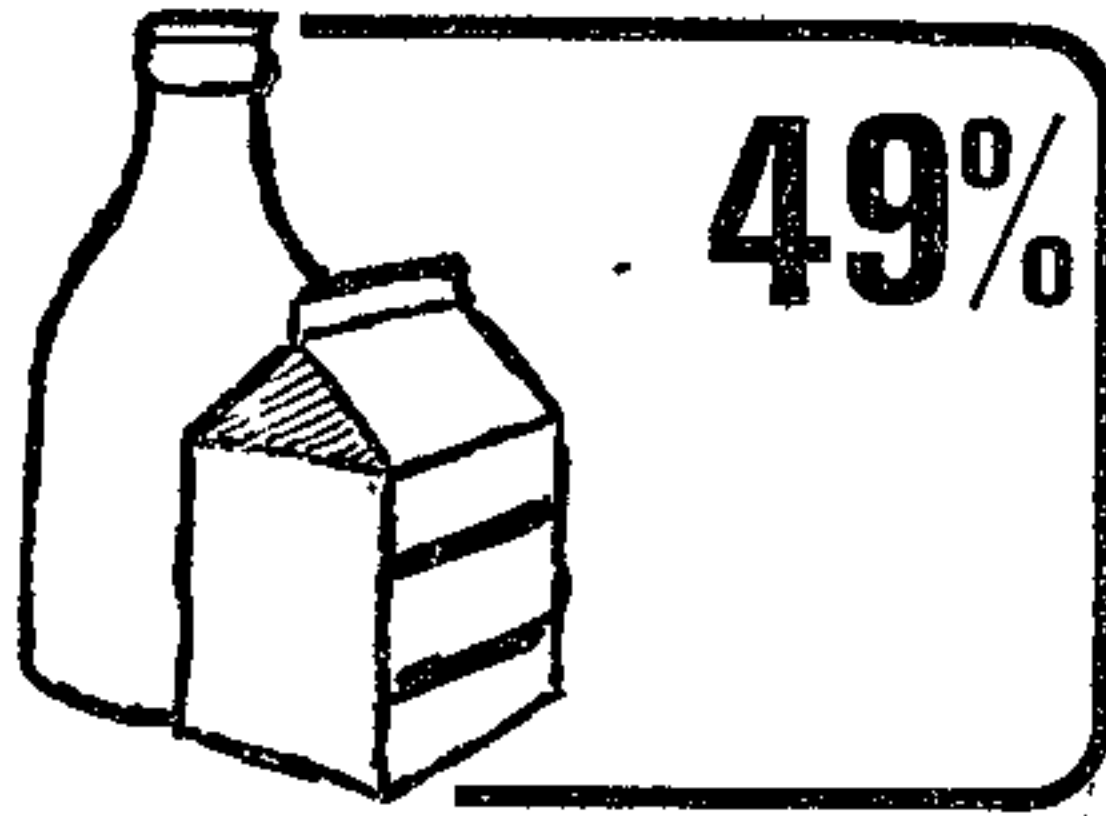


Prices for '79 include GST
*Increase percentage

Prices for '79 include GST
*Increase percentage

Prices for '79 include GST
*Increase percentage

Prices for '79 include GST
*Increase percentage



By Melissa Rawlinson

The embattled consumer is now paying at least 55 percent more for a shopping basket of basic items than she did in 1976

The prices shown in the graphs on this page are those operative in supermarkets in June of each year. Those people unable to make use of the major chains — and Housewives League vice-president Mrs Yvonne Forshaw points out that supermarkets serve only 40 percent of the population — have been paying more.

Which year hit the consumer worst? The biggest jump came between 1976 and 1977, when the cost of a

shopping basket leapt by nearly a quarter.

(Consumers have viewed 1979 as a black year so far, but prices have increased by just more than 17 percent since June last year.)

By 1977, consumers were paying over 87 percent more than in 1976 for a tin of instant coffee, thanks to the soaring world market price as a result of crop failures.

At R2,79 the cheapest coffee then was more expensive than this month's price.

Sugar leapt

Another commodity affected by world prices was tea, which went up by more than 40 percent in the first year of our survey.

Sugar took the first of its price leaps then, with consumers paying

60 percent extra. Today it costs nearly 1½ times as much as it did in 1976.

This basic commodity affects the prices of a host of processed products: tinned fruits, jams, jellies, fruit squashes and confectionery, all of which have risen steadily.

Eggs, presently the subject of consumer concern with another rise inevitable this year, cost 36 percent more in 1977 than in 1976, while cheddar rose by a third.

Marg war

By 1978, consumers were paying more for such products as hake, which went up by nearly 40 percent. Tinned fish also went up, because of lower fishing quotas.

Remember the margarine price war of

August 1977 when some brands dropped to 15,5c for a 250g brick? Housewives may have profited then, but by June of the following year, the price was 33c — an increase of over 37 percent in a year.

Giving the consumer a brief respite, the prices of brown bread, butter and chuck remained constant in 1978, while coffee and oil actually dropped, coffee by over 4 percent.

Sugar and tea continued to rise, however, while white bread jumped by 5c. Pork sausages went up by nearly 20 percent, and rice having dropped slightly in June 1977, was up by 10 percent.

If 1977 was a bad year, and 1978 the Year of the Consumer, people will still be slow to forget the stag-

gering increases of the past few months.

Dairy products have risen by as much as a half (butter) in the last year, chicken again by nearly a half; oil and milk by a fifth; and skim-milk powder by a third. Margarine is up by between 15 and 20 percent, while chuck and rump steak now cost more than 15 percent more.

The Big Three

What are the reasons for the price escalations? The "Big Three" — fuel, fertiliser and animal feed — are the principal factors, affecting virtually every consumer product.

Petrol has risen by 128 percent since April 1976, and there have been comparable increases in the price of diesel, which is vital to farmers.

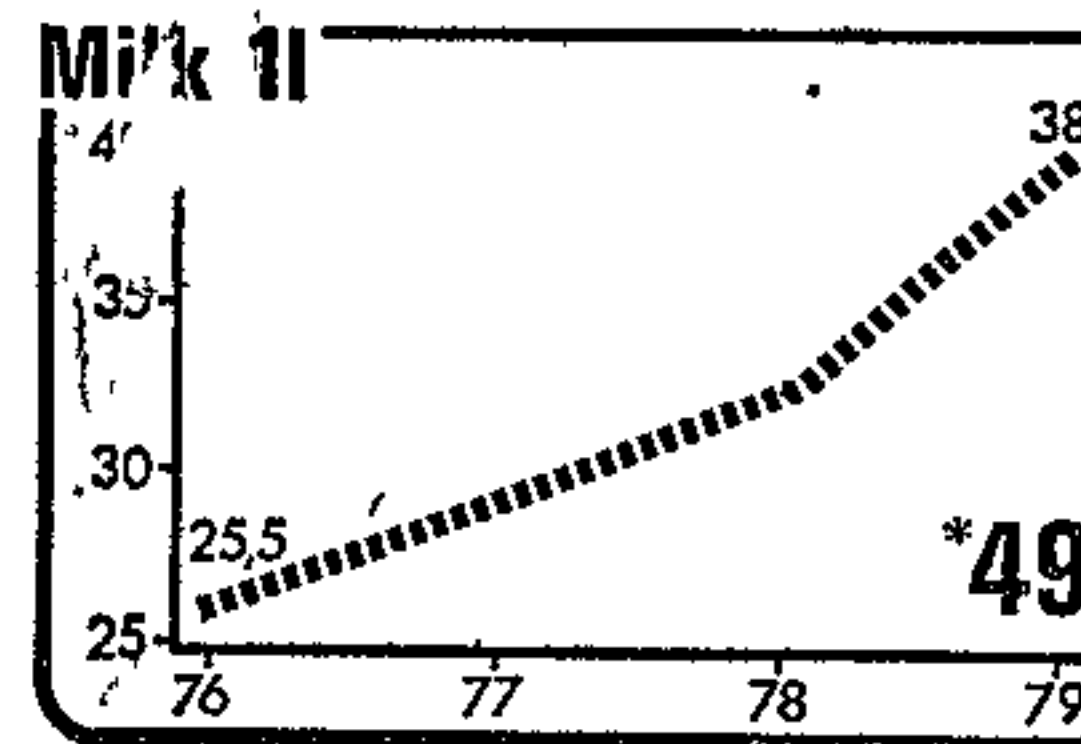
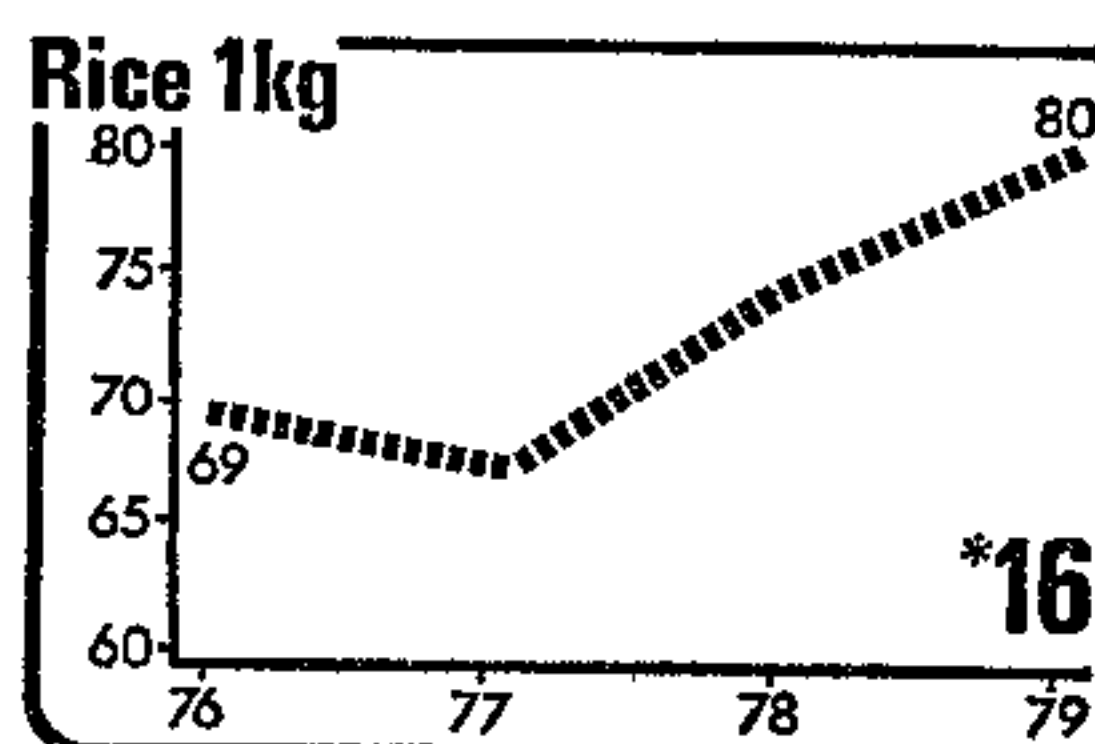
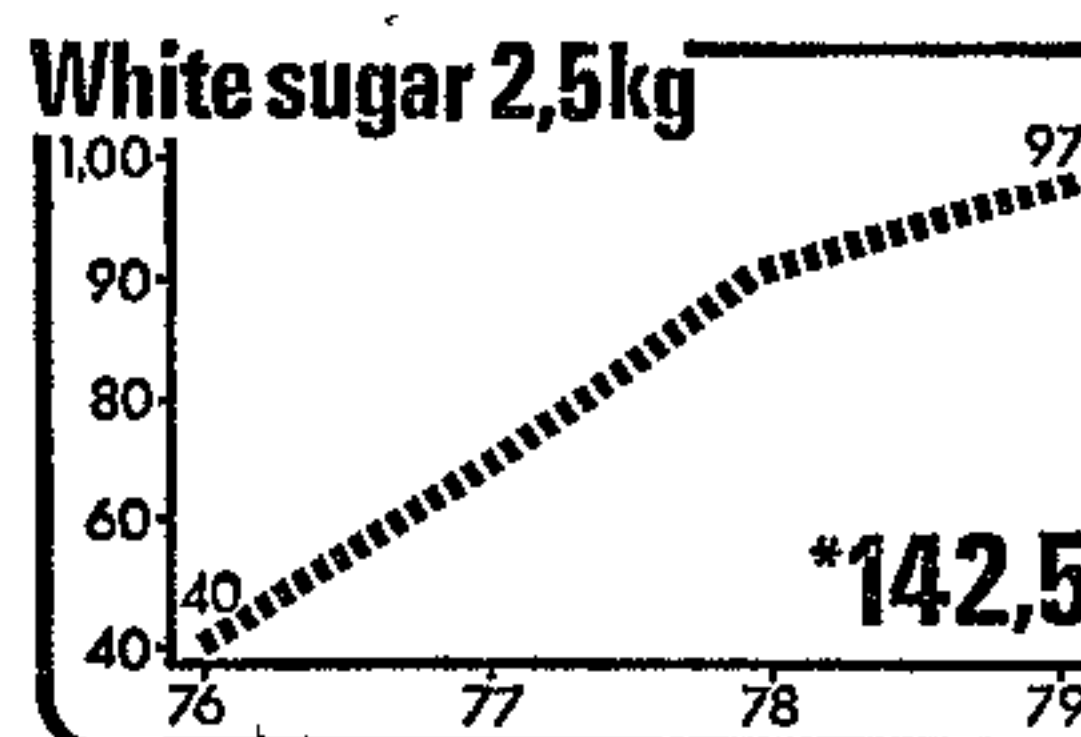
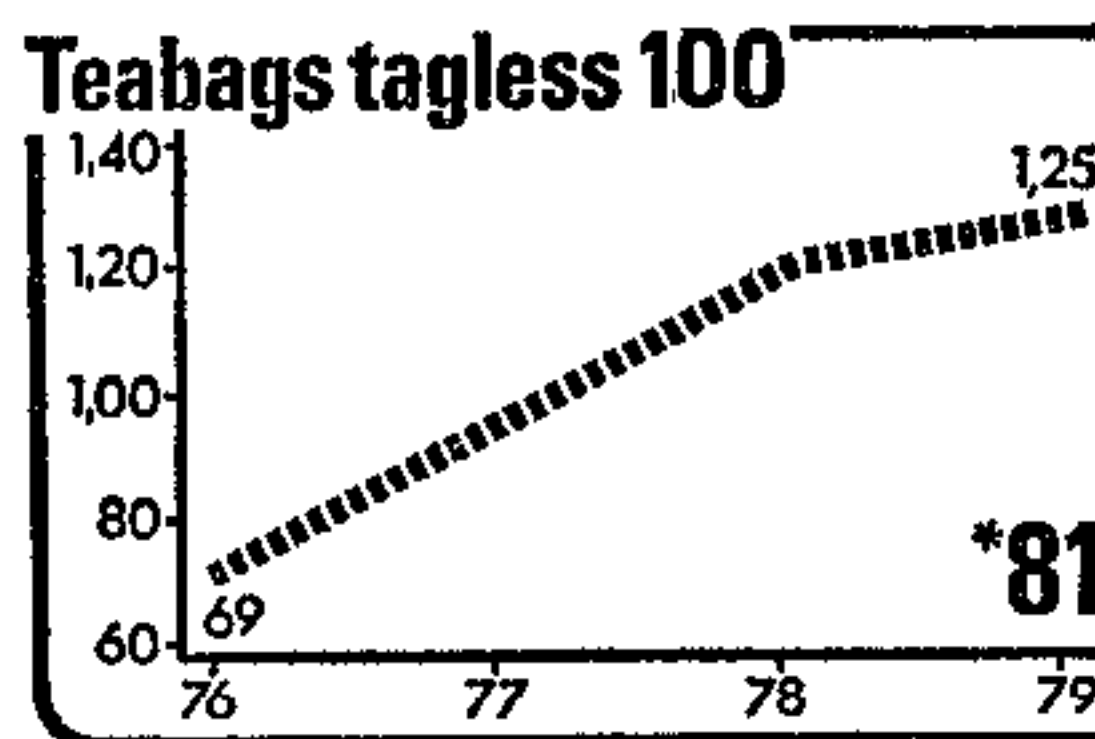
Maize vital

Rail tariffs also have a considerable effect on transport costs.

Fertiliser prices have risen steadily: six percent in early 1976, 13,5 percent in February 1977, 14,3 percent the following year and another 14 percent this year.

Fertiliser forms a third of the maize farmers' costs, and when the maize price goes up it boosts the feed costs of meat producers and poultry farmers.

But maize is not only vital to farmers, it is a staple food for

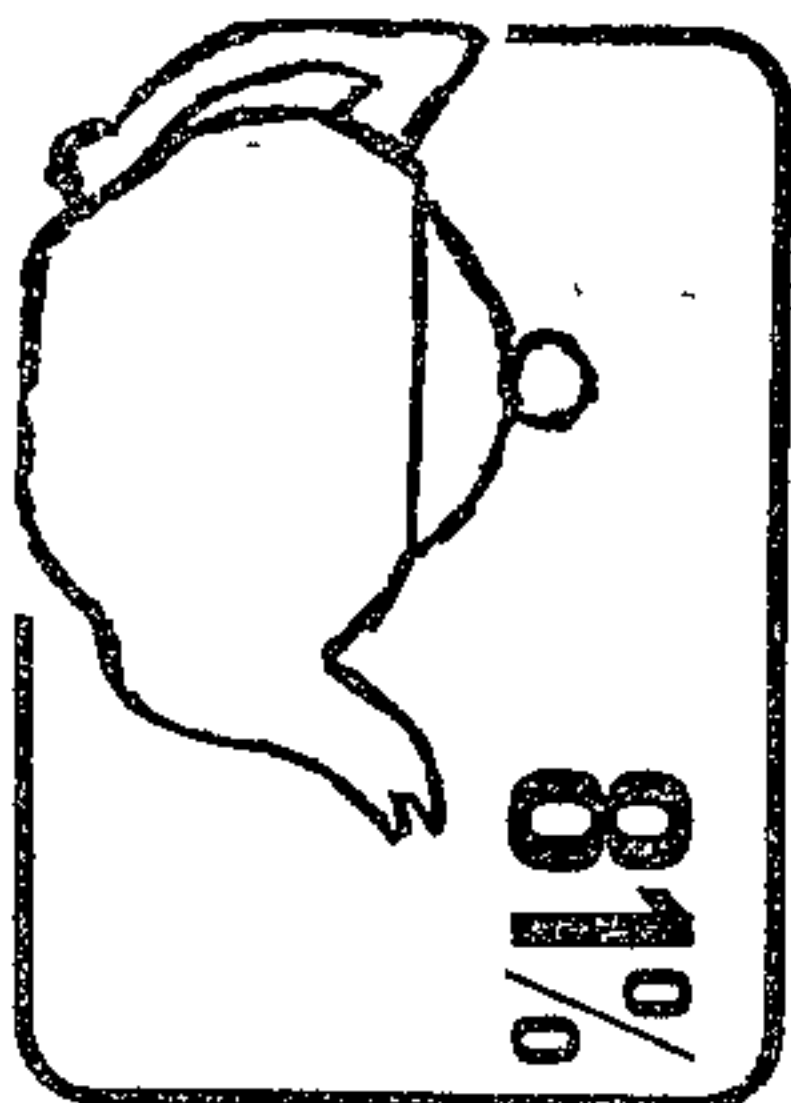
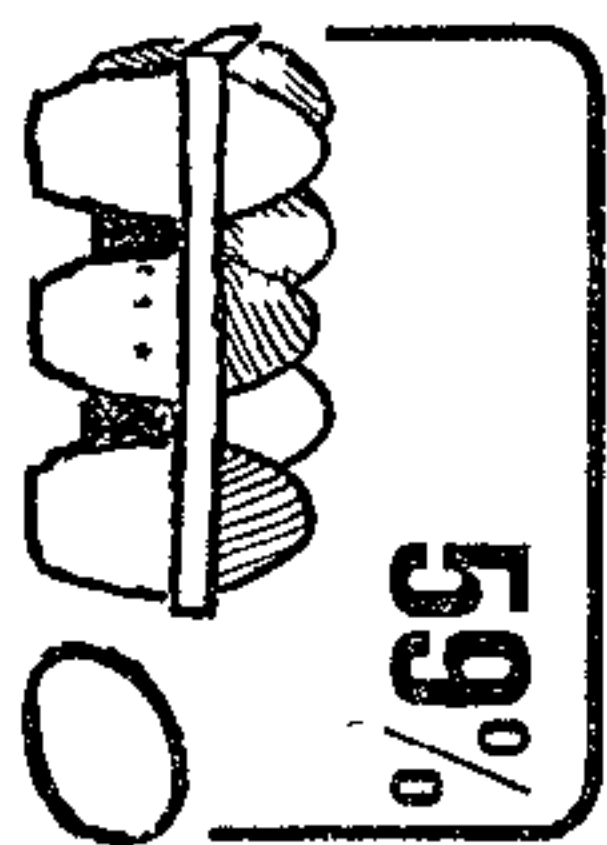
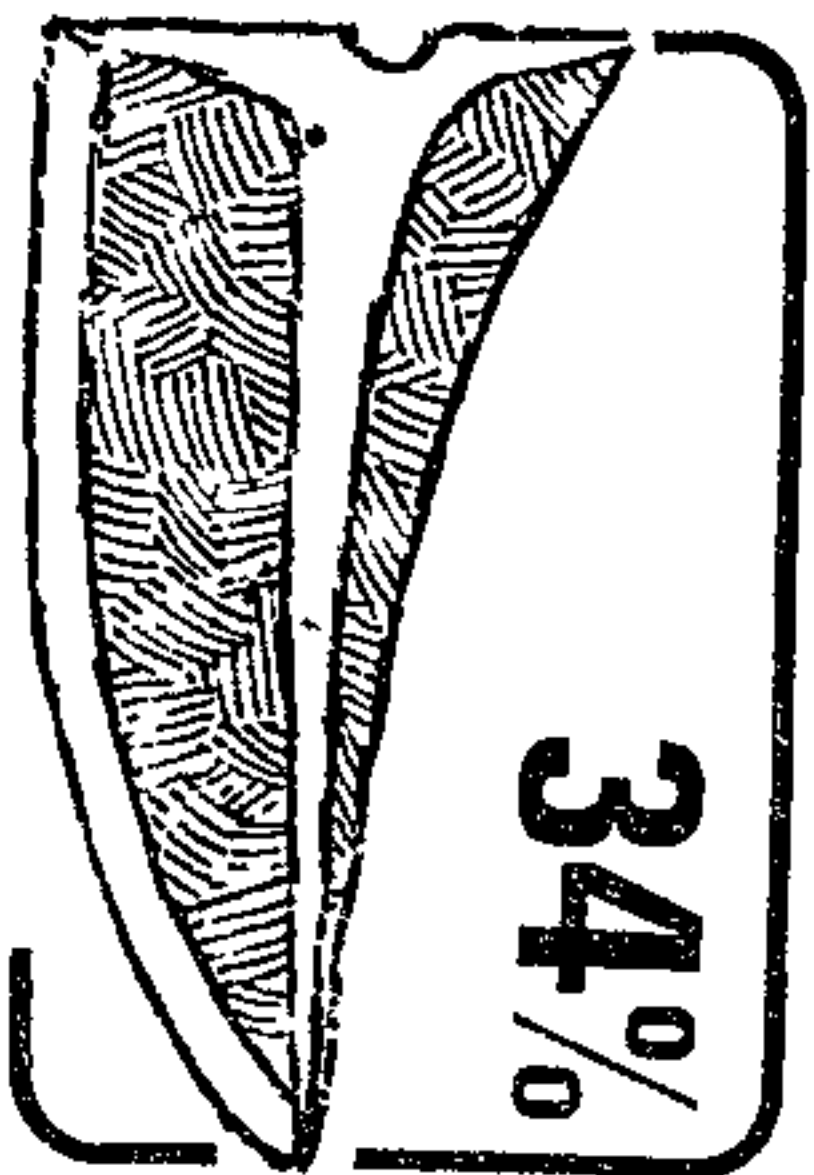
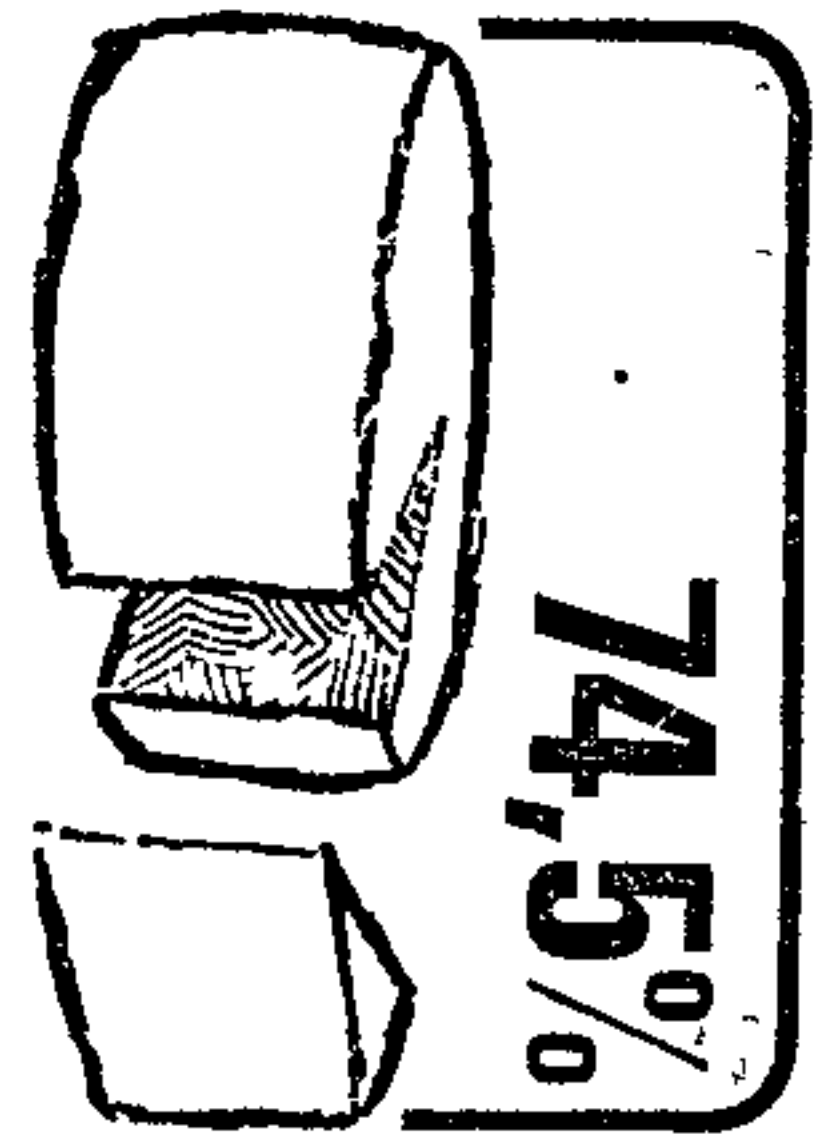


Prices for '79 include GST
*Increase percentage

Prices for '79 include GST
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MARKET FOR THE POOR

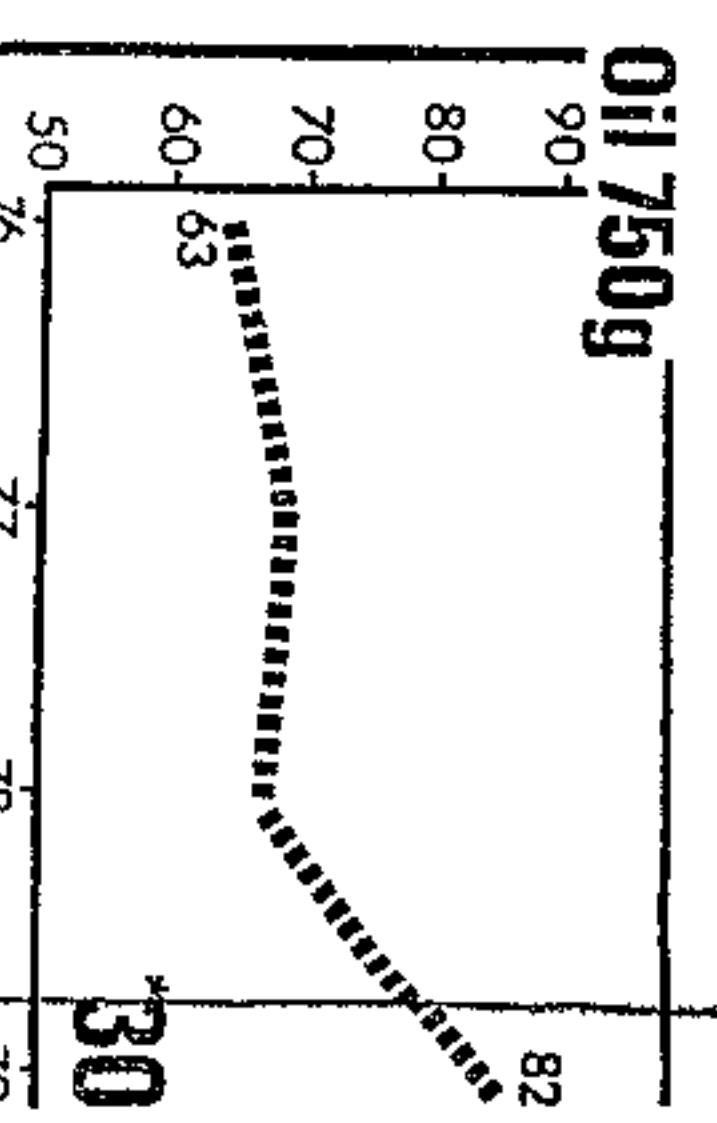
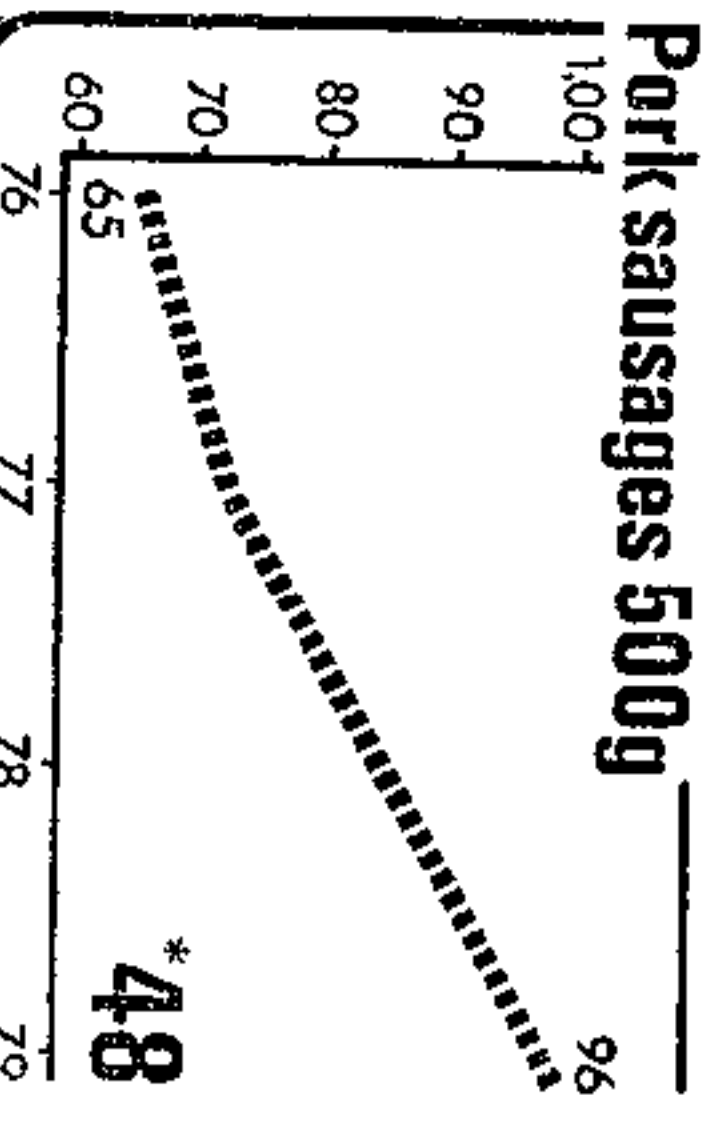
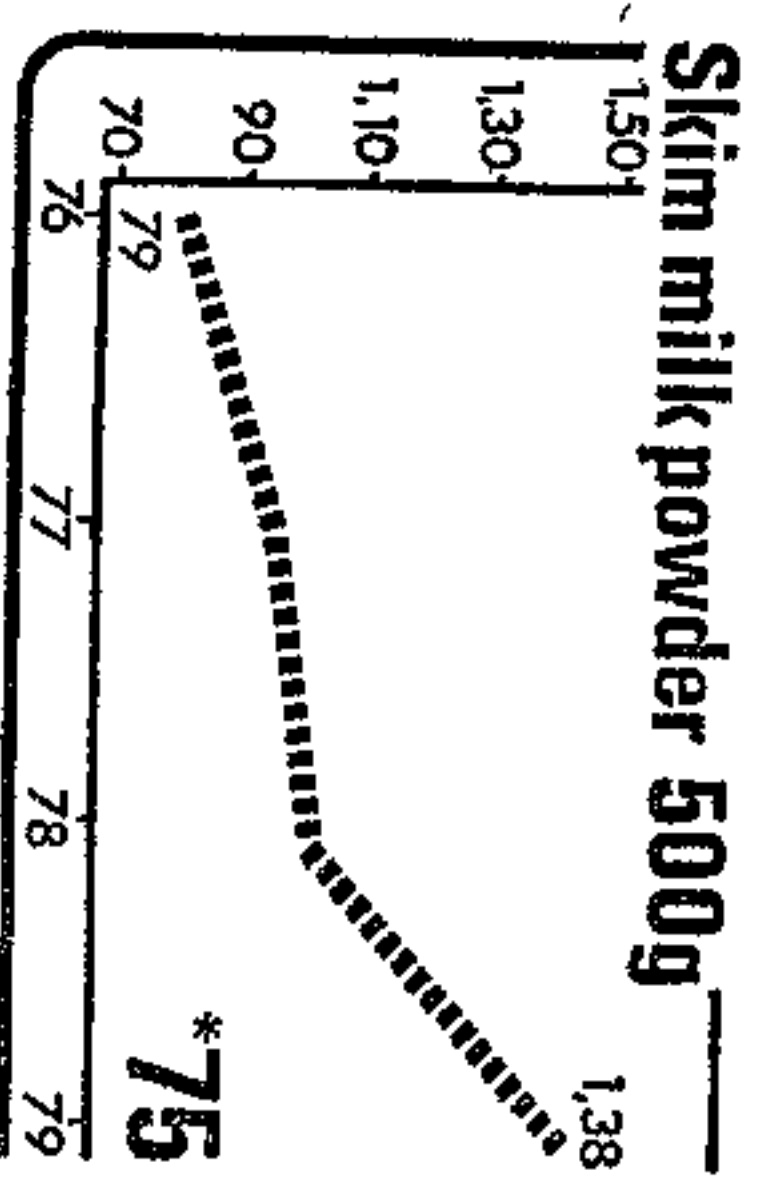
From previous page

most of the country's poor. This year's stunning 22 percent increase does not only mean higher meat prices (among others) — it spells hardship for those already struggling to feed themselves.

play their part in the price spiral are raw material costs, labour and power. Taxation should not be forgotten either customs and excise, import surcharges and sales tax all make their contribution to higher prices. There seems to be no end in sight to the tidal wave of increases swamping the consumer.

Other factors which

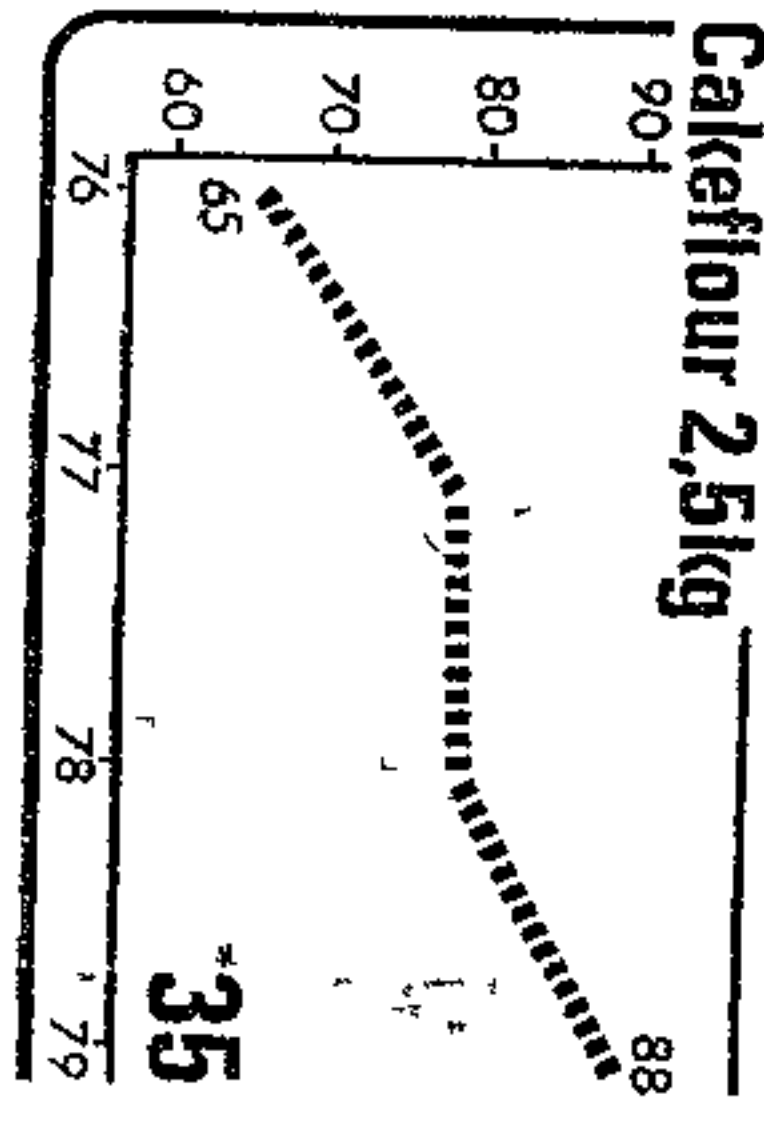
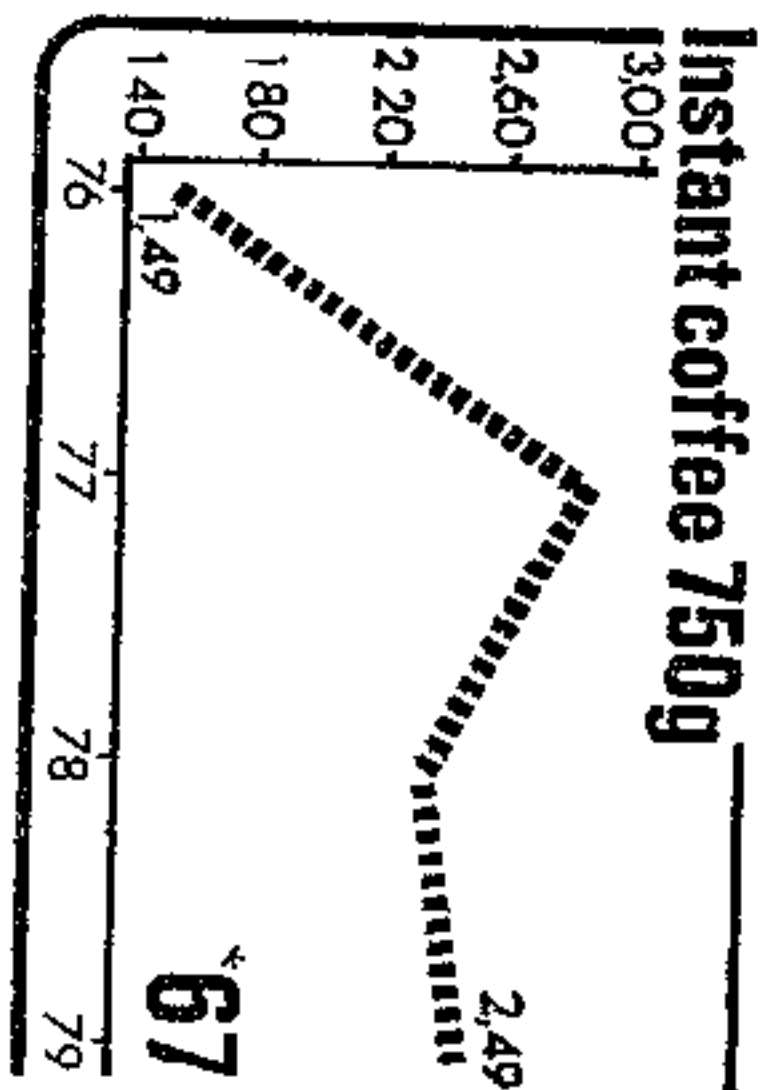
and tea are absolute essentials for the poorest of the poor," commented Mr Eugene



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Roelofse the SA Council of Churches' ombudsman. 'Commerce likes to tell us that they advertise in order to create bigger markets which will have the effect of stabilising prices. These increases make a nonsense of that theory, and also appear to be the ultimate joke at the expense of the Government, which claims the consumer figures somewhere in its calculations,' he said.



Sugar to go up again

(244)

DURBAN - A warning that the price of sugar would have to be increased again to help the industry overcome its financial deficit was given here yesterday by the chairman of the South African Sugar Millers' Association, Mr Frank Jones.

In his chairman's statement, he said the industry was R50 million in debt. The price stabilisation fund was exhausted and a further increase in the domestic prices of sugar and molasses was one of the few avenues available to reduce the deficit.

"Against the background of continuing high

inflation I believe regular and moderate price increases must continue to be made to meet increasing production costs and also to avoid the disruptive effects of large and infrequent price adjustments," he said.

Mr Jones found two reasons to be optimistic about the future of the international sugar market.

That the world price of sugar would rise to the minimum R208,80 a ton, set by the international sugar agreement before the end of the current season and that the European Economic Community would be persuaded to curtail exports of heavily

subsidised beet sugar under pressure from America.

The current world price of sugar is 25 per cent below the ISA minimum and compares with the R291 a ton for white and R267 a ton for brown now earned from local sales. This just covers production costs.

Mr Jones urged the government to grant permission for more cane areas to be opened up in the eastern Transvaal, KwaZulu and on the Makitini Flats for the production of ethanol and for a change in the policy on duties and levies. — SAPA

Issued by the Central Booking Office, Students' Union P.O. B.X. 758 011 370

THURSDAY 8 MARCH	
A.202 (Arts)	18.00 hours
Rhodes Room	19.00 hours
Beatle Theatre	
A.114 (Beatle)	13.00 hours
Meeting: Conservative Students Alliance	
Meeting: Intercity Society	
Cheese & Wine: Historical Society	
Campus Capers Auditions	
THURSDAY 8 MARCH	
Education A.A.	20.00 hours
N.S.L.T.	19.00 hours
Beatle Theatre	19.00 hours
A.215 (Arts)	13.00 hours
Yoga classes: Yoga Society	
Campus Capers Auditions	
Film: RAG: "Taxi Driver"	
Film: Film Society	
A.202 (Arts)	13.00 hours
Film: A.F.C. - The Ascent of Man - Beginning of Agriculture in the "Nomadic way of life"	
Yoga classes: Yoga Society	
Film: Alexander the Great & the Hellenistic World (10 min)	
Film: The Roman World (25 min)	
Film: The Decline of the Roman Empire	
Film: Historical Society	
Beatle Theatre	13.00 hours
WEDNESDAY 7 MARCH	

Steel price goes up 12 percent

PRETORIA — A steel price increase of 12,2 percent from today was announced here yesterday by the chairman of the South African Rolled Steel Producers' Coordinating Council, Mr. K. R. Rummelin, who is also general manager of Iscor.

Meanwhile, Dr. Tom Muller, chairman of Iscor, said yesterday the increase in the steel price would only have a minimal effect on the consumer price index. He gave the following examples:

The steel content of a small car would cost R13 more and that of a large car R29 more. It was estimated that the price of a stove would increase by R2, and the price of a fridge by R2,50.

From Iscor's point of view the increase had been necessitated by the continuously rising input costs as the result of the inflation rate of more than 12 percent.

This situation was aggravated by the fact that, in the case of Iscor, coking coal, iron ore and other materials were being mined under increasingly difficult conditions and high-grade coal was very scarce and expensive.

In spite of an increase in productivity of 5 percent achieved by Iscor, the corporation could not cope. Compared with prices in other countries, Iscor's steel was still cheaper. Dr. Muller said.

He pointed out that the price of steel was adjusted only once a year in South Africa, compared to quarterly adjustments in other countries.

The last increase in South Africa was one of 10 percent in September last year. — (Sapa.)

Coal price rise is cold comfort for consumers

With most of South Africa in the grip of a cold snap, Transvaal coal users have been hit by a five percent increase which raises the price by 11c a bag.

sentheid wat die jaar-
betug aan lede van die
Beheerraad vir hulle
in die aangeleenthede van
te benewens h bydrae tot
ook vir die Sentrum
nte voorsien. Met die
s die huise op die laer

Demand for coal and anthracite has soared this winter, and while there is no shortage of coal, insufficient supplies of anthracite are reaching distributors, Mr Wilf Stoloff, chairman of the Coal Merchants Association of the Transvaal, said today.

"We are only getting about 10 percent of the anthracite we need to meet the demand. We have a backlog of orders totalling 1 400 tons

"We asked for this increase because of higher transport costs — the rise in the diesel price has hit us hard. The R1,21 a ton increase granted is not enough to absorb our total costs," he said.

With the average home in Soweto using six bags of coal a month black consumers will be particularly hard hit by the increase, as coal is their main source of heating.

Temperatures have dropped over most of the country with snowfalls in some places and several towns recording temperatures below freezing point.

The Transvaal will be cloudy and cold with light rain in places for the next 48 hours, according to a spokesman for the weather bureau in Pretoria.

Snow fell on the Lootsberg, Renosterberg and Joubertsberg. In some places the snow was five cm deep. In Natal, snow fell on the southern Drakensberg. The whole Natal interior was extremely cold today.

Snowfalls were also reported at Cathedral Peak, Cathin Peak, Giant's Castle and Sam Pass last night. There is still snow lying in the upper areas around Underberg and Mont-Aux-Sources

Mr E. V. E. Howes
Professor M. F. Kaplan
Ds. W. A. Landman
Mr G. K. Lindsay
Sir Richard Luyt
Professor S. J. Saunders
Professor H. W. van der Merwe
Mede-professor D. J. Welsh
Professor Monica Wilson

Die Direkteur het aktief gebly in die Suid-Afrikaanse Instituut vir Rasse-Verhoudinge as 'n lid van die Weskaap-

(c) Deelname aan Welsyns-Professionele en Openbare Organisasies

Konferensie van die Afrikaanse Calvinistiese Beweging, Potchefstroom (Oktober).

Mennonite Central Committee se Konferensie oor: 'Die Rol van Geskiedkundige Vredeskerke', Gaborone, Botswana. Verhandelings voorgelê oor 'The Role of Churches in Promoting Justice in Southern Africa' (Oktober).

a) Drie stigterslede.

Soos voorheen gemeld, is geregistreer as 'n maatskappij Statute van Vennootskap word benoeming van eenhonderd lede hulle sluit die volgende in.

LII

More snow has been forecast for Underberg, but a spokesman said that as yet the weather was cold and overcast.

Soweto families will have to pay 10c more a bag of coal from today as a result of a decision taken at an emergency meeting held by the Soweto Coal Dealers' Association at the weekend.

The chairman of the association, Mr Douglas Mtshaulani, said today they would absorb one cent of the 11c increase announced by the Transvaal body.

Food prices boost the CPI spiral

4000 21/7/79
 (June)

QUESTION
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By HAROLD FRIDJHON
 WITHOUT taking into account the increased petrol price, the Consumer Price Index (CPI) rose by 15 % in June compared with the figure for June a year ago.

Of greater significance is the sharp acceleration in the food content of the CPI.

The index for food alone went up from 258,3 in May to 264,2 in June, an increase of 2,3 % over the month

Compared with June 1978 the leap is a startling 18,7 %

The CPI index figures for June were 239,5 compared with 211 a year previous and 236,8 in May 1979

This means that in the month the index went up by 1,1 %; in other words the rand lost a cent in a month.

And that's without taking into account the fuel price rise and its repercussions throughout the economy, the increase

in the price of coal and, of course, the threatened rise in the bread price.

Except for a slight hiccup in February and May when the cost of living was nudged fractionally higher, the trend this year has been sharply upwards

In January the year-on-year rise was 11,6 %, February 11,23 %, March 12,63 %, April 12,77 %, May 12,76 % and now 13,5 %.

This has been higher than some of the authorities have been forecasting. This week, Mr J Stuart of the Bureau of Economic Research of the Stellenbosch University said the inflation rate at the half-year would be between 12 % and 13 %.

Mr F.W Kilian, the bureau's chief economist, fears that the inflation rate will be 15 % by the year-end

He holds that if it were not for the fact that the 2,8 % add-

ed to CPI by GST statistically falls away at the end of the month, this year's real rate would be closer to 18 %.

By the way in which inflation is hitting the public purse, that 18 % erosion in the buying power of the rand is already with us.

The lower-income group has been hit hardest by the jump in the June figures.

The index for this group went up 3,1 percentage points over the month to 239,4, making the June increase 1,3 % for the month and 13,7 % for the year

The middle-income group index at 239,2 against 236,6 in May reflects a 1,2 % rise for June for the month and 13,7 % for the year.

The higher-income group index moved up 2,6 percentage points in June against May which is a 1,1 % for the month and 13,3 % for the year.

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method

b) deferral method

Assume the tax rate remains 42%

'Wage, price freeze won't halt inflation'

1-k tot die 5-11-79 se

MEASURES such as direct restrictions on price and wage increases would not offer an effective solution to the problem of inflation in the medium and longer term, the Minister of Industrial Affairs and Trade and Consumer Affairs, Dr Schalk van der Merwe told a Press conference in Pretoria yesterday.

Speaking after a meeting with the continuation committee concerned with implementing an action programme against inflation Dr Van der Merwe said the meeting was unanimous in its view on these matters.

"In fact, there was general agreement that such a policy would jeopardise growth and would, therefore, from an anti-inflation point of view, be counter-productive.

Although the committee did not take any firm decisions with regard to further immediate action in the fight against inflation it had been agreed to

put the standpoints and other suggestions by the representatives of the various private and public sectors present yesterday to the Prime Minister's Economic Advisory Council.

Dr Van der Merwe said the council was expected to meet in the near future, when it could formulate a general policy standpoint and make specific recommendations on possible steps to combat inflation.

During yesterday's meeting there was also a general consensus that the problem of increasing inflation was a worldwide phenomenon which could be successfully combated only if all parties concerned made their contributions as in the past.

"Furthermore, there was general agreement that there was no ready-made solution to this problem, particularly as most of the underlying causes of the problem such as the recent increases in the price of

crude oil, were beyond the control of South Africa," Dr Van der Merwe said.

All parties agreed that, although much had been achieved in accordance with the original objectives of the adopted 1975 manifesto towards increasing productivity, among others, through better training and utilisation of manpower, the country should still persist in this direction.

"Indeed, it was felt that an increase in the productivity of all productive resources — that is, capital, labour and management — constituted the best method of combating inflation successfully in the medium and longer term," Dr Van der Merwe said.

The Government wanted to draw investment and create employment opportunities and although the Government could not do all this immediately, Dr Van der Merwe was confident it could be achieved — Sapa

... (Central Committee konferensie oor 'Die ... van die edelwige ...', Gaborone, Botswana ...)

... (Afrikaanse ... Beweging, ...)

... (1978-1982)

... (in die ... in die ...)

... (in die ... in die ...)

... (in die ... in die ...)

WAARDERING FN DANK

... (in die geleentheid ...)

... (in die geleentheid ...)

9/8/79
 3-11-1979
 2004

Meat price will soar next year

JAARVERSLAG

Own Correspondent

The Meat Industry spokesman for the South African Agricultural Union, Mr Jan van der Walt, expressed concern over a long-term increase in meat prices.

Now that the winter is far advanced and stock is generally in poor condition farmers will send fewer cattle to the market, preferring to wait until rain and summer grazing can improve their condition.

But more cattle from feed lots will now be marketed

This supply is expected to dry up when grass-fattened cattle from the Northern Transvaal are sent to the market again.

An almost normal supply of beef will reach the urban consumer for most of the coming summer period but at higher prices than at present.

The crunch will come, presumably, after March 1980. If the coming season should bring normal rains

a long-term scarcity of meat is likely to develop. During the recent drought farmers have slaughtered so many breeding stock that it will take some years to restore a normal long-term supply.

Beef will be increasingly on a sellers' market which will last for some time. How far the meat price will then climb will depend, mostly, on how far the farmer is compelled by present low prices to slaughter breeding stock.

And butchers may raise their margins when turnover falls and a sellers' market develops.

T.V. T.V.

66 CM. FAMOUS MAKE
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 R529
 BRAND NEW

Stockist of
 FUCHS, PHILIPS,
 TELEFUNKEN, SALORA,
 BLAI SONY,
 BA

Barley-Trust wat ingevoelge die testament van Sir Abe Bailey gestig is Dit is geregistreer as The Abe Bailey Institute of Inter-Racial Studies Limited (Beperk deur Garansie) - 'n maatskappy beperk deur garansie en sonder 'n aandeel-kapitaal kragtens die Maatskappywet 1973 (Wet Nr. 61 van 1973)

c) Ander lede.

Mnr K. Bosman
 Professor A. Cupido
 Mnr N. Daniels
 Mnr Achmat Davids
 Professor R.J. Davies
 Professor J.J. Degenaar
 Mnr René de Villiers
 Dr I.D. du Plessis
 Professor J.J.F. Durand
 Professor J.B. du Toit
 Mnr A. Fiederman
 Professor R.F. Fuggle
 Mnr G.J. Gerwel
 Eerw. D. Guma
 Professor A. Paul Hare
 Dr Gertrud Heydorn
 Mnr F.A. Jacobs
 Mnr H.M. Jimba

Mnr H.W. Middelman
 Eerw. M.T.L. Moletsane
 Professor A.D. Muller
 Sheik A. Najaar
 Mnr Victor Norton
 Professor N.J. J. Olivier
 Mnr L. Phillips
 Professor H.P. Pollak
 Mnr W.J. September
 Mnr Franklin Sonn
 Mnr P.M. Sonn
 Regter J.H. Steyn
 Mnr R. Tobias
 Professor R.E. van der Ross
 Professor J.H. van Rooyen
 Mv. S. Walters
 Professor F.A.H. Wilson

d) Twee Ere-Fellows:

Professor J.L. Boshoff
 Dr Sheila T. van der Horst

Lede word na die Algemene Jaarvergadering van die Maatskappy uitgenooi en kies elke drie jaar 'n verteenwoordiger op die Beheerraad. 'n Verkiesing is in 1978 gehou en die huidige ampsdraer is Biskop A.W. Habelgaarn. Terwyl geen verpligtige aan lede opgelê word nie, word hulle geraadpleeg in verband met sake wat die Sentrum se program raak.

NAVORSING

Gedurende die verslagjaar het die navorsing van die Sentrum die volgende behels.

A. Mobiliteit en Politieke Verandering in Suid-Afrika
 Hierdie projek is 'n paar jaar gelede aangepak. 'n Onderzoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toegesprek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die

Star 15/8/79

Flour, rice and sugar to go up

294

Own Correspondent

CAPE TOWN — Steep increases in the prices of basic foods such as flour, rice and sugar — which would have a ripple effect in sending up prices of other things such as bread, cakes and sweets — are likely to hit the consumer in a few weeks' time.

EXTRA STOCKS

Fearing a big rise in the price of bread, the Housewives' League of South Africa has started a campaign to persuade the Minister of Finance, Senator Horwood, to increase the subsidy to cushion poorer people

The league has written to other organisations and

to business firms explaining that it expects a rise in wheat prices in October to result in an increase in the bread price of up to 6c a loaf

The letter appeals to them to write to the Minister of Finance asking him to increase the subsidy so that the bread price will rise by no more than 2c a loaf.

Supermarket spokesmen said they were laying in extra stocks of rice and sugar because of rumours of impending steep price rises

"Rice is definitely going up," said a spokesman for Pick 'n Pay "We have no details yet but we are expecting a 10 percent rise in the price. We are still trying to find out why"

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede
 Verhandeling voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosio-logiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

Future for sugar prices looks sour

By Sally de Vasconcellos

The retail price of sugar has more than doubled in price over the past three years

It has gone up from 40c for 25 kg to the present price of 93c — and there are rumblings in the sugar industry about a further price increase, but the South African Sugar Association will not confirm this.

The already hard-hit consumer may well ask what reasons there could be for a further increase

The stabilisation fund is depleted. The sugar industry is facing a deficit again this season. By the end of the current season it will owe R50 million in bank loans and the deficit is expected to be greater than the R19 000 000 of last season.

LIMITED

According to the Sugar Association the answer lies in recovery of the export market. At the moment however, there is a worldwide surplus.

Sugar exports are at present limited to a certain tonnage in terms of the International Sugar



Agreement Under normal circumstances the association would export its production to the local market requirements

South Africa's International Sugar Agreement quota for 1979 is 680 000 tons and it has been estimated that 400 000 tons have been exported so far this year.

"At this stage we get a lower price for exported sugar," a spokesman for the association told Fair Deal.

"Over the past few years, the export market was subsidising the local market to a major degree," he continued. He said they had achieved a situation where local market prices covered production but that they had to keep up with production costs

He pointed out that since the last sugar increase, there had been two fuel increases "Although production costs are increasing all the time, one does not like to raise the price too often"

"TEMPORARY"

Despite the industry's ailing financial position, the Minister of Agriculture has been quoted as saying its troubles are only temporary and that bigger profits will be earned when better times arrive on the world economic scene

Consumer spokesmen are convinced that a price increase is imminent

"It will be grossly unjustified as it is detrimental to the black man — it will cause more misery as the cost of living will soar even higher," was the view expressed by Mrs Sally Motiana, president of the Black Housewives' League.

"We don't want another increase," Mrs Joy Hirwitz, president of the South African Housewives' League, said. "The South African public should not be made to subsidise the sugar industry with local prices"

REALISE

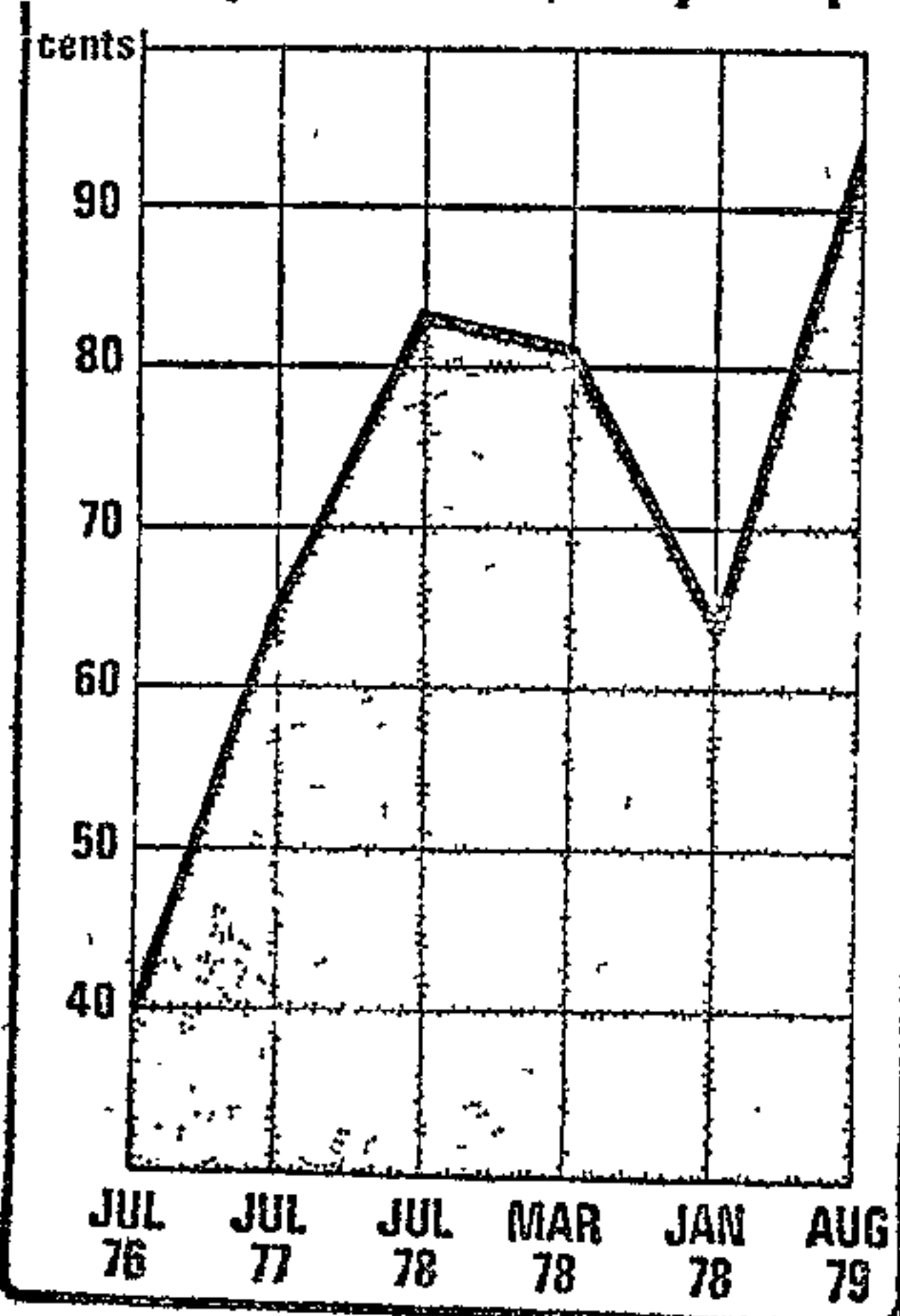
She pointed out that about 128 items would be affected. These include jams, puddings, certain tinned foods, carbonated drinks, confectionery, breakfast cereals and drinking chocolate

"Hopefully, consumers will cut back on buying and realise that sugar is not good for them anyway," she said

"All the signs point to an increase," a spokesman for a large supermarket chain told Fair Deal "If General Sales Tax were abolished from basic food-stuffs, it would go a long way in helping the poor make ends meet," he said

Mrs Betty Hirzel, chairman of the South African Consumer Union, felt that every single rise in price was depressing.

RETAIL PRICE OF 2,5KG SUGAR



Save Caves

Tuesday August 7	The Save Cave, Market Street	OK Bazaars, Eastgate	Pick 'n Pay, Bedford Centre	Checkers, Sandton City	Spar, Central Ave, Mayfair
Surf 1 kg	R1,18	R1,05*	R1,09	R1,18	R1,29
Sunlight Liquid, 400 ml	43	44	42*	45	—
Vim 99, 300 g	46	44	—	43*	—
Epic Sunflower Oil, 750 ml	92*	97	99	R1,04	—
Crosse & Blackwell Mayonnaise, 750 g	R1,29	R1,20*	R1,29	R1,33	R1,49
Lux Soap, 150 g	29	29	28*	29	—
Colgate Fluoro Gard Toothpaste, 100 ml	99	99	92	91*	R1,09
Buffalo Table Salt, 1 kg	19*	22	22	—	22
Carlton Toilet Paper, 15s	R2,89	R2,69*	R2,79	—	R3,79
Ricoffy Instant Coffee Granules, 750 g	R2,89	R2,48*	R2,55	R2,88	—
Pitco Tips Teabags (tagless), 250 g	R1,48	R1,42*	R1,49	R1,69	R1,85
Cramora Instant Creamer 500 g	R1,38*	R1,42	R1,49	R1,62	R1,50
Gold Cross Condensed Milk, 397 g	44	43*	43*	43*	—
Lion Sugar Beans	43*	47	45	51	49
Lion Haricot Beans	39*	42	39*	40	45
Tastic Rice, 2 kg	R1,59	R1,55	R1,49*	R1,59	R1,59
Impala Special Maize Meal, 2,5 kg	52	49*	49*	53	55
Pro-Vita Crispbread, 500 g	89	R1,03	79*	84	85
Jungle Oats, 1 kg	65	67	57*	67	79
Eggs, Large, 1 dozen	56*	64	58	62	—
Kellogg's Corn Flakes, 500 g	49*	49*	51	55	55
Nestlé Milk Powder, 2 kg	R6,79	R6,59	R6,15*	R7,35	R6,35
Gross Methylated Spirits, 750 ml	47*	60	51	55	—
Romany Creams, 200 g	49	62	47*	56	57
	8*	8*	10*	3*	—

Fair Deal compared prices at the new supermarket "The Save Cave" with four well-established supermarkets. Pick 'n Pay topped the list. Both The Save Cave and OK Bazaars came second, with eight stars. Checkers had three stars and Spar none.

A "no frills" supermarket chain which hopes to give consumers the "cheapest prices in town" has recently been opened in Johannesburg

Three "Save Caves" have already started operating and claim to give cut prices on essential groceries by 10 percent.

When they were opened, managing director Mr Taki Xenopoulos said their accent would be on general cost saving. They sell only well-known brands of mainly non-perishable food items and toiletries.

Fair Deal priced 24 items and found their prices compared favourably with those of other supermarkets.

Pick 'n Pay, Bedford Centre was the cheapest with 10 stars. Both OK Bazaars, Eastgate and The Save Cave, Market Street got eight stars. However, the total at OK Bazaars was 28c less on the 24 items than The Save Cave's total. Checkers, Sandton City got three stars and Spar, Mayfair, no stars.

"How much cheaper were they on individual items?"

The highest percentage difference was a 750 ml bottle of Gross methylated spirits at The Save Cave it cost 47c, compared with 55c at Checkers

A packet of Lion Sugar Beans cost 43c at The Save Cave. At Spar it was 18 percent more — 49c. A 1 kg packet of Buffalo table salt which was 19c at The Save Cave cost 15 percent more at all the other chains

There were only two items which were more expensive than at the other stores. A 750 g tin of Ricoffy instant coffee granules cost R2,69 at The Save Cave. At OK Bazaars they were 8 percent cheaper. A 397 g tin of Gold Cross condensed milk cost 44c at The Save Cave, a cent more than at three other supermarkets

All items excluded General Sales Tax

The Star

Monday August 20 1979

CLASSIFIED ADVERTISEMENTS INSIDE

SHOPPING

SHOWS UP

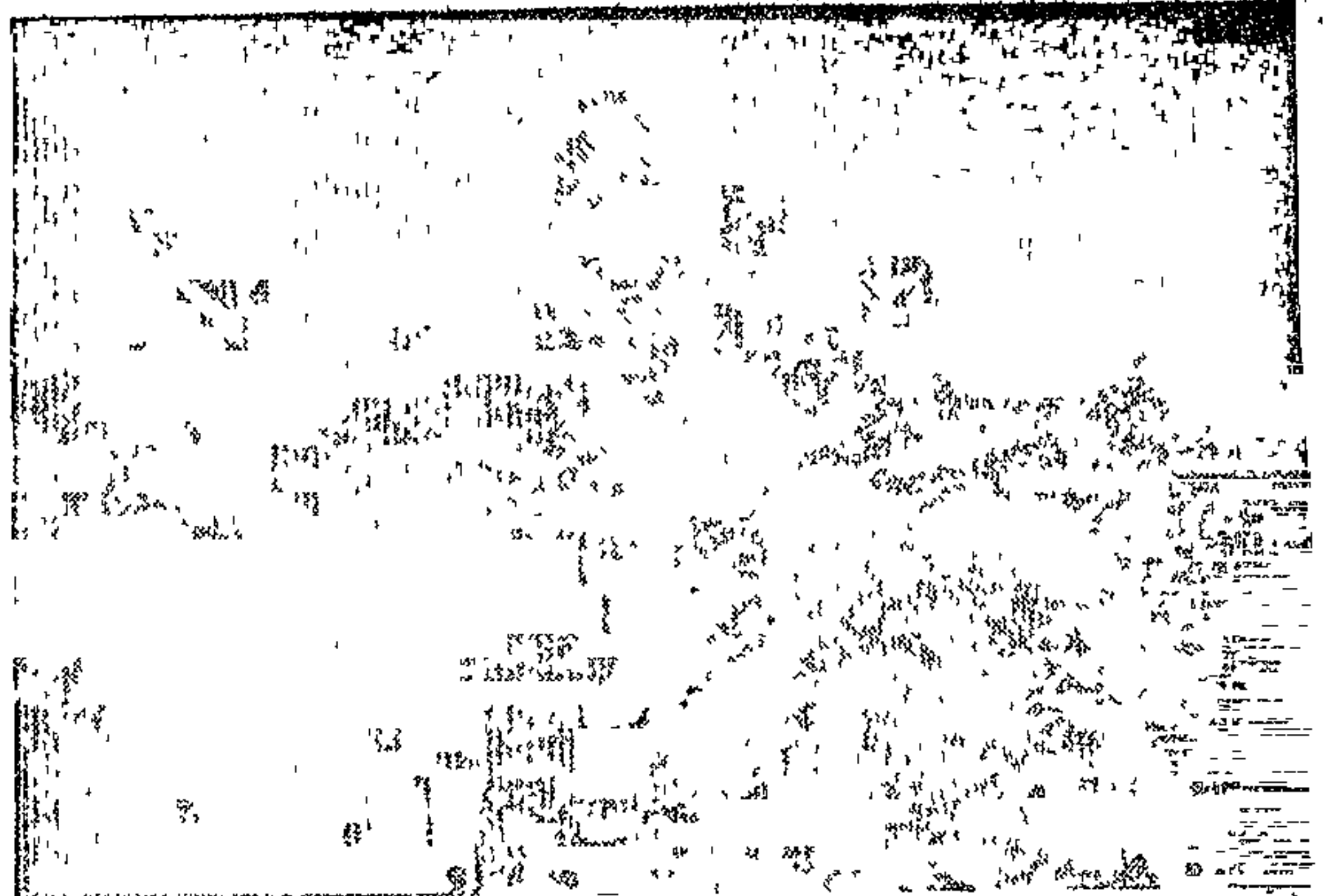
POVERTY OF

MANY

BLACKS

Consumer price indexes show that the cost of living is rising faster for the lower than the higher income groups. For the poor man this can simply mean less food on the table.

Higher rents in Soweto aggravate the dilemma faced by black housewives who may have to cut down on essential household groceries. DAVID BREIER reports.



Blacks usually have no need of a trolley when they go shopping, as this queue at a Johannesburg supermarket shows. Their pockets don't run to more than a few essential groceries.

A Soweto housewife waits for her turn in the long queue behind a till at a downtown Johannesburg supermarket.

She shops there because prices in Soweto stores are so much higher.

Her modest purchases fit into a supermarket basket. No trolley for her. She doesn't have the money to buy enough groceries to justify a trolley. And anyway, she could never carry that much to the station and then to her house.

Eventually her turn at the till comes. The cashier rings up her purchases, adds General Sales Tax, and to her dismay, the housewife sees the total is more than she has money for.

She had thought she had enough, but she hadn't added up her purchases exactly. And she had forgotten about the tax.

Embarrassed, she has to decide what to discard

Not the mealie meal, of course. Nor the soap. Nor the candles. Should it be the eggs — or maybe the stewing meat? Not the milk powder — that's for the baby.

Behind her, the long queue grows impatient. They wish she would hurry up so they can have their turn.

She decided to discard the meat.

The cashier, none too happy about being put to the trouble, has to ring up a new total.

The housewife pays, takes the rest of her purchases, and trudges to the train and to her family to make what supper she can...

Scenes like this really happen. With the cost of a shopping basket increasing by 55 percent in the past three years, this is hardly surprising.

A spokesman for the Department of Statistics said that price increases across the board tended

to hit all income groups equally.

While the 22 percent increase in the maize price would hit the poorest, the 40 percent increase in the fuel price would hit the higher income groups directly, although it would hit others indirectly through the ripple effect.

But Mr Ed Verburg, economist with the Johannesburg Chamber of Commerce, said it was the poorest who suffered the most as they had less margin of choice.

The richer man could cut down on luxuries or less necessary items such

as his holiday, his car or his liquor cabinet.

But the lower income man had little if any "fat" in his budget.

He might cut out his beer or his weekly soccer match. He might delay buying his much-needed new pair of shoes.

He might not buy a much-needed cooking-utensil.

Not only would his standard drop, but there would be less demand for manufactured products, setting off an industrial slump and more unemployment.

Mr Verburg predicted

the latest round of price increases could set wage demands.

Recent price increases include dairy products increasing by 40c a kg, butter, 48c for Curma, 52c for Gouda and 50c for milk. Flour powder increased 15 percent in February when sugar went up 10 percent.

Fish increased by a huge 34 percent in July and has become a man's food.

Paraffin, an essential in most black households, which lack electricity, has more than doubled in price since January.

Food makes up a larger proportion of

income household
ect, than it does for
hose with higher in-
nes, in terms of a rule
nown as Engel's Law

According to the
Department of Statistics,
and makes up 36,4 per-
cent of the budget for low
income households. This
drops to 29 percent for
the medium income
groups and 19,7 percent
for those with high in-
comes

This means a 50 per-
cent increase in food
prices will push up a
lower income budget by
8 percent, compared
with an increase of less
than 10 percent for those
in the higher income
groups.

This supports the theory
that food price increases
hit the poor rather than
the rich.

The opposite applies to
transport costs. Ac-
cording to the Depart-
ment of Statistics, trans-
port accounts for 7,2 per-
cent of the spending of
lower income groups.
Medium income families
spend 13,8 percent on
transport and higher in-
come groups 17,8 percent.

The recent Putco fare
increases would therefor
have a smaller effect on
the budget of lower in-
come groups than similar
increases in the price of
petrol and motoring have
on higher groups.

Putco fares increased
by up to 33 percent in
May, with a further in-
crease due in September
A 33 percent increase

means an increase of 2,4
percent in the poor man's
budget. A similar in-
crease would mean about
a 6 percent increase in
the rich man's budget

Increases in the cost of
clothing and footwear
have a greater effect on
poor people, who spent
13,2 percent of their
budget on these items.
Middle-income groups
spend 10,2 percent and
high income groups 6,8
percent

The rich suffer most in
the cost of housing. Ac-
cording to the Depart-
ment of Statistics, hous-
ing for the lower income
groups, which is usually
subsidised, costs 8,7 per-
cent of their budget.
Middle-income groups
spend 15,7 percent on
housing and higher-
income groups 21,1 per-
cent.

Mr Eugene Roelofse,
ombudsman for the South
African Council of
Churches, said inflation
seemed to benefit
everyone except the con-
sumer

He pointed to the 35
percent increase in the
price of white bread since
1976 compared to the 10
percent increase in
brown bread, and said
that ironically, white
bread was still the black
man's food.

"Black people see
white bread as something
between the necessity of
eating bread, and the lux-
ury of eating cake," he
said "Since they can't af-
ford cake, they eat white
bread"

2/18/79 244

Consumer price index takes 3,6pc leap

PRETORIA — The consumer price index rose by a staggering 3,6 per cent in July — one of the biggest leaps on record — under the impact of the huge fuel price increases in June.

And leading economists forecast that unless drastic steps were taken to contain price increases the inflation rate could reach 17 per cent by the end of the year

They stressed the July index reflected only the initial impact of the fuel price hike. The secondary impact could be just as serious

The shock feature of the latest index, they said, was that the 2,8 per cent added to the index when the general sales tax was imposed in June last year has fallen away, and is no longer part of the index's calculation

For the 12 months to the end of July the inflation

rate was 12,8 per cent which, because of the falling away of the GST influence, is lower than the 13,5 per cent for the 12 months to the end of June

During July the index for the lower income group rose by 2,9 per cent, for the middle income group by 3,6 per cent and for the higher income group by 3,8 per cent

The food only index also shot up in July by 2,8 per cent giving a total for the 12 months of 15,1 per cent.

The senior economist of the Economic Research Bureau at the University of Stellenbosch, Mr F W Killian, warned that the fuel price hike ripples would continue to exert a

big influence on prices for the rest of the year

He stressed the danger of an escalation in the index's rate of increase

There were other increases in the pipeline, too, which had not fully worked their way through to the consumer, including the maize, coal and power rises

It would not be surprising, he added, if no action were taken if the inflation rate exceeded 15 per cent by the end of December

The chief economist of Barclays Bank, Dr Johan Cloete, said it had been forecast in some quarters that when the GST in-

fluence on the index fell away that the inflation level would drop to below 11 per cent

The 3,6 per cent rise in July and the 12,9 per cent for the 12 months had, therefore, come as a shock. There would be a secondary impact from the fuel price rise, and the inflation rate at the end of the year would now exceed 15 per cent.

"That is if nothing is done to slow down price rises. What we need is a national price containment policy in the private as well as the public sector"

He warned that the economy was dangerously poised — DDC

c) Ander lede:

- | | |
|-------------------------|-----------------------------|
| Mnr K. Bosman | Mnr H.W. Middelmann |
| Professor A. Cupido | Eerw. M.F.L. Moletsane |
| Mnr N. Daniels | Professor A.D. Muller |
| Mnr Achmat Davids | Sheik A. Najaar |
| Professor R.J. Davies | Mnr Victor Norton |
| Professor J.J. Degenaar | Professor N.J.J. Olivier |
| Mnr René de Villiers | Mnr L. Phillips |
| Dr I.D. du Plessis | Professor H.P. Pollak |
| Professor J.J.F. Durand | Mnr W.J. September |
| Professor J.B. du Toit | Mnr Franklin Sonn |
| Mnr A. Flederman | Mnr P.M. Sonn |
| Professor R.F. Fuggle | Regter J.H. Steyn |
| Mnr G.J. Gerwel | Mnr R. Tobias |
| Eerw. D Guma | Professor R.E. van der Ross |
| Professor A. Paul Hare | Professor J.H. van Rooyen |
| Dr Gertrud Heydorn | Mev. S. Walters |
| Mnr F.A. Jacobs | Professor F.A.H. Wilson |
| Mnr H.M. Jimba | |

d) Twee Ere-Fellows:

- Professor J L. Boshoff
- Dr Sheila T. van der Horst

Lede word na die Algemene Jaarvergadering van die Maatskappy uitgenooi en kies elke drie jaar 'n verteenwoordiger op die Beheerraad. 'n Verkiesing is in 1978 gehou en die huidige ampsdraer is Biskop A.W. Habelgaarn. Terwyl geen verpligtinge aan lede opgelê word nie, word hulle geraadpleeg in verband met sake wat die Sentrum se program raak.

NAVORSING

Gedurende die verslagjaar het die navorsing van die Sentrum die volgende behels:

- A. Mobiliteit en Politieke Verandering in Suid-Afrika
- Hierdie projek is 'n paar jaar gelede aangepak. 'n Onderzoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

3-5-1979

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COFFEE PRICES RISE AGAIN

By Josie Brouard

The price of coffee is rising again — with increases of up to 15 per cent in the past few months.

World coffee prices over the past four years have been erratic, reaching all-time highs and also plummeting to very low levels.

In May 1975, coffee sold for about R600 a ton on the world market, depending on quality. In mid 1975, however, natural disasters, combined with political upheavals in major coffee-producing countries, transformed the world coffee position.

Heavy coffee crops were expected for the 1975/1976 season in Brazil, leader on the world coffee market

But the crop suffered extensive frost damage. Military confrontations in Angola and Colombia stopped production in these areas, resulting in

coffee costing up to 11 times as much as previous prices.

Expected

By the end of 1975 coffee manufacturers were paying R3 000 for a ton of coffee. Prices were to leap to R6 000 by February 1977. It was no wonder coffee was called "black gold".

The South African consumer felt the effects by early 1977 with a 40 per cent price rise which meant he had to pay R1 more for a 750 g tin of coffee/chicory mixture then retailing at R3,50.

The same amount of coffee today costs about R2,50, reflecting a return to lower prices over the past two years.

Coffee prices steadied in 1978, but it is unlikely they will ever return to pre-1975 levels.

After the price increases of 1976 and 1977, stocks moved slowly as consumers bought more

hesitantly.

Consumption in the United States, the world's largest coffee consumer, fell by 30 per cent while in South Africa coffee sales decreased by about 20 per cent.

Some sense was knocked into the market and the cost of coffee decreased by as much as 15 per cent.

In May this year, Brazil suffered another frost. Overnight the price of coffee on the world market jumped by R400 a ton.

Firm

Experts agree coffee prices will continue to rise, but not to the heights reached three years ago.

The higher world market prices after the frosts filter through to you the consumer — a few months after prices go up on the world market because of old stocks which remain to be

cleared.

This has been the case lately. Some manufacturers increased prices in early to mid-August while others are expected to do so by mid-September.

Increases vary from 7 to 15 per cent. A 500 g tin of instant Koffiehuis full roast coffee now costs R2,23, compared with R2,14 a few weeks ago.

A 250 g tin of Moccona pure coffee costs R3,89 — up 20c on this year's March price.

Mr P Bowes, managing director of Nestlé, said Nescafé coffees would rise by 15 per cent in mid-September.

A spokesman for Liptons, manufacturers of FG, Kloof and Van Riebeeck coffee, said their coffee went up in price on August 6. "There may be further price increases over the next few months," he said.

Desember 1978

Hendrik W. van der Merwe
Direkteur

Ten slotte is dit met innige genoeë dat ek my verpligting teenoor die ere-navorsingsbeambtes van die Sentrum vir hulle bydraes tot die navorsingsprogram, boekstaaf en teenoor die personeel vir die wyse waarop hulle hulle pligte gedurende die jaar uitgevoer het.

Ek wil weereens die Carnegie Corporation en die Algemeen Diakonaal Bureau van die Gereformeerde Kerken van Nederland bedank vir hulle gulle ondersteuning van die konstruktiewe Program wat ons in staat gestel het om meer personeel aan te stel en om publikasies en werkgroepe te finansier. Ek wil ook graag weereens die ondersteuning deur plaaslike skenkers, firmas en trusts noem, kort nadat die Program gestig is. Hulle hulp het dit moontlik gemaak om etlike publikasies gratis te versprei onder almal wat in die bevordering van 'n oop samelewing belangstel.

Bitter

days as

31/3/79

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sugar

244

goes up

Deputy Financial Editor

A RIPPLE of price rises from sweet- and chocolate-makers, cool-drink bottlers and other users of sugar is expected following last night's 7 percent hike in the price of sugar.

Dr Schalk van der Merwe, the Minister of Industries and of Commerce and Consumer Affairs, said the Government had decided to grant the increase to cover the increases in the production costs, particularly the sharp rise in the price of fuel.

He said the industry expected that the average production costs would rise by 18 percent in the current season which ends next May.

"The increases will have a moderate effect on retail prices. A 2,5kg packet of sugar in Durban would be increased by 6c — from 86c to 92c not including general sales tax."

Sugar prices in the shops are likely to rise by about 2,5c a kilogram and follow an 8c rise in February this year.

The industrial price of sugar rises by R20 a ton for white sugar to R311 and by R18 a ton for brown sugar to R285.

Ten years ago the price for white sugar was R132 a ton and for brown R126.

Sugar Association chairman Mr. I. G. B. Smeaton, said that in spite of stringent efforts to hold down fuel consumption the industry's costs had gone up by R15 million for fuel.

Just over 1 000 000 tons of sugar are consumed each year in homes and in products containing sugar. The balance of the crop is being exported at low prices.

Mr Smeaton emphasised that the association's case to the Government for a price rise was tied to the cost of production.

The price was not being used to subsidise the low prices being received for export sugar.

Earlier this year the industry raised R50 million in two loans to meet the shortfall on export sugar and had for five years absorbed 20 percent of annual cost increases as part of its contribution to the Government's anti-inflation programme.

The industry loans are not expected to bridge the gap on export losses and Mr. Smeaton points out that the losses will have to be absorbed by growers and millers.

He expected that the "normal laws of supply and demand would ensure that world prices would, at some stage, get back to a

He expected that the "normal laws of supply and demand would ensure that world prices would, at some stage, get back to a level at which they were economic for world exporters."

Mr Smeaton said that by linking the price in South Africa to the cost of production the consumer would be able to buy sugar on a stable basis which was not affected by fluctuations in world prices.

In November 1974 sugar reached an all-time high of £650 a ton compared with the current £105 on the London market.

Dr van der Merwe said "Although the Government is, in the application of price control, taking cognisance of the principle of a reasonable return on capital employed, applications for price increases by controlled business undertakings are being scrutinised very carefully."

Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus)

By Michael Chester
Financial Editor

Price explosions now in the pipeline threaten to push up the cost of living to almost 16 percent higher than a year ago

It will be the worst bout of inflation since the 1974 prices crisis

Official figures released today by the Department of Statistics show that the wholesale price index — the first alert of price changes on the way to retailers — soared by 2,6 percent in July

The average wholesale prices on items from bread to steel have risen 15,8 percent in 12 months

On locally produced goods the rise is 11,9 percent, and 18,4 percent on imported goods

The first oil crisis of 1973, which fuelled the initial inflation crisis, has been repeated by the 1979 oil price increases — and made worse for South Africa because it has cut oil supplies

COL UP

16 pc on

Star 4/9/79.

last year

228
253
244

The petrol that R1 bought on the Witwatersrand in 1970 now costs R1,56.

This table shows how much you must now pay for goods which cost R1 in 1970

Coal	R5,17
Leather	R4,52
Bricks	R3,14
Newsprint	R3,15
Plate steel	R4,29
Eggs	12,75
Meat and milk	12,79

The Bureau for Economic Research the University of Stellenbosch reported recently that consumer confidence is evaporating in the heat of inflation

And Dr Jan Hurter, chairman of Volkskas Bank, has warned that the acceleration of inflation must be regarded as the most under-estimated problem facing the South African economy

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Commissie (Central Committee se konferensie oor 'Die Rol van die Suid-Afrikaanse Vredeskerke', Gabriëne, 1978) en 'The Role of Churches in Promoting Justice in Southern Africa' (1978)

Konferensie van die Afrikaanse Valvriestiese Beweging, Pretoria (1978)

Organisasies

Die D. rekteur het afgetree uit die Suid-Afrikaanse Instituut vir Rasse-erhouding as 'n lid van die West-Afrikaanse Distrikskomitee, die Nasionale Uitvoerende Komitee en van die Raad

Hy is voorsitter van die Quaker Service Fund en die Raad van die D. afdeling van die godsdienskerke (Quakers), wat gereenskapsontwikkeling op die platteland en in die stadsgebiede bevorder.

Die D. rekteur is gekies as lid van die Raad van die Vereniging vir Sosiologie in Suid-Afrika. Hy is ook 'n lid van die Suid-Afrikaanse Sosiologiese Vereniging en van die Internasionale Sosiologiese Vereniging. Hy is aangestel as die Suid-Afrikaanse afgevaardigde in die Raad van die Internasionale Sosiologiese Vereniging vir die tydperk 1978-1982

WAARDELIKING I. J. DANK

Fk is altyd dankbaar vir die geleentheid wat die jaarverslag bied om my waardering te betuig aan lede van die Akademie Advieskomitee en die Beheerraad vir hul leiding, aanmoediging en belang in die aangeleenthede van die Sentrum

Die Universiteit van Kaapstad het benevens 'n bydrae tot die bedryfskoste van die Sentrum, ook vir die Sentrum sedert sy stigting in kantoorruimte voorsien. Met die uitbreiding van personeel het ons die huisie op die laer

C1, 244 5/9/79

Wholesale price index soaring

By HAROLD FRIDJHON
JOHANNESBURG.

The wholesale price index took off in July, rising by 2.6% on the June numbers and a frightening 15.8% on July 1978.

Over the past six months the wholesale price index has chalked up a steady gain, rising from 272.5 to 295.7 in July. This means that in six months it has risen by 8.5% at an ever escalating pace.

During the same period the consumer price index has gone up from 146.1 (on the new scale) to 157.9 which is an 8%

growth, but the upward move in the CPI has been more gradual.

As there appears to be a lag in the CPI in terms of the WPI, it is reasonable to assume that wholesale prices are going to exert an extra thrust on consumer prices and that the August CPI will probably produce shocks for householders.

Probably the biggest element which gave the July WPI its added momentum — it rose by only 1.2 percentage points in June — was the increased price of fuel. The cost of petrol and diesel rose sharply in July and added their margin in the form of higher transport costs on most items — from

raw materials for industry to food for the people.

The additional fuel costs will have a compounding influence on the CPI because the consumer index is not only going to include the cost of transport at the retail end of trade, it will also have to absorb the transport costs of wholesalers.

It would be foolhardy to try to estimate exactly to what extent the CPI figures will soar when they are published, either at the end of this week or early next week. Some of the higher wholesale prices only work their way down to consumer level after a relatively long time lag, other increases at wholesale level reflect on the CPI almost immediately.

In any case the WPI and the CPI are not identical animals although the one does react on the other. There is quite a large industrial element in the WPI which does not touch the CPI directly, such as the costs affecting mining and quarrying, other than coal, wood products other than furniture, chemicals and chemical products, machinery and plant, electrical machinery and scientific equipment.

Some of these "side-issue" costs do filter through to the private consumption sector. For instance, higher costs of machinery and plant could affect the prices of manufactured articles, but only once machines are used in the manufacture of consumer goods.

The most important element which will have to be watched when the new CPI figures are released is the cost of food. It is known that this is causing the authorities a large measure of concern and I believe that the subject was well aired at last week's meeting of the Economic Advisory Council.

Several members of the RAC urged heavy increases in food subsidies — as being more practical than doing away with GST on foodstuffs. And it is believed that there is some support for food subsidies in official circles. The new CPI might precipitate action in this direction.

Govt making plan to beat price rises — Minister

By Hugh Leggatt,
Political Correspondent

BLOEMFONTEIN — The Government is preparing a comprehensive short-term plan to beat rising prices, the Minister of Trade and Consumer Affairs, Dr van der Merwe, said today

The Prime Minister's Economic Advisory Council had made recommendations to him yesterday after he had urgently asked for advice

The Government would determine shortly to what extent the recommendations could be applied to put a brake on inflation

He would announce the measures as soon as possible, the Minister said.

Dr van der Merwe's resolve to pull in the reins of the runaway horse of inflation, as he put it, follows last night's announcement by the Minister of Health, Dr Munnik, that he would take powers to control medical bills, and the introduction today of higher subsidies to keep the bread price down.

Dr van der Merwe told the Free State National Party congress in Bloemfontein that the Government alone could not control all prices in a free enterprise economy.

He appealed to everyone from the housewife to the industrialist to exercise discipline and make sacrifices, otherwise the erosion of the value of money would head the country for economic disaster

'Good
progress'
on setting
up links

Political Correspondent

BLOEMFONTEIN — Good progress toward the establishment of a constellation of southern African states was being made, the Minister of Co-operation and Development, Dr P G J Koornhof, told the Free State Nationalist Congress today

He predicted that a secretariat could soon be started to arrange the discussion of matters of common concern such as agriculture, economic development, transport, health and security.

Reactions to Mr P W Botha's vision of such a constellation, apparently consisting mainly of South Africa and some independent homelands had been good, he said. If it came about South Africa could become one of the most modern countries in the world

It was especially important that southern Africa should be able to resist Russian and marxist onslaughts Angola and Mozambique, formerly two of the most prosperous states in Africa, had become impoverished through such onslaughts

Munnik objects to fees increase

C.T. 6/9/79

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From MICHAEL ACOTT
Political Correspondent

BLOEMFONTEIN. — The Minister of Health, Dr L A P A Munnik, said last night he had so far seen no justification for the planned 52 percent increase in doctors' fees.

He also told the Free State National Party Congress he would investigate the controversial issue of doctors contracting out of medical aid schemes.

Dr Munnik, himself a medical doctor, said there ought to be a return to an agreed maximum fee. This had been charged to richer patients, while poorer patients paid less and, in some cases, nothing.

Dr Munnik repeated his strong objection to the increase, due to come into effect in November, and to the fact that he, as Minister of Health, was powerless in the matter.

He was still contemplating

Wheat up 36%, but not bread

Own Correspondent

PRETORIA — The wheat price will rise by a massive 36 percent from October 1, but "for the present" the price of bread will remain unchanged, the Minister of Agriculture, Mr Hendrik Schoeman, said in a statement here yesterday.

The prices of other wheat products, including flour, however, would rise. Only bread was subsidized.

He estimated it cost the government an additional R40 million — on top of the present subsidy of R70 m — to keep the prices of white and brown bread at current levels.

CT

6/9/79

(244)

amendments to the law to give him a final say, but hoped his discussions next week with medical aid associations would bring about a drop in the planned tariff increases

On the subject of medical aid schemes, Dr Munnik said the practice of contracting out enabled doctors to operate outside the approved tariff structure. This could be to the disadvantage of the public who could only reclaim from medical aid schemes at the official rate and some times had to carry the balance themselves.

"We will have to go into the whole problem of contracting out. I don't have a solution, but I believe that doctors will understand the seriousness of the matter," he said.

Dr Munnik said he could not escape his responsibility to the country and to the government.

"I am not in favour of socialized medicine. We must keep the private enterprise element in medicine, but increases must be fair and they must fit in with the national set-up."

The government could not allow a boost to inflation through pay rises in all sectors. As soon as medical fees went up in this way, there would be demands from railwaymen and other trade unionists.

"The final say will have to be brought back to the Minister of Health who must answer to the Cabinet."

Dr Munnik said the whole matter would have to be investigated thoroughly and urgently, both by doctors and by economists, who could determine the effect of medical services on cost structures as a whole.

OFS Nat congress
page 2

Taximen seek big fare hike

TAXI fares may increase drastically if an application to be heard by the Local Road Transportation Board to increase tariffs is approved on Monday.

Cedar Taxis (Pty) Ltd and Marine Car Hire, the City's two largest taxi companies, have both made applications to the board for a tariff increase.

"A trip from the Heeren-gracht to D F Malan Airport, which now costs R10, will cost R17 if the increased tariffs are approved," Mr Alex Kirsch, chairman of Owner Drivers Radio Taxis, who filed a counter proposal, said yesterday.

"An increase in tariff is necessary, but they are asking for too much," Mr Kirsch said.

Present taxi tariffs are 50 cents a kilometre and a R3 an hour waiting fee. The application asks for 80 cents a kilometre and a waiting fee of R4 50 an hour, Mr Kirsch said.

A spokesman for Marine Car Hire confirmed they had made an application for increased tariffs but would make no further comment.

The manager of Cedar Taxis, Mr Bert Lloyd, said the last tariff increase was three years ago. Since then the price of petrol had doubled and overheads increased drastically, he said.

"It is not an essential service. People who take taxis must be able to afford them. People who do not want to take buses must be prepared to pay the cost of a taxi," Mr Lloyd said.

Food prices will cause crisis—Tucsa

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STAR

12/9/79

By Sieg Hannig, Labour Reporter

CAPE TOWN — Warnings of a crisis situation springing from spiralling food prices were sounded by the 240 000-strong Trade Union Council of South Africa (Tucsa) yesterday.

The council forecast possible unrest in the fields of labour, politics, and society at large if the situation was not rectified.

Tucsa's annual conference in Cape Town made a unanimous call to the Government for immediate abolition or reduction of general sales tax on food, or effective subsidisation.

It also called for an investigation of the agricultural control boards.

Speakers said:

- The cost of food, as reflected by the Consumer Price Index, increased by 29 percent in the 24 months to July this year.

- Food accounts for more than half the minimum living level of a Soweto family — much more than the food budget of high-income groups.

- GST helped to boost food prices by 14 percent in July 1978.

- Official statistics often failed to reflect the full increases. Thus 32 items of basic family groceries showed a cost increase of 67 percent from January 1976 to June 1979.

- The control boards — known for raising prices of foods which show production surpluses — cost R21,8-million to run in the 1977/78 financial year.

Mr Ray Altman said wages below poverty levels, of which there were many, threatened social and political life with unrest. He called for adequate wages.

The conference also urged the Government to investigate the allegedly excessive profits of oil companies — to consider reducing excise duty on petroleum products and to speed up the development of alternative fuel production.

The petrol bought for R1 in 1970 now cost R6,55, the conference heard.

And 29c out of the 54c paid for one litre of petrol in Johannesburg went

JAARVERSLAG

1978

SENTRUM VIR INTERGROEPSTUDIES

(Geregistreer as The Abe Bailey Institute of
Inter-Racial Studies Limited
(Beperk deur Garansie))

Posadres:

p/a Die Universiteit van Kaapstad
Rondebosch
Republiek van Suid-Afrika
7700

**Flour rises
— but not
bread**

The price of flour is to go up by 25 to 30 percent next month but consumers will not pay more for a loaf of bread for another six months.

Spiralling fuel and production costs had resulted in a 36 percent wheat price rise, effective from October 1.

Mr D F van Aarde, manager of the Wheat Board said the subsequent increase in the price of flour had been inevitable, but consumers would not pay more for bread, at least until next March, because of Department of Agriculture subsidies.

11tb. 766

bestaan het die
n jaarverslag oor
entrum se 10de

verjaarsdag op 1 April 1978 te v. -s die jaarverslag
in 1977 vervang deur n Oorsig oor die kerste Tien Jaar.

DIE OORSPRONG EN DOELSTELLINGS VAN DIE SENTRUM

Die Sentrum word grootliks gefinansier deur die Abe Bailey-Trust wat ingevolge die testament van Sir Abe Bailey gestig is. Dit is geregistreer as The Abe Bailey Institute of Inter-Racial Studies Limited (Beperk deur Garansie) - n maatskappy beperk deur garansie en sonder n aandele-kapitaal kragtens die Maatskappywet 1973 (Wet Nr. 61 van 1973).

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Annual Report 1978

While the shock rises in the consumer price index during June and July are unlikely to be repeated during the rest of the year, the Stellenbosch Bureau for Economic Research and the Nedbank team feel it is likely the year-on-year rates will accelerate to more than 14 percent by the end of 1979

Food prices are unlikely to continue to rise — in fact the teams would not be surprised to find certain food prices declining later in the year. They do not expect further petrol price increases and point out that there are very few administered price increases in the pipeline for 1979

The reaction of organised labour

on the sharp recent cost of living increases and the deterioration in the already tighter skilled labour market does not give much room for optimism. After the 10,1 percent increase in per capita remuneration of employees in 1978 rates of 11,9 percent in 1979 and 12,5 percent in 1980 are expected

Railway and postal tariff increases are virtual certainties in early 1980 while steel and electricity prices are bound to rise during the year

CPI increases are expected to be lower in the second half of 1980 than in the first six months and rates of just above 10 percent are not impossible

the cost of raising the necessary funds has to be taken into account. The funds themselves are already justified by comparison with the alternative methods of provision, but there are additional costs involved in raising them: interest on loans, or administrative and incentive costs of raising taxation. These are normally insignificant for any given project, but may affect the overall amounts available for the health budget.

Where the methods of provision in different programmes by means of Linear Programming usually be presented in

2. CHOICE OF PROGRAMME

So far, we have discussed objective. But what to ourselves? Can a to be given to particular more to child welfare criteria are needed way that they can guide the problem is not only to relate the various objectives

There are various means of doing this; but all of them require that expenditure be accounted for by the ends it is expected to achieve.

2.1 Programme Budgeting

Programme budgeting, also known as budgeting by objectives, involves the presentation of expenditure data according to the objectives to which it is directed. Thus, projects to combat TB would be grouped together, geriatric problems, sanitation programmes, etc.

This is necessary:

- (a) to know the cost of pursuing each objective;
- (b) to group together activities with the same objectives which can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount of money when spent on different objectives, so that choices can be formulated in terms of the alternatives we might afford - so many geriatric day care centres, so many child welfare clinics, etc.

Financial statistics are not traditionally arranged on this basis but in categories such as 'salaries', 'transport', 'medicines', etc. A separation, e.g. between expenditure on different disease groups or age groups cannot be made.

BREAD SUBSIDIES

White (c per 25c loaf)	1,10.78-	1 8.79
Brown (c per 16c loaf)	31.5.79	to date
Whole wheat (c per 16c loaf)	1,3847	3,2456
Compound (mines - c per kilo)	8,5219	9,8219
	8,4535	9,7534
	5,2382	6,2602

OVERSEAS BREAD PRICES

	US cents
White bread, packaged	157
Bonn	111
Brussels	99
Buenos Aires	98
Canberra	172
Copenhagen	76
London	58
Mexico City	86
Ottawa	223
Paris	34
Pretoria	82
Rome	213
Stockholm	28
Hague	137
Tokyo	130
Washington	99

Median Source US food survey

provided for in the budget estimates), plus about another R40m following the wheat price rise But a spokesman for the

BREAD PRICE Bigger subsidy

The bread subsidy for the present budget year will now total about R110m It comprises R50m, plus R20m, described as "temporary bridging assistance" (both

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mainly determined wishes it to con- sions are primarily determining basic be compared to handicapped against cal question of - drug therapy e activities to This distinc- , older vintage - d through that nics, which attempts 'omposition of the sources from is, in a broad the latter is

Department of Agricultural Economics and Marketing warned that this last figure must be regarded as provisional, because the department has not finished working out the exact amount required to keep the price at its present level

The wheat board, working on a 12-month basis from October 1, estimates that the subsidy for that period will amount to R154m, and that the subsidy on a white loaf will go up to 8,7c and on a brown loaf up to 14,6c But these figures could be misleading as the government works on the budget year

By world standards, SA bread is still cheap According to a survey of prices in 15 capitals (see table), a white loaf in SA costs less than half of the second lowest (London)

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Programme bu ing out from the basis of criteria, and

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ation, sort- -- can be made on together with medical-technical the role of the public through political

SUGAR *(2) [Signature]* *(24/4)*
Some sweetening *Jan 14/1979*

World sugar prices have staged a modest recovery in recent weeks but the attitude of most traders is that any further advance in values in coming weeks is likely to be limited. Moreover, if the rumoured severe damage to Caribbean crops by hurricane David turns out to be less expensive, the market could slide downwards several pounds sterling in the near future. Early this week the key London Daily Sugar Price for August/September shipments was fixed at £110/t, around £20 higher than prevailing levels at end-July.

It has primarily been hurricane David which has fueled the increase as it swept across a number of Caribbean sugar producing islands, including the Dominican Republic where officials claimed at one point that over 70% of the sugar crop had been destroyed. That island produces around 1.25Mt of sugar and under the terms of its membership of the London-based International Sugar Organisation is entitled to currently release around 1Mt onto the international market. There is some doubt in London trade circles that the damage is as extensive as officially claimed, especially as the harvesting of this year's crop was completed in June and therefore only stocks could be

cream. ... serving. ... Serve with whipped

NUT CAKE

- 4 eggs
- 1 lb sugar
- 1 lb ground almonds (or hazelnuts)
- 1 t baking powder
- 1 T flour
- 1 grated lemon (skin & lemon)

Beat yolks with sugar until cream flour, baking powder and lemon beaten egg-whites. Bake at 350° F. Serve with whipped cream.

Margaret

should the effects of hurricane David prove to have been less severe than currently rumoured

damaged, which is difficult. On the other hand, though the hurricane could have seriously affected the crop due to be harvested in the 1979/80 season.

Hurricane David aside there are one or two slightly encouraging factors emerging, though it seems unlikely that they will contribute to a significant strengthening of the market. It remains fundamentally beset by over-production and an early start to the season. Stocks are which influential sugar statistician F O Licht recently put at 31.3 Mt, slightly higher than previous forecasts and equivalent to roughly 35% of world consumption. Encouragingly Licht recently also confirmed mounting speculation that the EEC's exportable surplus, a product of over-production and contracted imports from former colonial countries - will amount to 2.7-2.8Mt significantly lower than last year's 3.4 Mt. Nevertheless this amount will be delivered onto the international market at subsidised rates and is likely to be a further price depressant.

Another slight ray of hope for the sugar market comes from the Soviet Union and the Eastern bloc where, according to London sugar house C Czarnikow, "in general, weather conditions, especially during the sowing and germination period, were unsatisfactory and though there has been some improvement, yields will probably fall well below last season's

	Current	Week ago	Month ago	Year ago
RDM 100	356.7	347.2	331.9	285.0
% change on	-	2.7	7.5	24.6
P/E ratio	5.4	5.3	5.1	5.1
Div yield	6.7	6.8	7.1	7.9
UK FT Ind	477.4	468.6	475.1	526.4
% change on	-	1.9	0.6	-9.3
P/E ratio	6.9	7.3	7.3	9.0
Div yield	6.9	6.9	6.8	5.1
US Dow Jones	869.7	872.8	876.7	906.4
% change on	-	-0.3	-0.4	-4.0
P/E ratio	5.0	5.0	5.0	4.8
Div yield	3.3	3.3	3.3	3.2
Gold price (in US\$ on London)	339.4	325.1	296.6	208.4
% change on	-	4.4	11.4	62.9
Kruggerand (Rand)	324.3	311.2	281.4	207.6
% change on	-	4.2	15.2	56.2

figures" According to Licht the Soviet Union will produce around 8.8 Mt of sugar raw value, compared with 9.1Mt last year. Meanwhile, on the negative side the International Sugar Organisation is still unable to launch its special 2.5Mt stock finance facility primarily due to the continued non-ratification of the new International Sugar Agreement by the US due to a continuing domestic sugar support price range. Ratification would give the agreement, which has helped keep some supplies away from the market through its export quota scheme, a major

psychological boost. Although the House of Representatives has now reassembled after the summer break, action is not expected immediately and therefore, comments Czarnikow, "it would not be surprising if the ISA special stock plan is unable to commence on October 1 as hoped for, but revert to the fall-back date of December 1 before it starts." In short optimistic traders are hoping for a modest recovery in coming months, though this could be very limited and in the short-term there could be a downward reaction to the recent 20% or so increase



5



years old — ²⁴⁴ and thriving

Star 20/9/79

The Star's consumer service, Fair Deal, celebrates its fifth anniversary this week.

The Star launched its first regular consumer page on September 17, 1974.

Highlight of this weekly feature was "I Spy a Bad Buy" — a column which gave readers an opportunity to do something about the pricing errors and excessive mark-ups they encountered in their shopping trips — and kept storekeepers on their toes.

Complaints were investigated and each week two prizes of R20 were awarded to readers whose "Bad Buys" were published.

The consumer page later became known as Star Shopping. Each week The Star published a shopping guide in chart form to help readers compare prices and find value for their money.

Reporters also analysed products and services on offer to find whether shoppers were getting a good deal — and some interesting facts emerged.

They found, for example, that at the time:

- A number of kitchen wraps and toilet rolls were undersize

- Pictures on some frozen convenience food packets were misleading.

- Overcharging blacks at cafes in and around Johannesburg was widespread.

In March last year — the Year of the Consumer — The Star accelerated its efforts to help shoppers and launched a comprehensive consumer unit, Fair Deal.

And Fair Deal is still thriving — investigating complaints of malpractices, helping readers to solve their problems and gathering information to educate consumers.

These are some of the areas which Fair Deal investigated in the past 18 months, and some

of the facts it exposed:

- Skin lightening creams Fair Deal found certain shops and chemists in Johannesburg were selling poisonous mercury-based skin lightening creams to blacks. The creams, which attack the central nervous system and can cause brain damage, are banned by the Government.

- The secondhand car business Fair Deal published the complaints of angry Johannesburg car buyers who claimed some sections of the secondhand car business were a "racket." The Government later called an inquiry into alleged irregularities in the trade

- The Monaco old age home in Hillbrow. This establishment was found to be charging one month's accommodation in lieu of notice when patients died. Fair Deal reported this and later a young couple bought the home and abolished this practice.

- Sales duty. Fair Deal found the sales duty and other reductions announced in the 1978 Budget were not reaching consumers.

- General Sales Tax. With the introduction of GST, overcharging — particularly by small shopkeepers — was rife in Johannesburg. And in Soweto, Fair Deal found, the authorities were turning a blind eye.

- Portable fire extinguishers Fair Deal tested 16 types and found 10 of them did not meet manufacturers' claims

- The cost of dying. Fair Deal found funeral parlours were charging high prices and looked at two possible alternatives: the church and "doing it yourself."

- "Pedigreed" dogs Fair Deal looked at allegations of malpractices by certain dog breeders and learnt that in certain cases fraudulent documents were being issued to buyers of pups.

See how prices have risen!

	Checkers, Blackheath		Checkers, Cresta Centre, Blackheath		Pick 'n Pay, Randpark		Centre, Blackheath		OK Bazaars, Linden		El Corro Pharmacy, Weltevreden Road, Northcliff		Weltevreden Pharmacy, D F Malan Drive, Blackheath	
	'74	'79	'74	'79	'74	'79	'74	'79	'74	'79	'74	'79	'74	'79
Purty Baby Food, 125 ml (135g)	10	21	10	19	10	21	14	23	13	22	29	23	13	22
Purty Junior Baby Food, 200 ml (210 g)	14,5	26	14,5	24	18,5	25	20	27	18	27	27	27	18	27
Milton Sterilising Fluid, 500 ml	55	85	—	89	—	—	90	85	R1,09	86	—	—	—	—
Vaseline (white), 100 g	22	44	26	49	24	51	25	47	27	43	—	—	—	—
Fissan paste, 50 g	—	R1,20	49,5	85	—	89	49	95	49	87	—	—	—	95
Johnson's Cotton Wool, 125 g	—	89	39,5	86	—	—	47	78	54	78	—	—	—	—
Johnson's Buds, 100 (90)	49	—	49	69	47	62	71	72	39	72	—	—	—	—
Napisan, 500 g	67	R1,35	62,5	R1,15	95	—	—	—	R1 05	R1 19	—	—	—	—
Pronutro Regular, 1 kg	79	R1,56	77	R1,32	87	R1,39	—	—	—	—	—	—	—	—
Nestum No 1, 250 g	28	51	28	53	32	50	35	47	36	—	—	—	—	—
Carnation Evaporated Milk 410 g	25	53	24	42	22	44	—	—	—	—	—	—	—	—
Johnson's Baby Powder, 300 g (310 g)	52,5	R1,15	49,5	97	53	99	49	—	49	89	—	—	—	—
Johnson's Baby Oil, 125 ml (120 ml)	49	R1,03	53	—	56	—	—	85	49	87	—	—	—	—

The cost of baby products five years ago — and now. (All prices exclude General Sales Tax).

How prices have risen!

In September, 1974, The Star compared prices of common baby products at stores in the Randburg area and published its first shopping guide.

Fair Deal revisited those shops this week and found prices had risen by up to 123 percent in the five year period. (See the chart above).

Highest

Only two price drops were noted. They were found at the two pharmacies surveyed and both were for Milton sterilising fluid.

Mr M C Botha, manager of Weltevreden Pharmacy, said they had bought their

present stocks from the wholesalers at a special offer price. Mr J Jacobs, manager of El Corro Pharmacy, said he had cut the prices of a few lines, including this product.

The highest increase noted in the survey was found at the OK Bazaars, Linden. Carnation evaporated milk cost 22c for a 410 g tin there in 1974. This week we found some tins of the same size marked at 49c — 123 percent higher than the 1974 price and 131 percent higher when General Sales Tax is included.

Please note that the sizes in which some products are sold today differ from the sizes in which they were sold in 1974. For

example, Johnson's cotton buds were sold in packs of 90 in 1974. Today they are sold in packs of 100.

Service

For this survey, Fair Deal compared sizes as closely as possible to those of 1974, where sizings had changed; 1974 sizes that differ from present-day sizes are indicated in brackets in the chart.

Please note too that pharmacists' prices are generally higher than prices at supermarkets because of additional services which the chemists offer. Both the pharmacies surveyed here offer credit and delivery facilities and also hire out medical equipment.

All prices in the chart exclude General Sales Tax.

STUFFED CABBAGE SALAD

May Bennett, Ridgeworth

- 1 fresh green medium size cabbage
- onions
- carrots

1 tomato

1 fresh green medium size

Cut the centre from the cabbage, leaf by leaf. Wash well. Chop onion and pineapple. Cube tomatoes. Thin leaves of the cabbage leaving the stem. Pineapple, tomatoes, sliced cabbage in a bowl adding any juice from the salt and black pepper to taste. Toss into the cabbage "bowl". Garnish with lettuce, cut across the tops in a double row until the redness opens.

GERMAN POTATO SALAD

- boiled potatoes
- cooked bacon
- mayonnaise

Cube the potatoes while still hot. With the potatoes, onion and mayonnaise salt and pepper. Use hot or cold.

EGG SALAD

- hard boiled eggs
- salad dressing
- paprika and parsley

Cut eggs in half and lay on a flat saled platter; cut side down. Pour over salad dressing.

CHICKEN AND CUCUMBER SALAD

- 1 cup cooked chicken, diced
- 4 T finely chopped walnuts
- French dressing/mayonnaise
- lettuce

Marinate chicken, cucumber, nuts and peas with French dressing. Serve on lettuce with mayonnaise. Cover with greaseproof paper and refrigerate until ready for use.

French dressing: Blend together 6 T salad oil and 2 T lemon juice.

SPRING GREEN SALAD

May Bennett, Ridgeworth

CAPE TOWN — If medical fees were brought under government control, South Africa would end up with "socialist medicine," a disaster for the medical profession, Professor J. N. de Klerk, chairman of the Federal Council of The South African Medical Association, has said

In a newspaper interview published here yesterday, he said he was gravely concerned at threats made by the Minister of Health, Dr L. Munnik, following the recent 52 per cent rise in the statutory tariff for doctors contracted into medical schemes. There were dangers inherent in the idea of a minister wishing to have a right to veto

"I can understand Dr Munnik's concern. He was presented with a fait accompli which has put him in a politically difficult situation"

However, it was one of the "cornerstones" of the medical and dental council's activities that it had always stood above politics and matters which could become political issues.

Dr Munnik's attitude could result in bureaucratic control of medicine in South Africa, which was the same as socialist medicine

"The removal of the right of doctors to contract out would have the same effect"

Once a profession became dissatisfied with

its remuneration, the profession's standard of ethics suffered.

He emphasised the recent increase in fees was not a rise in salaries. "It is irresponsible to suggest that doctors will make enormous profits."

"We are dealing with the income of self-employed professional people. A salaries individual has a pension scheme, housing loans and other fringe benefits, which the self-employed professional lacks."

Prof De Klerk claimed 45 per cent of the 52 per cent increase would be ploughed back into the economy in the form of costs of running a practice

The adjustment came after four years in which the medical profession had absorbed all increasing costs. The council had no choice. Doctors were entitled to a reasonable income.

It was also hoped the increases would encourage doctors who had contracted out of medical schemes to contract back in.

He was aware certain contracted-out doctors were charging fees way above the statutory tariff.

However, if a doctor charged exorbitant fees a patient had recourse to the Medical Association, who would then inform the council. "We are willing to police our own members" — SAPA

Prof warns of SA socialist medicine

244 299 DD 2/9/79

APPLE TUNA TOSS SALAD

- 1 medium head lettuce, torn in bite-size pieces (4 cups)
- 2 cups diced apple
- 1 11 oz can (1 1/3 cups) mandarin orange sections, drained
- 1 6 1/2 oz can tuna, drained and broken in large chunks
- 1/3 cup coarsely chopped walnuts
- 1/2 cup mayonnaise or salad dressing
- 2 t soya sauce
- 1 t lemon juice

In a large salad bowl, combine lettuce, apple, orange sections, tuna and nuts; toss together. Combine mayonnaise, soya sauce and lemon juice; mix well. To serve, add dressing to salad; toss gently. Makes 4 - 6 servings.

May Bennett, Ridgeworth

EGG SALAD

- hard boiled eggs
- salad dressing
- paprika and parsley

Cut eggs in half and lay on a flat saled platter; cut side down. Pour over salad dressing.

CHICKEN AND CUCUMBER SALAD

- 1 cup cooked chicken, diced
- 4 T finely chopped walnuts
- French dressing/mayonnaise
- lettuce

Marinate chicken, cucumber, nuts and peas with French dressing. Serve on lettuce with mayonnaise. Cover with greaseproof paper and refrigerate until ready for use.

French dressing: Blend together 6 T salad oil and 2 T lemon juice.

SA's cost spiral 'out of control'

by GERALD REILLY
Pretoria Bureau

SOUTH Africa is caught in its worst-ever inflation spiral, according to leading economists interviewed yesterday

This was their reaction to statistics showing a 1,5% rise in the Consumer Price Index for August and a 13,9% inflation rate for the 12 months to the end of August

The index — base 1975 — was 160,2 in August against 157,9 in July and 140,6 a year ago

By Christmas, some economists forecast yesterday, the inflation rate could be close to 20%. Inflation had reached a point where it was feeding on itself, and the rate would continue to snowball unless the Government took drastic steps

The food-only figure in the August index rose by 1,7% — bringing the increase to 16,9% over 12 months

It was pointed out that if the 2,8% added to the rate by general sales tax last year had not fallen away from the calculation at the end of July, inflation would by now be over 16%

For the higher-income group the 12-month figure was 14,3%, for the middle-income group 13,9%, and for the lower income group 12,2%

The leaders of the Trade Union Council of South Africa and the SA Confederation of Labour warned that the accelerating price spiral would bring an unprecedented flow of wage demands in 1980

Economists and businessmen agreed that pressure behind prices was still high, and there were no indications of the increase rate slowing down

They pointed to the July wholesale price index, which soared by 2,6%. This pushed up the figure for the 12 months to the end of July to an alarming 15,8%

A senior economist of the Economic Research Bureau at the University of Stellenbosch, Mr F W Killian, said the acceleration of the inflation spiral was likely to continue past Christmas and could go deep into 1980

And he warned that consumer prices had not yet felt the full impact of the higher fuel price and the huge rises in the maize and wheat prices

The chief economist of Barclays Bank, Dr Johan Cloete, said the inflation problem could...

end of the year. It was essential that the authorities take a fresh look at the problem and the remedies available

Although it is cold comfort for South Africans, inflation abroad is accelerating faster than it is in this country, reports HAROLD FRIDJHON.

In Britain during the past few months the rate has gone up from 10% to 15,6% at the end of July. The Italian rate is up to 14,9% and in the United States it has touched 11,3% and reports suggest that the rate is now moving up

Fast-swirling inflation is a phenomenon of our time, and the annual report of the International Monetary Fund — which is holding its meeting in Belgrade next week — is in fact a confession of hopelessness in dealing with it

While there are undoubtedly further price increases in the pipeline, most of the big increases have already been accounted for. It is unlikely that there will be a further rise in the petrol price this year

One expedient might be to raise the exchange rate of the Rand. This would cheapen imported goods — and the cost of fuel — and diminish the current account surplus, but this policy would only be possible if the authorities could be sure that the gold price would remain at its present record high levels

However, making imports cheaper could be damaging to our industry and could result in investment plans being deferred, which would harm recovery and increase unemployment

Govt price rises blamed

244
RDM
25/9/79

By GERALD REILLY
Pretoria Bureau

GOVERNMENT-controlled price rises over the past few years contributed substantially to the continued "alarming" high rate of inflation, the Prime Minister's economic advisory council has found.

The Prime Minister, Mr P W Botha, released a statement last night on the council's recent meeting in Pretoria. The council said it was widely agreed that an extended system of price and wage controls to combat inflation, even if this was by voluntary agreement, was desirable.

The Prime Minister said the council was concerned about the adverse effect that recently announced individual price rises of between 20% and 50%, and even higher, could have on the willingness of consumers to spend.

Government-administered prices should not rise as sharply in future, the council found.

It recommended that price adjustments in future should be made gradually, even where there were big cost backlogs.

The council also considered it advisable, in the interest of increased productivity, that the fuel-saving measures, especially the 70km/h limit in the larger metropolitan areas, should be reconsidered.

The council concluded there was an immediate need for additional stimulative measures.

The budget concessions earlier this year had been largely neutralised by the recent sharp rises in fuel and other prices.

Prospects for economic growth were still unsatisfactory in spite of recent measures to promote growth.

The council was concerned about the continued high level of unemployment and the possibility that unemployment could increase further.

Certain aspects of the problem, including unemployment benefits, should receive more urgent attention.

Increasing the growth rate should remain the main objective of the Government's economic policy in the short- and medium-term.

Additional measures to promote economic growth should also receive urgent attention.

On the balance of payments the council said it was very likely that the surplus on current account would, for the first time, exceed R2 000-million this year.

Rising prices explained to consumers

RDM
6/10/79
AMW

THE recognition gained by the organised consumer movement held specific advantages for the consumer but also conferred a great responsibility on representative bodies to act with self-restraint, the Minister of Industries and of Commerce and Consumer Affairs, Dr Schalk van der Merwe, said today

Addressing the annual general meeting of the South African National Consumer Union, Dr Van der Merwe welcomed the opportunity to speak on the question of co-operation between the government and the consumer, with special reference to the problem of rising prices

The role of consumers was intricately entwined with the respective roles of commerce and industry

It was therefore almost too ironical that three interest

groups, so heavily dependent upon each other, should seem to be in constant conflict

"That is, of course, where the government enters the scene with its regulatory function," Dr Van der Merwe said.

For the government, commerce and industry also had an essential role to play in achieving the country's overall national economic objectives

This included maintaining a high enough growth rate to allow for the creation of adequate employment opportunities and income levels for all work seekers

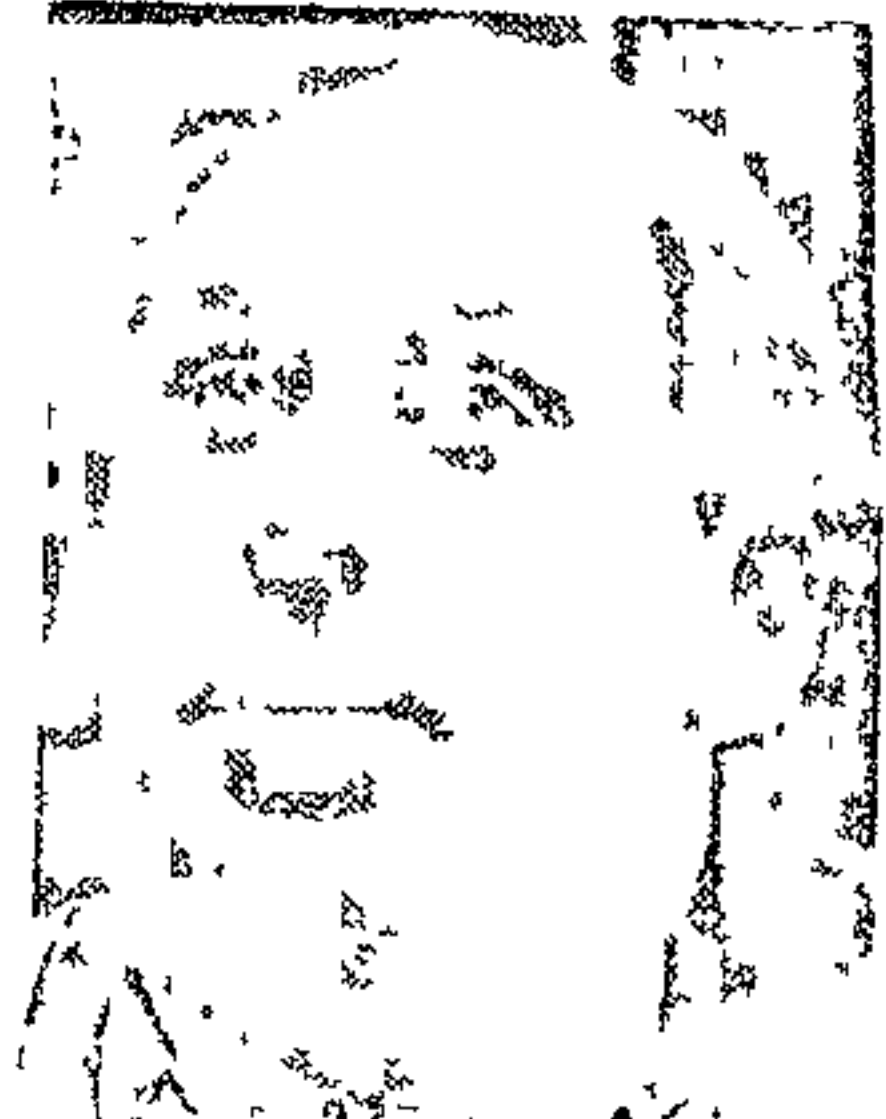
Apart from satisfying domestic needs it also had to permit exports in order to earn the foreign exchange needed to pay for essential imports, and to keep cost and price structures down to fair and reasonable levels for the domestic consumer

"It is, therefore, absolutely in the interests of the economy as a whole, and consumers in particular, that we should have a thriving business community

"On the other hand, commerce and industry are also dependent on one another, as well as on the patronage of the consumer. The goods and services produced and sold must eventually be paid for by the final consumer to keep the wheels of commerce and industry running

"All these factors are part and parcel of the business climate and it is, therefore, to everybody's advantage that a proper balance should be struck, or a compromise maintained, which would reconcile the seemingly divergent interests of the various groups as far as possible," Dr Van der Merwe said — Sapa

Clothing to cost more next year



ADRIAN BELLAMY
bullish for future

FASTEN your seat belts for a giddy rise in clothing prices

By PENELOPE MORGAN

The industry expects an overall growth rate of 1% for 1980 and an overall price increase of as much as 15% in just the first half of next year.

Simon Jocum, representing the 900 odd clothing factories, is president of the National Clothing Federation says. On our March orders the textile industry is giving us quotes at levels 15% higher than last year.

This means that we will have no option but to pass on higher prices.

Because of the competitiveness of the industry, return on capital is abysmal.

In the past three lean years we have absorbed heavy cost increases.

Adrian Bellamy, managing director of Ligars, the biggest single buyer of clothing in the country, is bullish for the future of the industry and reckons that the price increase of the end product need not be much over 10%.

York Mill of the Natal

Clothing Manufacturers Association feels the rise will have to be in the region of 20% to 25% if the industry is to survive.

He says: "There has been an alarming decline in the rate of profitability in the manufacturing industry over the past few years. We simply cannot continue to survive on the small profit margins that we have had to endure since 1976."

According to the Federated Chamber of Industries, the profitability in the manufacturing industry in 1976 was 9.6%, 7.8% in 1977, and 7.2% in 1978.

The textile manufacturer, garment producer and the retailer have a symbiotic relationship.

Most price determinants, and other problems in any one of the sectors, will have a ripple effect on the other two.

The most significant price determinant now facing the textile industry is the prospect of even higher oil prices.

As 50% of the cost of any garment is the raw material

and 60% of textiles used in the industry are petrochemical based, the industry is obviously highly oil sensitive.

Although the large retailers are not saying just how big their mark ups will be, they are believed to be in the region of 100% to 120% on cost price.

In their defence, retailers point out that it is impossible to talk of an average mark up because it varies within one chain between the different lines.

Mark ups are biggest on high risk fashion garments, 45% of which are estimated to end up on the marked down rack.

However, less than 10% of clothing sales are high fashion. Half are saleable fashion which maintain a constant turnover.

The prime hope for substantially increased profit margins in the future lies in the continued meteoric rise in the value of garments exported.

In 1975 SA clothing exports were valued at R3 million, in 1976 R6 million, in 1977 R16 million, in 1978 R22 million.

SA exports mainly to Britain, West Germany, Canada, the USA and Australia.

When one considers that the average wage of the 120,000 odd workers in SA clothing manufacturing is R30 a week, while the equivalent wage in Australia is about R150, one realises just how competitive SA garments are abroad.

However, the cost of exporting is high. F.I.C. duties average about 17%, transport costs can add about 20%, but if goods are airfreighted costs soar.

Growth in the buying power of blacks is another profit potential area. Most agree that the white market is already saturated.

If the local black market and the potential of the export market are to be exploited to any meaningful degree, the industry will have to expand its plant capacity.

At the moment factories are believed to be operating at full capacity.

Once the industry sees a major capital expenditure, she will have to push prices up drastically.

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method
b) deferral method

Assume the tax rate remains 42%

the cost of raising the necessary funds has to be taken into account. The funds themselves are already justified by comparison with the alternative methods of provision, but there are additional costs involved in raising them: interest on loans, or administrative and incentive costs of raising taxation. These are normally insignificant for any given project, but may affect the overall amounts available for the health budget.

Where the methods of providing a given service use the same kinds of resources in different proportions, the decision-making can be simplified by means of Linear Programming, though health service choices cannot usually be presented in the simplified way required by this method.

2. CHOICE OF PROGRAMMES

So far, we have discussed methods of choosing means to obtain a given objective. But what tools are available to aid the choice of objectives themselves? Can anything be said on the question of the priority to be given to particular diseases or age groups, whether to allocate more to child welfare clinics or care of the aged?

Overall criteria are needed, and they have to be expressed in such a way that they can guide these detailed questions. Essentially, the problem is not only to relate resources used to objectives achieved, but to relate the various objectives to each other.

There are various means of doing this; but all of them require that expenditure be accounted for by the ends it is expected to achieve.

2.1 Programme Budgeting

Programme budgeting, also known as budgeting by objectives, involves the presentation of expenditure data according to the objectives to which it is directed. Thus, projects to combat TB would be grouped together, geriatric problems, sanitation programmes, etc.

This is necessary:

- (a) to know the cost of pursuing each objective;
- (b) to group together activities with the same objectives which can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount

on different terms day ca

Financial statistics categories such as tation, e.g. between cannot be made.

The grouping of elements must in the U.K.

"Programme strategy by the decision... On a matter of priorities - reside in different the alcoholic how particular against behavior be compared to tion ties up v that of cost- to the main str - Of neoclassical welfare economics, which attempts to make a distinction between the choice of the composition of the basket of outputs and the choice of the set of resources from which each output is to be produced. The former is, in a broad sense, a question of tastes, values, or utilities; the latter is a question of techniques"

He adds.

"In practice, it is not an easy matter to make a hard and fast distinction between technical matters and matters of values or utilities in the health services. From one point of view, the question whether to treat schizophrenics in hospital or in the community is a technical one. Which is the cheaper way to fulfil whatever are the society's requirements for the treatment of this group? But community care originally became fashionable as a good thing in itself. The practitioners are very apt to muddle the medical and economic arguments when it suits them, and the politicians and administrators equally so when it suits them, but the economist's concern is to keep them separate".⁹

Programme budgeting, then, entails the attempt at this separation, sorting out from the multiplicity of decisions those which can be made on the basis of administrative or economic, together with medical-technical criteria, and those in which the role of the public through political

Flour, meal to cost more

By GERALD REILLY
Pretoria Bureau

THE prices of flour and meal will rise by about 28% from October 1, a senior official of the Wheat Board said in Pretoria yesterday.

This follows the 36% rise in the price of wheat announced last week by the Minister of Agriculture, Mr Schoeman

At the same time the Minister gave an assurance that the price of bread would not be raised until March at the earliest.

The board official said certain aspects of bakers' and millers' margins still had to be settled. This would be done next week, and a detailed statement of the new prices would follow soon after.

He said the prices of all confections would obviously rise because of the higher price of cake flour.

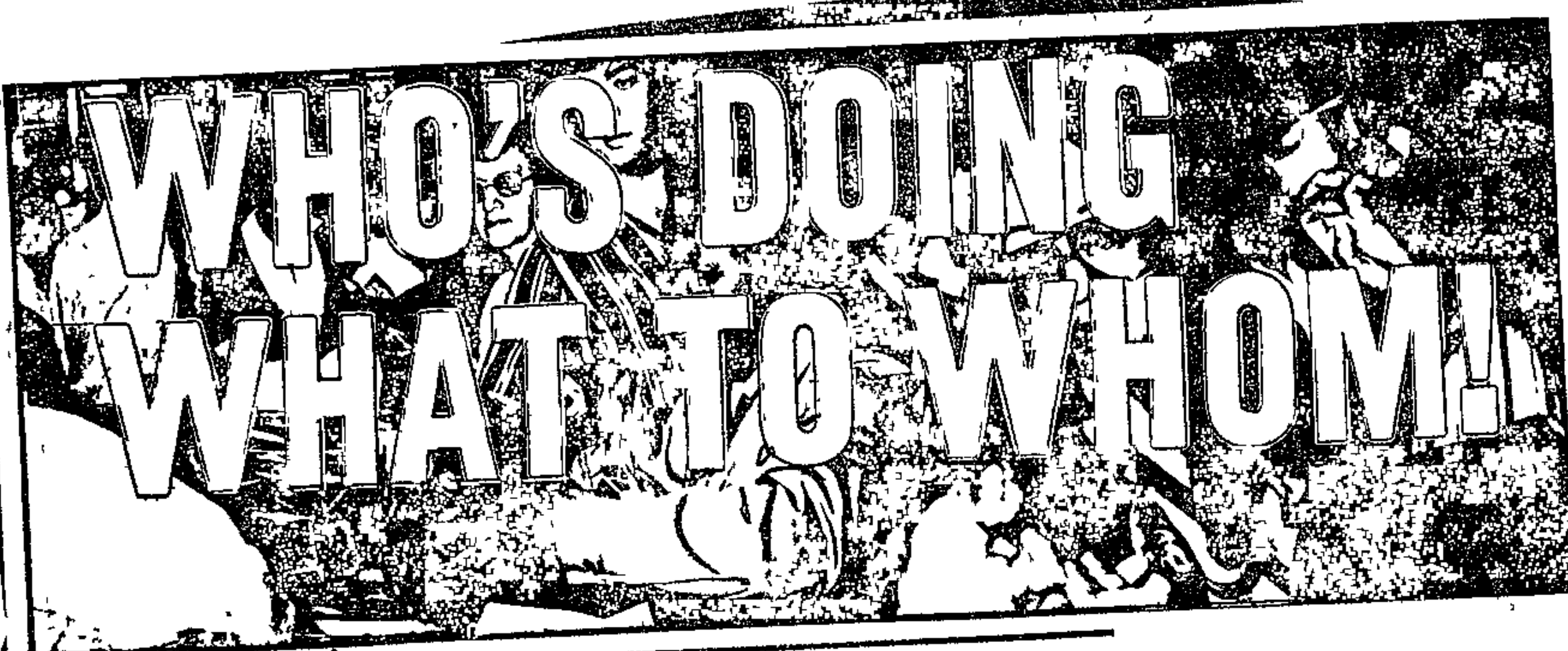
The South African Council of Churches ombudsman, Mr Eugene Roelofse, said prices continued to rise in the face of Government assurances that efforts were being made to slow down the price spiral.

"Whatever these efforts are they are obviously ineffective. So far it has been all talk and no action," he said.

Mr Roelofse said the higher prices would have a heavy impact on the poorer sections of the population, particularly in the rural areas where many families baked their own bread.

● See Page 5

process, and through that to the main str - Of neoclassical welfare economics, which attempts to make a distinction between the choice of the composition of the basket of outputs and the choice of the set of resources from which each output is to be produced. The former is, in a broad sense, a question of tastes, values, or utilities; the latter is a question of techniques"



244 Tribune
14/10/70

By JACK BRICKHILL

THE GOVERNMENT, in an attempt to stem the rising tide of prices, is to investigate the entire system of selling goods, sector by sector.

Tight-lipped officials of the Board of Trade and Industries will not give more detail about the inquiry until the Minister's directive is published in the Government Gazette, probably on Friday

However, Tribune Finance has learned from sources close to the Government that the inquiry will follow closely provisions in the new monopolies legislation which has been passed by Parliament but has not yet been signed by the State President

A Competition Board, set up in terms of the new legislation, will investigate, if directed by the Minister, all aspects of economic competition policy and has the power to veto takeovers or mergers if this appears to be in the public interest

It seems the Government will try to put a stop to the formation of monopolies and price rings which are often blamed for price rises

Apparent anomalies in the distribution system first came to light when the Grocery Manufacturers' Association complained bitterly the large chain stores were using their buying power to force manufacturers to cut their prices so much that they had to charge other customers more. The effect of this was to push up the cost of living for many people.

The Minister of Economic Affairs at the time,

Chris Heunis, said an enquiry would be set up to investigate the trading of the chain stores. But complaints in other sectors have also been received so the enquiry has been expanded to cover the distribution of all goods

Reaction to the new enquiry appears to be generally favourable although Simon Jocum, president of the National Clothing Federation, says Government interference merely adds to costs

"As long as there is competition there is no problem. It is the consumers' guarantee of a good deal I believe in the law of supply and demand and survival of the fittest"

Meyer Kahn, managing director of OK Bazaars, says an enquiry wasn't necessary in the first place but he welcomes the broadening of the exercise to cover all sectors. He claims the large chains have done more than anyone else to keep down prices

"We have nothing to hide," he said, adding that the manufacturer's return on capital is better than overseas and there is more competition in the retail sector in manufacturing. He cited the egg industry as an area which required more attention than the retail sector

The Grocery Manufacturers' Association is also likely to welcome the broadened enquiry although no comment was forthcoming. Hardware, footwear and clothing are other sectors which will be closely scrutinised. Clothing manufacturers complain that buying policies of large retailers have squeezed profits with an unfair share of the profit cake going to the retailer

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method
b) deferral method

Assume the tax rate remains 42%

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15% inflation rate forecast on CPI figure

FROM 28/10/79

BY GERALD REILLY
Pretoria Bureau

THE Consumer Price Index rose by 14,3% in the 12 months to the end of September.

This resulted from a jump of 1,2% in the CPI last month

The CPI was up by 13,9% in the 12 months to August

Some labour leaders and economists say the inflation rate is spiralling towards 15% and could even be higher by Christmas

They base this forecast on the latest consumer price index figures, released by the Department of Statistics in Pretoria yesterday, which show that the CPI in September rose to 162,1 against its 1975 base of 100

The inflation rate today is at one of the highest peaks reached in the past 10 years

For the calendar year 1974 it was 14,1%, for the 12 months to the end of January 1975 it was 14,2%, 14,7% by February that year and up to 14,8% by May 1974 before easing

Apart from this inflation is at its worst ever in the 70s

On the old base of 100 in April 1970 the CPI is now at 254,8

The deputy head of the Bureau for Economic Research at Stellenbosch University, Mr A J de Vries, said last night that

the CPI could show a 15% annual rise by Christmas

He said "The full effects of the higher fuel price rise in June and of the big price rises in primary products like maize, wheat and dairy products have still not worked their way fully through to consumer level"

The unknown factor was fuel. The Opec countries were meeting in December and there might well be another price rise before the year's end

The director of the South African Consumer Council, Mr Johan Verheem, agreed that the index could go above 15% by the end of the year

There were no indications yet, he said, that the cost of living curve would level out

The repayment of the loan levy next month - in total R160-million - could contribute to even higher inflation

On the other hand it could mean a higher retail turnover and could be a price stabilising influence

The president of the Trade Union Council, Tucsua, Mr Andre Malherbe, said "Against the background of continuing inflation the appeal by the Minister of Finance for wage restraints begins to look a bit silly"

Mr Malherbe said he rejected the appeal

Until the Minister also appealed, and got a response, for price restraints he had no right to call for further sacrifices from wage and salary earners

The effect of wage increases on the inflation rate, Mr Malherbe claimed, had been greatly exaggerated

In any case undue wage restraints could be counter-productive by shrinking consumer spending, and contributing to an economic slowdown

"I have never known the CPI jump 3% because of wage increases. But it did this, because of the huge rise in Government-administered fuel prices"

It was important to remember, he added, that the Government took 29,1c a litre in taxation from petrol

The president of the SA Confederation of Labour, Mr Attie Nieuwoudt, agreed that the steady rise in living costs made the Minister of Finance's plea for wage restraint "irrelevant"

"Unions are entitled to claim adequate compensation for the depreciating value of the rand"

"We won't be claiming 52% - like the doctors, although many unions could justify such a claim - but we will be demanding adequate compensation," he said

NO.	2336	2019	430	282	3270	2588	2858	1951
NO.	65+	65+	65+	65+	65+	65+	65+	65+
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24
ALL	11,52	7,89	16,51	13,42	20,07	10,49	9,32	6,19
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	1,72

F	M	A	C	B
0,18	0,50	0,41	2,02	1,26
0,05	0,02	0,07	0,45	0,23
0,01	0,05	0,04	0,09	0,09
0,01	0,04	0,05	0,23	0,13
0,07	0,21	0,11	0,36	0,26
0,13	0,00	0,15	0,47	0,18
0,04	0,07	0,06	0,25	0,14
85	26	23	289	164
0,07	0,01	0,01	0,09	0,09
0,01	0,05	0,04	0,06	0,06
0,01	0,04	0,05	0,23	0,13
0,07	0,21	0,11	0,36	0,26
0,13	0,00	0,15	0,47	0,18
0,04	0,07	0,06	0,25	0,14
85	26	23	289	164
0,07	0,01	0,01	0,09	0,09
0,01	0,05	0,04	0,06	0,06
0,01	0,04	0,05	0,23	0,13
0,07	0,21	0,11	0,36	0,26
0,13	0,00	0,15	0,47	0,18
0,04	0,07	0,06	0,25	0,14
85	26	23	289	164
0,07	0,01	0,01	0,09	0,09
0,01	0,05	0,04	0,06	0,06
0,01	0,04	0,05	0,23	0,13
0,07	0,21	0,11	0,36	0,26
0,13	0,00	0,15	0,47	0,18
0,04	0,07	0,06	0,25	0,14
85	26	23	289	164

F	M	A	C	B
0,03	0,20	0,21	0,06	0,06
0,01	0,02	0,00	0,02	0,01
0,00	0,01	0,01	0,01	0,01
0,01	0,01	0,02	0,00	0,01
0,02	0,03	0,03	0,06	0,01
0,11	0,13	0,15	0,13	0,03
0,02	0,02	0,02	0,02	0,01
34	7	7	21	23
0,02	0,02	0,02	0,02	0,01
0,11	0,13	0,15	0,13	0,03
0,02	0,03	0,03	0,06	0,01
0,11	0,13	0,15	0,13	0,03
0,02	0,02	0,02	0,02	0,01
34	7	7	21	23
0,02	0,02	0,02	0,02	0,01
0,11	0,13	0,15	0,13	0,03
0,02	0,03	0,03	0,06	0,01
0,11	0,13	0,15	0,13	0,03
0,02	0,02	0,02	0,02	0,01
34	7	7	21	23

Small men fear electrical price ring

244 S/Tribune 2/10/79
Shock treatment

for building trade

By JACK BRICKHILL

HIGHER wholesale prices tomorrow for electrical materials will add another twist to spiralling building costs which have doubled in the past 10 years and are expected to go up another 20-25 percent this year.

Hardest hit by the new wholesale prices will be small contractors and do-it-yourself enthusiasts who want to improve or extend their homes.

Buyers of small quantities of material will pay up to 25 percent more for about 200 of the several

thousand lines available. But these are the heavier and more common items such as conduit and accessories.

The larger contractors will be cushioned by discounts for bulk-buying and a spokesman for the Electrical Distributors Association says the effect on building costs generally will be negligible.

Another wholesaler says, however, that electrical materials including wire, conduit and switches will go up about 10 or 12 percent but these materials comprise only about 6 percent of the total cost of a house.

Small contractors are

angry about the increase which they claim smacks of a price ring.

The wholesalers' spokesman says the organisation has nothing to hide and the increases, which are not binding on members, have the blessings of the Board of trade and Industries and the Electrical Contractors' Association.

Stiff competition among wholesalers to supply the declining building trade in the past few years has seriously eroded margins. Wholesalers' costs of wages and deliveries — 90 percent of sales are delivered to customers — have soared.

Most wholesalers aim at a 20 percent mark-up but

nearly half the business, worth a total of more than R100 million a year, is on a mark-up of only 10 percent, claims a Durban wholesaler.

"Why should we be singled out for bringing sanity back to our trade when, generally speaking, the mark-up on a suit in a store is 100 percent and the mark-up on a lounge suite is at least 250 percent."

There is one consolation for the small contractor. Wholesalers have been unable to agree on a common price range in the past and it should not be too long before undercutting in this competitive sector breaks down the price agreement.

helped them to some extent to integrate into the University as well as in choosing their degree courses.

2.6 The Course on Study Methods

A majority of the sample (69%) felt that their school methods of study were adequate at University, though less than 1% felt they were completely adequate and 18% nearly so. Yet the majority (51%) would have liked an additional lecture on "Lectures, Revision and Examinations" and on "Reading and Research"; in their comments a great many students suggested that a more practical presentation of all topics might be desirable.

As regards an on-going study methods course in the first semester, 72% of the sample stated they would find it desirable and 30% would find it very valuable indeed.

2.7 Library Instruction Course

An overwhelming majority of the sample were extremely enthusiastic about the library course and found the librarians very helpful.

2.8 Academic Advice

In indicating whose advice they had primarily sought in planning their university curriculum, the sample indicated as follows:

Food prices to rise again — Schoeman

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244
rom
26/10/74

By GERALD REILLY
Pretoria Bureau

SOUTH Africa's food prices will rise again next year, the Minister of Agriculture, Mr Hendrik Schoeman said in Pretoria yesterday.

Mr Schoeman stressed that in the Southern African survival struggle food was as important as guns were and it had to be made economically attractive for farmers to produce.

Other Government sources claimed the Government had acknowledged the strategic importance of high food production and that this will be encouraged by realistic producer prices.

The Minister said:

'Full' grain silos will mean we can talk from a position of strength. With the increasing populations around us we will find that more and more black states will depend on this country for basic food needs

and it is strongly in our interest that we should be able to meet the demand."

High levels of food production would be a key factor in South Africa's future. It could be a stabilising factor throughout Southern Africa.

South Africa was increasing its food production by 5% a year — a higher rate than that at which the population was growing, but continual expansion through a better use of the land, more scientific production methods and realistic prices was essential.

Stressing the growing importance of the agricultural industry in total survival strategy the Minister said:

"There's little point in having a gun in your hand if your stomach is empty."

Food, it should be recognised, was a powerful bargaining counter. It had also become one of the country's most valuable assets in international trade.

The industry's annual production now exceeded R4 000-million in value.

The Minister added, however, that the days of cheap and abundant food were irrevocably past.

It was acknowledged internationally that food production had become one of the world's most pressing problems — if not the most pressing — when rising populations particularly in the less well developed countries was taken into account.

World population was today largely dependent on a few highly productive countries — particularly America — for its food needs.

At the annual congress of the South African Agricultural Union in Pretoria last week the President of the SAAU, Mr Jaap Wilkens, stressed the need for adequate prices if production was to be maintained and increased.

1974-10-11

3 Wheat

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REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

STAATSKOERANT
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VOL 173]

PRETORIA, 9 NOVEMBER 1979

[No. 6723

GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURAL
ECONOMICS AND MARKETING

No R 2522 9 November 1979

BREAD PRICES — AMENDMENT

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Wheat Board, referred to in section 6 (1) of the Winter Cereals Scheme, published by Proclamation R 162 of 1974, as amended, has, under section 37 of that Scheme, with my approval and with effect from the date of publication hereof, further amended the prohibition published by Government Notice R 704 of 26 April 1974 as set out in the Schedule hereto

H S J SCHOEMAN, Minister of Agriculture

SCHEDULE

The Schedule to Government Notice R 704 of 26 April 1974, as amended, is hereby further amended by—

- (a) the deletion in the preamble of the words "super white bread or",
- (b) the deletion in subclause (2) (a) of clause 1 of the words "with a mass of not less than 715 g and not more than 835 g shall be deemed to have a mass of 750 g",
- (c) the deletion in subclause (2) (b) of clause 1 of the words "with a mass of not less than 700 g and not more than 835 g, shall be deemed to have a mass of 750 g";
- (d) the deletion in subclause (1) (a) of clause 2 of the words "and the minimum selling price of super white bread sold by or on behalf of a baker, shall be 30c per 750 g",
- (e) the deletion in subclause (1) (b) of clause 2 of the words "and the maximum selling price of super white bread shall be 32c per 750 g".

16587—A

GOEWERMENSKENNISGEWINGE

DEPARTEMENT VAN LANDBOU-EKONOMIE
EN -BEMARKING

No. R 2522 9 November 1979

BROODPRYSE — WYSIGING

Ingevolge artikel 79 (b) van die Bemerkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Koringraad genoem in artikel 6 (1) van die Wintergraanskema, afgekondig by Proklamasie R 162 van 1974, soos gewysig, kragtens artikel 37 van daardie Skema met my goedkeuring en met ingang van die datum van publikasie hiervan, die verbod aangekondig by Goewermentskennisgewing R. 704 van 26 April 1974, soos gewysig, verder gewysig het soos in die Bylae hiervan uiteengesit

H S J SCHOEMAN, Minister van Landbou

BYLAE

Die Bylae van Goewermentskennisgewing R. 704 van 26 April 1974, soos gewysig, word hierby verder gewysig deur—

- (a) in die aanhef die woorde "superwitbrood of" te skrap,
- (b) in subklousule (2) (a) van klousule 1 die woorde "geag in massa van 750 g te hê indien die massa daarvan minstens 715 g en hoogstens 845 g is" te skrap,
- (c) in subklousule (2) (b) van klousule 1 die woorde "geag 'n massa van 750 g te hê indien die massa daarvan minstens 700 g en hoogstens 835 g is" te skrap,
- (d) in subklousule (1) (a) van klousule 2 die woorde "en die minimum verkoopprijs van superwitbrood wat deur of ten behoeve van 'n bakker verkoop word 30c per 750 g" te skrap,
- (e) in subklousule (1) (b) van klousule 2 die woorde "en die maksimum verkoopprijs van superwitbrood 32c per 750 g" te skrap,

6723—1

(f) the deletion in subclause 2 of clause 2 of the words "or per 750 g in the case of super white bread";

(g) the deletion in subclause (1) (a) of clause 3 of the words "and the maximum selling price for super white bread sold otherwise than for cash at the seller's premises, shall be 34c per 750 g";

(h) the deletion in subclause (1) (b) of clause 3 of the words "and 6c per 750 g in the case of super white bread", and

(i) the deletion in subclause (2) of clause 3 of the words "or per 750 g in the case of super white bread".

(f) in subklousule (2) van klousule 2 die woorde "of per 750 g in die geval van superwitbrood" te skrap.

(g) in subklousule (1) (a) van klousule 3 die woorde "en die maksimum verkoopprijs van superwitbrood wat anders as vir kontant op die verkoper se perseel verkoop word, 34c per 750 g" te skrap.

(h) in subklousule (1) (b) van klousule 3 die woorde "en 6c per 750 g in die geval van superwitbrood" te skrap, en

(i) in subklousule (2) van klousule 3 die woorde "of per 750 g in die geval van superwitbrood" te skrap.



APPLIANCES

244
16/11/79

Paraffin problems

The paraffin price hike introduced in June is threatening to become an explosive problem. SA's two largest paraffin appliance manufacturers have both suffered a major drop in sales. Barlow's paraffin fridge sales have fallen by 35% since the increase and Cadac has suffered an overall 20% downturn in its paraffin stove sales.

The government has so far failed to react to representations made by the Domestic Appliance Manufacturers Association (Damsa) and Cadac to do away with or subsidise the 14.75c/l levy. Following the government's decision in

...levy on all petroleum products liquid petroleum gas (LPG) and paraffin increased in price by 15.1c/l and 14.75c/l respectively (FM October 19). But after representations by gas distributors, the LPG levy was reduced by 7c. The paraffin levy remained.

Damsa chairman, John Turner, warns that the levy has hit the less privileged consumer - who can least afford it. Deborah Mabiletsa, director of the SA Council of Churches women's desk, says the government is playing with fire. "It is asking too much from people who can't afford it. It's hitting health standards and it's unnecessary. Paraffin accounts for only 3% of all petroleum products in SA."

Mabiletsa says the drastic drop in sales will inevitably result in retrenchments - because of decreased production.

To date representations to the Department of Commerce have proved unsuccessful. Damsa wrote to the Department of Commerce in August asking the government to reconsider the imposed levy. Representations have also been made by Cadac, SA's largest paraffin stove manufacturers.

Says Cadac Financial Director Sandy Jones: "We have made a number of re-

Financial Mail November 16 1979

presentations to the government but that seem to be getting anywhere. Our controls 60% of the R210 a year for the stove market. Turner adds: "All we received was a letter of acknowledgment. That's the department is not aware how serious the problem is. He says the average now family spends R18 a month on running a 0.25m³ fridge. About R11 a month is spent on paraffin. This represents up to 20% of the average lower income group's salary." He says the unfairness of the hike is highlighted by the fact that it only costs R2 to run an electric fridge. Secretary for the Department of Commerce and Consumer Affairs, Iain Scott, says the department is aware of the representations. "We are working in conjunction with the Department of Industries in reconsidering the levy. No decision has been made but we will either exempt or partly exempt paraffin." (Chief Industries Advisor for the Department of Industries, Frank Scheepers, says: "We hope to reach a decision by the end of the month.") But Van der Walt warns that if paraffin is exempt from the levy, other petroleum products and finally consumers will have to subsidise the loss of revenue.

Beer prices for rise explained

Industrial Reporter

THE general manager of South African Breweries in the Cape, Mr John Seton, said yesterday comment on beer prices should be put into clearer perspective so that consumers could understand the issue.

He said Intercontinental Breweries' products, which represent seven percent of sales in the Cape province, had been increased by 4,8 percent to bring their prices into line with SAB products.

"ICB products were shipped into the Cape and freight rates made them uneconomic.

"In the case of discounts on beer products, less than 10 percent of the packs were discounted at any one time. The discounts varied and were entirely promotional," he said.

The Cape Times

WEDNESDAY, NOVEMBER 21, 1979

Increasing beer prices

SOUTH AFRICAN Breweries' beer price increase is the logical outcome of a monopoly in a market where once there had been fierce competition. SAB committed itself last week to keeping prices unchanged until 1981 and now maintains it has honoured its undertaking in that only the wholesale price of Intercontinental beers has been allowed to rise. Various reasons have been given for the action. The inescapable fact remains that these reasons did not prompt an increase when there was a competitive market.

But this is only a small part of the new monopoly's effect on prices. Widespread discounting which characterized the beer war is also being phased out. The promotional discounts saved the consumer as much as 99c a case, and although SAB says it is planning to reintroduce the discount on one

brand, it now seems most unlikely that the practice will be as widespread as before the big liquor deal or that the amount of the discount will be as great.

As things now stand it looks as if the ordinary consumer is being asked to pay more in terms of a deal which effectively gave the huge beer market to a single, highly profitable company. And what is to hold down wine prices? After all, the other side of the deal was to create a virtual wine monopoly, and if SAB has found that certain prices were uneconomic now that there is less competition, it seems a fair bet that the new wine combine representing big business and the wine farmer, could come to the same conclusion.

Beer and wine are virtual staples. The government, which must share responsibility for the higher prices by approving the deal in the first place, should reconsider the position.

**INFLATION
The CPI**

The SA inflation rate could be as high as 14.3% in 1980 compared with 13.1% this year, according to Professor Geert de Wet of the Rand Afrikaans University. In

Financial Mail November 30 1979

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the latest issue of the university's *Quarterly Econometric Forecast*. De Wet calls for an urgent study into the causes of inflation in SA.

He estimates that imported inflation and oil accounts for roughly 7% of the increase in the CPI. The remainder he reckons can be traced to productivity problems both on the part of labour and management.

If oil prices rise significantly above forecast — he predicts a 1% hike next year — inflation could of course be much higher. It is very hard to foresee, he warns, "given the present domestic and world scene, any significant decline in the inflation rate over the next 12 months, while it is easy to imagine a further increase."

De Wet says he is not satisfied with the CPI as an accurate measure of inflation. He argues that the official CPI only re-

flects consumer prices which although important make up only part of total demand in the economy. If one worries about inflation, he adds, one must look not only at how it affects consumers but also how it affects producers and government.

RAU's forecast for 1980 is based on the gross domestic expenditure (GDE) deflator which includes the inflationary pressure of imports and exports.

Attie de Vries, deputy head of Stellenbosch's Bureau of Economic Research, agrees that the CPI is an inadequate measure of true inflation. Inflation is automatically associated with the CPI, he says, but warns that this distorts the rate of inflation. Depending on the phase of the business cycle there is often a fairly large discrepancy between the CPI and the GDE deflator.

The basket of goods and their weights

941

to the provisions of sections 302 (4), 303 and 304 (1) as if it were a public company, on being satisfied that the failure to comply with the provisions of sections 302 (4), 303 and 304 (1) is due to some other sufficient cause or that on other grounds it is just and expedient, may, on the application of the company or any other person, order the company to be relieved of such consequences as aforesaid.

of associations not for gain.—(1) Any association—
(a) which prohibits the payment of any dividend to its members; and
(b) which complies with the requirements of this section in respect to its formation and registration,
may be incorporated as a company limited by guarantee.

(2) The memorandum of such association shall comply with the requirements of this Act and shall, in addition, contain the following provisions:
(a) The income and property of the association whencesoever derived shall be applied solely towards the promotion of its main object, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the association or to its holding company or subsidiary: Provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the association or to any member thereof in return for any services actually rendered to the association.
[Para. (a) amended by s. 4 of Act No. 59 of 1978.]
(b) Upon its winding-up, deregistration or dissolution the assets of the association remaining after the satisfaction of all its liabilities shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, to be determined by the members of the association at or before the time of its dissolution or, failing such determination, by the Court.
(3) The provisions of sections 49 (1) (e) and 174 of this Act shall not apply to any such association.
(4) Existing associations incorporated under section 21 of the repealed Act shall be deemed to have been formed and incorporated under this section.

INFLATION The CPI

The SA inflation rate could be as high as 14,3% in 1980 compared with 13,1% this year, according to Professor Geert de Wet, of the Rand Afrikaans University In

Financial Mail November 30 1979

the latest issue of the university's *Quarterly Econometric Forecast*, De Wet calls for an urgent study into the causes of inflation in SA

He estimates that imported inflation and oil accounts for roughly 7% of the increase in the CPI. The remainder, he reckons, can be traced to productivity problems, both on the part of labour and management

If oil prices rise significantly above forecast — he predicts a 15% hike next year — inflation could, of course, be much higher. "It is very hard to foresee," he warns, "given the present domestic and world scene, any significant decline in the inflation rate over the next 12 months, while it is easy to imagine a further increase."

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The basket of goods, and their weights,

FM 3 Jul 79

(244)

- (a) Neglect of preventive medicine by most practitioners and inadequate budgetary provision for it. Savage also notes the excessive expenditure on cure.
- (b) Both also note the maldistribution of doctors and health services. Kirsch describes this in geographical terms, and in terms of inappropriate institutions. He notes the concentration of doctors throughout the world in urban areas. Savage describes this as a concentration in South Africa on the needs of the white and urban populations; but he also implicitly recognises an international dimension when he notes the applicability to South Africa of the 'Inverse Care Law' originally described by Hart, as it appears in Britain; 'the availability of good medical care tends to vary inversely with the need of the population served'.⁵
- (c) Inappropriate institutions, particularly 'disease palaces' are associated with this geographical bias and partly responsible for both the urban- and disease-orientation of the

Savage discusses two further problems with

(d) weakly developed ancillary services ophthalmic services are not easily available; pharmacies are absent in African townships; health visitors are few. Services for the elderly are also scarce, particularly for

(e) South African medicine is deeply permeated with apartheid, with duplication of training for differentials are aggravating to black students. This would cost only R1,4 million p.a. to pay equally qualified doctors the same salary, and R4,2 million p.a. to give equally qualified nurses the same pay.

Savage, however, differs considerably from Kirsch on the tractability of these problems. He attributes the misallocation of resources in the health sector to interests rather than to ideas, and points out that this misallocation affects society as a whole and not merely the medical profession. He criticises those who, like Illich, believe that one can change the behaviour of individuals without altering the behaviour of the system, and shows that the maldistribution of doctors is a mirror of the maldistribution of resources in society. He sees the need for doctors to become involved in 'combating the health-denying aspects of apartheid in order to promote effective medicine'.

Other contributors (e.g. Adler, Vol.2) would regard the nature of the economic system, rather than the legal structure of apartheid as the root cause of the 'Inverse Care Law', as it is apparent to some degree throughout the third world and in most 'western' societies. Both Adler and Savage, although not denying the need for medical reforms, regard these as inseparable from changes in the wider social structure if they are to be effective.

2.2 Public or Private : The Options

The debate on what has come to be called 'socialised medicine' concerns which method of health care provision is most *efficient* and which best satisfies the condition of *equity*. Efficiency, in the economic sense, is taken to mean that there can be no change which will make one person better off without making another worse off. If one can, by reorganising

Meat prices hardly lean

RDM
20/12/79
ZLAT
3/11/80

Staff Reporter

MEAT prices were still rising yesterday

Super Grade beef was selling for R1,62 per kg wholesale yesterday against the maximum price of R1,54 per kg reached on Tuesday

Cattle farmers are holding back on stocks because of improved grazing conditions, Mr Louis Kruger, senior administrative officer of the Consumer Council, said yesterday.

Although there are no shortages now he expected one to occur some time next year

He believed this would, however, be offset by imports from Rhodesia

Supermarkets, such as Checkers and OK Bazaars, are still selling beef at a much higher price than butchers

Mr Jack Pienaar, of Meat Fiesta, in Randburg, said yesterday he has stopped buying in bulk because of the "impossible high prices"

He said he was buying only on customers' demands. He has advised his customers to stop buying while the prices are high

Mr Pienaar said he was selling super grade beef to the public at R2,60 per kg. His fillet and rump steaks are selling at R4,60 per kg

Both the OK Bazaars and Checkers meat markets are now selling prime beef for R3,68 per kg. Hillbrow Checkers, which yesterday was reported as selling super grade at R5,60 per kg, has realigned its price with other supermarkets

Wholesale prices for meat in Johannesburg are

Beef: Super 162c, Prime 161-169, Gr 1 160, Gr 2 132, Gr 3 127

Veal: Super 197-205, Gr 1 167-178

Mutton: Gr 1 161-169

Pork: Not available

The free market position is argued by Rees (*27): If a good or service can be bought and sold between individuals, and all relevant costs and benefits are taken into account in the market transactions without spilling over to outsiders (excludability), and there are no economies of scale,⁶ then individual preferences as expressed through their purchasing power can be met efficiently when the good is distributed through a free market so that neither can alter the price on their own, and no combination of buyers or sellers exists that can influence the price to their own advantage. In addition, there must be no information constraints on buyers and sellers. If these conditions are fulfilled, private provision will be efficient, although the possibility of efficient allocation may also exist under other conditions. The advantage of a private market are generally taken to be the minimal need for information transmission before an efficient distribution can be reached.

Call for 'meat bonanza' inquiry

RDM
21/12/71
244

Staff Reporter

THE annual "meat bonanza" over the Christmas season should be added to the investigation of the meat trade, says Mrs Joy Hurwitz, the national president of the Housewives' League

Mrs Hurwitz commented on the high — and still rising — price of meat in Johannesburg yesterday.

She said the price had gone up by 30% in the past six weeks. It appeared big supermarkets and small butchers had been able to hold the price down, but they could not afford to do so for long, Mrs Hurwitz warned.

She said their prices had increased by only 8% to 14% in the same period.

"It is high time this annual

bonanza for some people in the meat trade is investigated as there is an ample supply of beef which the wholesale trade appears to be buying and yet many butchers cannot buy it.

Mrs Hurwitz asked if the auction system was a farce, if wholesalers were taking too big a markup or if the high prices was an effort to squeeze the small butcher out of the trade.

"We strongly advise the Minister to add this to his investigation of the meat trade.

Mrs Hurwitz said it was impractical to expect consumers to buy their Christmas meat in November as many did not have deep freezers.

Wholesalers bought Super Grade beef for R1,69 per kg yesterday. This constitutes a rise of 15c per kg from Tuesday.

901 28/12/79 (3) (183) (211)

Fertiliser rise will affect food prices

Farmers have reacted angrily to the 17,3 percent average price increase announced for fertilisers and have warned that it will have a big effect on food prices right into 1981.

The fertiliser price increase — of which the withdrawal of the government subsidy forms only 1,8 percent — will affect maize, wheat, sunflower and vegetables.

A strong ripple effect will carry through into the prices consumers will pay for animal feed, meat and poultry, eggs and milk, margarine, cooking oil, maize meal and bread.

Fertiliser forms a third of the production costs for wheat and maize. Eighty percent of poultry meal is made up of maize, and 65 percent of pig feed is maize.

Dr Pieter Gouws of the SA Maize Producers Institute in Bothaville said fertiliser would cost farmers R524-million in 1980, an increase of R116-million over 1979 costs.

"The most important as-

pect is that farmers are going to have to find this money before they plant their crops. A farmer ploughing 500 hectares of maize will have to find R5 000 overnight, just for fertiliser."

Dr Gouws said if farmers were allowed to import nitrogenous fertiliser, it would cost them 50 percent less than what they paid from the two main local suppliers Fedmit and Triomf. "The maize price is likely to increase 27 percent in 1980," he said.

Fedmit and Triomf control 90 percent of the market. They have

market sharing agreement which a Board of Trade inquiry in 1975, found to be monopolistic.

Agricultural representatives alleged to the board that the agreement stifled competition, which in turn led to higher prices because of poor marketing.

Dr H Luttingh of the Fertiliser Society refused to comment on these allegations.

He said the fertiliser price increase was largely a result of increases in the cost of oil for nitrogenous fertiliser in particular, and sulphur and potassium.

According to estimates by African Explosives, South Africa will be deriving 75 percent of its nitrogenous fertiliser from coal within two to three years.

The Transvaal and South African Agricultural Unions said none of the fertiliser manufacturers have a fully fledged standard costing system. They described the formula used by the Department of Industries to calculate manufacturing costs as "antiquated."

Meat prices remain elevated

RDM
29/12/79
244

Staff Reporter

MEAT prices remained high at Reef abattoirs yesterday

The prices at the City Deep Abattoirs yesterday were lower than before Christmas, but still high compared to the year's average

The prices of super beef went as high as R1 84 per kg. This is 33% higher than the November price

The price of lamb and mutton was almost unchanged, with super lamb fetching up to R2,35 a kg

The price of pork has gone up since November when a shortage of pigs pushed the price up to an all time high of R1,62 a kg

Yesterday the same grade of meat was sold for up to R1,76 a kg.

Mr Eugene Roelofse, the consumer ombudsman for the South African Council of Churches said yesterday "The Meat Board know this time of

year is a peak period and they should be able to plan ahead. They do not seem to cater for peak demand periods."

The price of poultry is up about 15% on last year according to a spokesman for a large poultry wholesaler

The price of chicken is now between R1,20 and R1,35 a kg and the price last year at this time was between R1 15 and R1,25 a kg

"The demand for chickens is very high at this time of year and the cycle of availability is at its lowest," the spokesman said

Yesterday's abattoir prices were

Beef: Super and prime grade up to R1,82 a kg, first grade up to R1,79 a kg; second grade up to R1,42 a kg.

Lamb: Super grade up to R2,35 a kg, first grade up to R2,25 a kg

Mutton: Prime grade up to R2,15 a kg

Pork: Grade one baconners up to R1,47 a kg, grade one porkers up to R1,76 a kg

18/11/78 M 244

Tyre price war looms

JOHANNESBURG — A tyre price war seems inevitable following the Government's decision to abolish resale price maintenance from December 29

Mr Peter Morum, chairman of South Africa's Tyre Manufacturers' Conference, said the abolition means dealers registered with the conference will be able to charge what they like.

"Reports that price control on tyres has been lifted are untrue. Price control will remain. Dealers will now be able to implement and advertise discounts as have supermarkets in the

past," he said

Mr Morum did not predict a major price war in tyres "There might be initial in-fighting between traders, but it will probably be a seven-day wonder"

Mr Neville Robinson, national merchandise manager for Checkers, believes there will be a massive price war

"We have been selling tyres 25 per cent lower than dealers' prices to the public for the past two years. That represents a saving of about R11.25 on every tyre" — DDC

PRICES - GENERAL

9 JANUARY 1980 — 31 AUGUST 1980

Price of

wine

likely

to ^{at 180}
~~122~~

rocket

By LEON BEKKER

WINEMAKERS are considering a price increase which could push the minimum price of wines up by 18 per cent.

The board of directors of the wine co-operative, KWV, is meeting on Monday to finalise its pricing recommendations to the Minister of Agriculture, Mr. Hendrik Schoeman.

Dr. Andre du Toit, the chairman of KWV, said last night that the details of the recommendations were speculation and still "in the air" at this stage.

Sources in the industry, however, said increases were inevitable, and all that was at issue was the size

Last year farmers' costs rose by 13.5 percent, which resulted in a price increase of 12.1 percent.

This year production costs would be about 18 percent up, which should result in a price rise of between 16 and 18 percent.

Dr. Du Toit said the law stipulated that the price structure recommendations should be before the minister by January 15.

The new structure, once approved by the minister, is then published in the Government Gazette and anyone with valid objections to the new prices could make representations to the minister.

~~160~~
2 1/2 46

KWV Blamed for soaring wine prices

159
9/1/80
gas

Put butter, sugar, syrup into a pan and cook to a rich brown toffee, then the lemon juice.

HOT BUTTERSCOTCH SAUCE
1 T syrup
2 T brown sugar
squeeze lemon juice

152 244

117
Mary Snelling, Ridgeworth
1/2 oz butter/margarine
1/2 pt warm water
1 T custard powder mixed with
1 T water

Own Correspondent
CAPE TOWN — The prices of wines could increase by 18 percent when the directors of KWV meet on Monday to decide on recommended new minimum prices for all wines.
Wine retailers in the Western Cape believe that, if such a high increase were granted, consumer resistance could lead to a fall in wine sales.
The increase would

come on top of last year's 12.1 percent rise, pushing the total increase for the past 15 months to more than 30 percent.
Major Cape retailers blame KWV — recognised as the sole representative of wine farmers — for "wine's sagging situation".
In spite of falling consumption KWV has increased prices every year.
In a recent interview with The Star, a senior member of the newly for-

med Competition Board (which investigates monopolistic conditions) said the wine industry was increasingly "smacking" of creeping socialism.
"Farmers have too large a slice of the distribution, marketing, pricing and selling of wine," he said.
In reply, Dr Andre du Toit, chairman of KWV, said farmers were unable to cope with last year's 18.4 percent rise in production costs, of which fuel accounted for 13 percent. Farmers would ask for an equivalent price increase.
"There was also a sharp decrease in the consumption of table wine," he said.

EXPORTS

But wine experts point out that, at the same time, there was a significant upswing in the consumption of expensive and quality wines.
"Farmers are getting a minimum of 18.5c for a bottle of wine — the bottle costs more than that," Dr du Toit said.
Even if wine consumption falls briefly in South Africa it should not be particularly upsetting for wine farmers. Wine surpluses are exported and SA wines are finding increasing favour on international markets.
Surpluses are also channelled into the making of sherry, port and brandy — the prices of which all undoubtedly rise in sympathy with wine. Dr du Toit pointed out.
The Competition Board is currently investigating the wine and beer industries

(For use in...)
2 T honey
1/4 cup van der Hum
Heat in a double boiler until very hot. Serve over ice-cream.

9 cherries finely chopped
4 walnuts finely chopped

1. Stir until
fring. Stir
over hot water

Melt butter in saucepan. Add flour; cook till brown. Beat in cream and wine. Whip very well. Boil for 5 minutes. Add salt and pepper to taste and chopped parsley.

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BRANDY SAUCE
(For Steamed puddings)
Make a white sauce with 1/2 oz butter, 1 oz flour, 1/2 pt milk, add 1/2 oz sugar and 2 t brandy.

K.W.V. Paarl

Wine-shy traders feared if prices increase

Argus 9/1/50

169

244
182

WINE retailers in the Western Cape believe that another increase in the price of wine could lead to consumer resistance, particularly in a part of the country not experiencing the economic upswing noticeable in the Transvaal.

The board of directors of KWV, controlling body of wine farmers, will meet on Monday to decide on recommended new minimum prices, amid speculation of a possible 18 percent increase.

'KWV to blame'

A major retailer commented KWV have only themselves to blame for wine's sagging situation.

Faced a few years ago with a downward consumption curve they have increased prices every year — landing up with over-production and consumer resistance, with customers switching to other forms of liquor.

By law, KWV is recognised as the sole representative of wine farmers — a situation going back about 60 years.

Each year, by January 15, it makes representations to the Minister of Agriculture on the proposed minimum price for raw wine.

Objections

The Minister, Mr Hendrik Schoeman, then gazettes the proposals, to which objection may be made.

In the past retailers and others have objected — 'but we've never got anywhere,' commented a liquor trade representative.

'What KWV wants, it gets.'

Last year KWV estimated that production costs had risen by 13,5 percent and asked for a price increase of 12,1 percent, which was granted.

The KWV board of directors will meet on Monday to confirm its recommendations to the Minister.

With an estimated increase in production costs

over the past year of 18 percent, largely said to be due to fuel prices, KWV could ask for an increase of 16 to 18 percent.

However, it has said that until the board meets on Monday and the Minister has published the proposals, all figures are purely speculative.

But within the retail and hotel trades, a proposed 16 to 18 percent increase over and above the 12,1 percent increase last year — pushing the total increase in the past 15 months to about 30 percent — is viewed with some alarm.

'No way'

'There is already consumer resistance, and this is no way to overcome it,' a hotelier commented.

'The liquor trade has pulled in its belt year after year hoping for the better times ahead in a financial recovery, but KWV doesn't seem to see things in the same light.'

'It is a simple law — increase your prices and you reduce consumption. The wine industry's salvation lies elsewhere.'

(b) Stelsel wat gebruik maak van konsekwente saamhangende asook muurpaneel kleiner as kamer-grootte—

(i) Koshuise, woonstel- en kantoorgeboue en skole (salle en gimnastieksale uitgesluit) van tot vier verdiepings.

(11 Januarie 1980)

KENNISGEWING 27 VAN 1980
 DEPARTEMENT VAN OPENBARE WERKE
 AGRÉMENT-RAAD VAN SUID-AFRIKA
 (Goedkeuring van nuwe boustelsels en -produkte)

Kennis geskied hierby dat die aansoek om 'n agrément-sertifikaat, wat in die Bylae hiervan vermeld word, deur die Agrément-Raad van Suid-Afrika tydens die raadsvergadering gehou op 30 Augustus 1979, aanvaar is.

BYLAE

AGRÉMENT-RAAD VAN SUID-AFRIKA

Aansoeker.—Dura Konstruksie Kaap (Edms.) Bpk.

Onderwerp.—Dura Insitu-stelsel

Gebruik.—Enkelverdieping- en dubbelverdieping-skoolgeboue.

(11 Januarie 1980)

KENNISGEWING 28 VAN 1980
 DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistieke maak vir algemene inligting bekend dat die Verbruikersprysindeks vir November 1979 soos volg is.

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975=100	Basis April 1970=100
1. Kaapstad	159,3	248,7
2. Port Elizabeth	162,3	256,9
3. Oos-Londen	163,9	259,0
4. Kimberley	161,6	248,5
5. Pietermaritzburg	163,5	256,4
6. Durban	162,7	252,0
7. Pretoria	163,3	261,0
8. Witwatersrand	165,0	260,5
9. Klerksdorp	162,6	255,6
10. Vaaldriehoek	167,8	260,1
11. O.V.S-goudvelde	164,9	251,5
12. Bloemfontein	165,2	255,7
Beswaarde gemiddelde van die 12 gebiede	163,4	256,9

VERDUIDELIKENDE OPMERKINGS

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indekse aan die ou indekse geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970=100.

wall panels less than room-size—

(i) Flats, hostels and office buildings and schools (except halls and gymnasia) up to four storeys

(11 January 1980)

NOTICE 27 OF 1980
 DEPARTMENT OF PUBLIC WORKS

AGRÉMENT BOARD OF SOUTH AFRICA
 (Approval of new building systems and products)

Notice is hereby given that the application for agrément certification listed in the Schedule hereto was accepted by the Agrément Board of South Africa at its meeting on 30 August 1979.

SCHEDULE

AGRÉMENT BOARD OF SOUTH AFRICA

Applicant—Dura Construction Cape (Pty) Ltd

Subject—Dura Insitu System

Use—Single storey and double storey school buildings

(11 January 1980)

NOTICE 28 OF 1980

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for November 1979 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975=100	Base April 1970=100
1 Cape Town	159,3	248,7
2 Port Elizabeth	162,3	256,9
3 East London	163,9	259,0
4 Kimberley	161,6	248,5
5 Pietermaritzburg	163,5	256,4
6 Durban	162,7	252,0
7 Pretoria	163,3	261,0
8 Witwatersrand	165,0	260,5
9 Klerksdorp	162,6	255,6
10 Vaal Triangle	167,8	260,1
11 O.F.S. Goldfields	164,9	251,5
12 Bloemfontein	165,2	255,7
Weighted average of the 12 areas	163,4	256,9

EXPLANATORY NOTES

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This

11/1/80

as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970=100 betrekking het, te wysig (11 Januarie 1980)

KENNISGEWING 29 VAN 1980

DIE SUID-AFRIKAANSE GENEESKUNDIGE EN TANDHEELKUNDIGE RAAD

KENNISGEWING KRAGTENS REGULASIE 14 VAN GOEWERMENSKENNISGEWING R. 2268 VAN 3 DESEMBER 1976

Onderstaande besonderhede rakende geregistreerde persone wat kragtens die bepalings van die Wet op Geneeshere, Tandartse en Aanvullende Gesondheidsdiensberoep, 1974 (Wet 56 van 1974), deur die Suid-Afrikaanse Geneeskundige en Tandheelkundige Raad skuldig bevind en gestraf is, word hierby vir algemene inligting bekendgemaak

<i>Naam van persoon</i>	<i>Aard van aanklag waaraan skuldig bevind</i>	<i>Straf wat opgelê is</i>
Dr. J. A. B. de la Rouviere	1. Skandelijke gedrag [In hof skuldig bevind aan oortreding van artikel 2 (d) van Wet 41/1971] 2. Ondersoek kragtens artikel 51 van Wet 56/1974	1. Geskors vir twee jaar, waardeelk opgeskort vir een jaar. 2. Toegelaat om te praktiseer onderworpe aan sekere voorwaardes
Dr. A. H. Mahate ... Dr. J. H. B. Mathey	Skandelijke gedrag (Onjuiste rekenings gelewer). Ondersoek kragtens artikel 51 van Wet 56/1974	Gewaarsku Toegelaat om te praktiseer onderworpe aan sekere voorwaardes.
Dr. C. T. Modlin...	1. Skandelijke gedrag [In hof skuldig bevind aan (a) bedrog, en (b) oortreding van artikels 22A (9) (c) en 22A (9) (e) van Wet 101/1965] 2. Ondersoek kragtens artikel 51 van Wet 56/1974	1. Geskors vir vyf jaar, waardeelk opgeskort vir een jaar. 2. Toegelaat om te praktiseer onderworpe aan sekere voorwaardes
Dr. L. V. Nardoo... Dr. A. I. Padia Dr. W. H. Rabie	Skandelijke gedrag (Rekening gelewer vir dienste wat nie gelewer is nie) Skandelijke gedrag (Onjuiste mediese sertifikate uitgereik) Gedrag wat, indien sy beroep in aanmerking geneem word, skandelik is [In hof skuldig bevind aan oortreding van artikel 2 (1) van Wet 67/1967]	Naam uit register geskrap Naam uit register geskrap Geskors vir ses maande
Dr. S. Sorokin...	Onbetaamlike gedrag (Versuim om behoorlik aandag aan pasiënt te gee)	Berispe en gewaarsku
Dr. M. I. Essack ..	Onbetaamlike gedrag. (Reël 3 van Goewermentskennisgewing R 2278/1976 oortree)	Berispe en gewaarsku.
Dr. R. Howgate Dr. C. R. Jansen	Skandelijke gedrag (Gepraktiseer terwyl ongeregistreer) .. Gedrag wat, indien sy beroep in aanmerking geneem word, skandelik is (In hof skuldig bevind aan afpersing)	Berispe en gewaarsku Geskors vir een jaar, waardeelk opgeskort vir drie jaar
Dr. M. Kolevsohn...	Onbetaamlike gedrag [Reël 25 (2) van Goewermentskennisgewing R 2278/1976 oortree]	Berispe en gewaarsku.
Dr. C. A. Lakht.	Gedrag wat, indien sy beroep in aanmerking geneem word, skandelik is [In hof skuldig bevind aan oortreding van artikel 84 (1) (a) van Wet 73/1964]	Geskors vir nege maande, waardeelk opgeskort vir drie jaar.
Dr. S. R. Lynch	1. Skandelijke gedrag. (In hof skuldig bevind aan bestuur van motor onder invloed van drank) 2. Ondersoek kragtens artikel 51 van Wet 56/1974	1. Naam uit register geskrap te word, maar skraping waardeelk opgeskort. 2. Toegelaat om te praktiseer onderworpe aan sekere voorwaardes
Dr. A. Mahomed. Dr. D. J. Malan	Skandelijke gedrag. (Onjuiste mediese sertifikaat uitgereik) Skandelijke gedrag (Onjuiste rekenings gelewer)	Geskors vir ses maande. Geskors vir een jaar, waardeelk opgeskort vir vyf jaar.
Dr. A. Miller ..	Skandelijke gedrag [(a) Onjuiste rekenings gelewer, en (b) reël 25 (2) van Goewermentskennisgewing R 2278/1976 oortree]	Geskors vir een jaar, waardeelk opgeskort vir vyf jaar.
Dr. E. M. M. Mtshali Dr. S. P. Muller Dr. L. R. Odendal	Skandelijke gedrag (Onjuiste mediese sertifikaat uitgereik) .. Onbetaamlike gedrag (Nie behoorlike na-operatiewe sorg uitgevoer) .. 1. Skandelijke gedrag [In hof skuldig bevind aan oortreding van artikel 2 (c) van Wet 41/1971] 2. Ondersoek kragtens artikel 51 van Wet 56/1974	Geskors vir drie maande Berispe en gewaarsku 1. Geskors vir een jaar, waardeelk opgeskort vir een jaar. 2. Toegelaat om te praktiseer onderworpe aan sekere voorwaardes
Dr. F. J. Schofield	Skandelijke gedrag. [In hof skuldig bevind aan oortreding van artikel 2 (c) van Wet 41/1971 en oortreding van artikel 2 van Wet 2/1975]	Naam geskrap uit register.
Dr. A. L. Seseane ..	Skandelijke gedrag (In hof skuldig bevind aan bestuur van motor onder invloed van drank)	Naam geskrap uit register.
Dr. S. D. Stahmer.	1. Skandelijke gedrag [In hof skuldig bevind aan bedrog en oortreding van artikel 2 (d) van Wet 41/1971] 2. Ondersoek kragtens artikel 51 van Wet 56/1974	1. Geskors vir twee jaar, waardeelk opgeskort vir vyf jaar. 2. Toegelaat om te praktiseer onderworpe aan sekere voorwaardes.
Dr. G. P. P. van den Bergh	Skandelijke gedrag (In hof skuldig bevind aan oortreding van artikel 2 (d) van Wet 41/1971)	Geskors vir twee jaar, waardeelk opgeskort vir een jaar.

index will be published for a limited period to users of the index the opportunity to amend agreements which refer to the index on the base April 1970=100 (11 January 1980)

NOTICE 29 OF 1980

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

NOTICE IN TERMS OF REGULATION 14 OF GOVERNMENT NOTICE R 2268 OF 3 DECEMBER 1976

The following particulars concerning registered persons who have been found guilty by the South African Medical and Dental Council and upon whom penalties have been imposed, in terms of the provisions of the Medical, Dental and Supplementary Health Services Professions Act, 1974 (Act 56 of 1974), are hereby published for general information:

The good old bad days

24c x m 11/1/80

If you think you were better off in the good old days, think again. Despite constantly rising prices in the postwar years South Africans, in common with most people in the Western world, are enjoying significantly higher living standards than ever before.

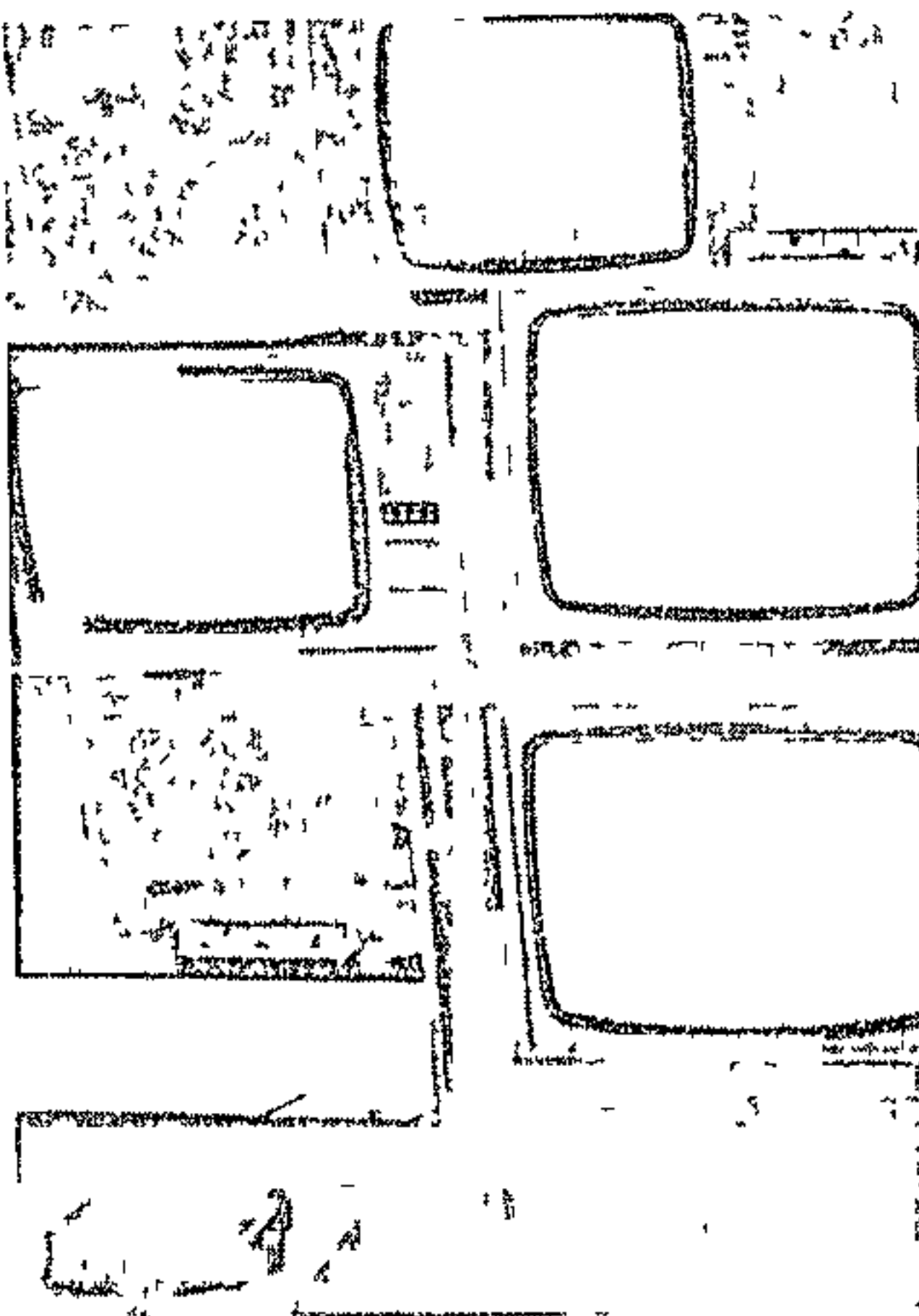
Take but one example (and there are many others) the motor car. It takes less of a man's labour to buy his car today than it did in 1951.

People point out, for example, that a small car cost a mere £500 (R1 000) in 1950. Today an equivalent vehicle (except that it is not a precise equivalent, as it is technologically far superior) costs around R5 000. But, of course, wages have gone up by much more. While the cost of a typical small car has risen roughly five times, wages have risen eight times or more.

For example, in 1951 it would have taken 10.2 months of an SA mining shift boss's pre-tax wages (£51 a month) to pay for a Volkswagen Beetle (£520). In 1980, a shift boss would need to devote only 5.7 months of his pay (R854 a month) to buy today's equivalent, a VW Golf (R4 895 for the four-door model). In real terms, the

price of a small car has almost halved for him.

An artisan on the mines would have had to devote 12.7 months of his pay for the same purchase in 1951 and 7.7 months in



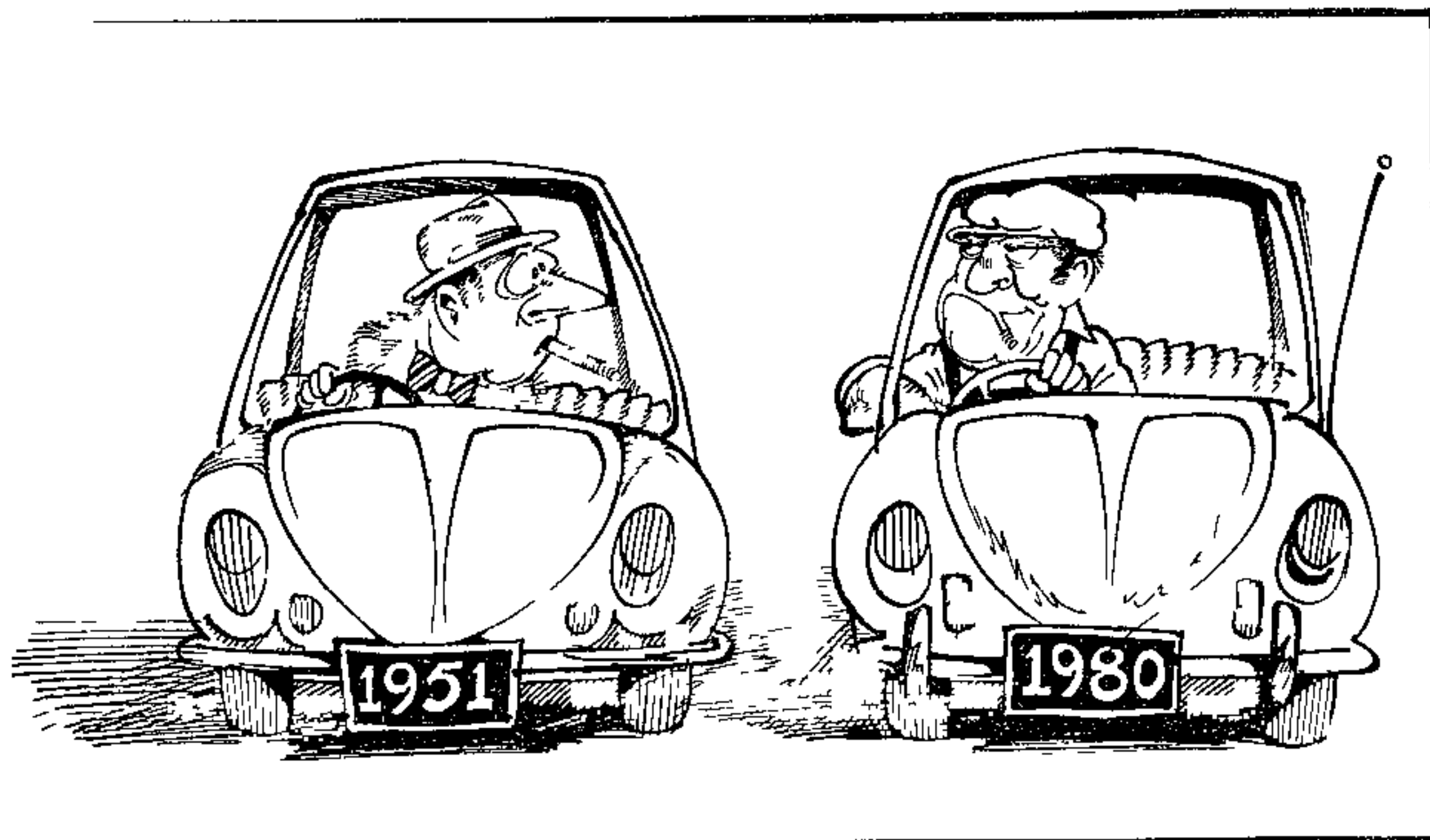
1980

Western man in the 1980s has become so conditioned to the idea of continually rising prices that it is difficult for him to remember a time when price inflation was not a way of life.

The danger of all this is the inflation psychosis which makes the problem a self-perpetuating one. The permanent expectation that tomorrow will be more expensive than today constantly fuels wage claims, stimulates spending at the expense of saving and encourages use of credit — each, in turn, giving another puff to the inflationary balloon.

In the past month, South Africans have been subjected to headlines announcing, or warning of, price rises in fertilisers, food, plastics, cars.

But take heart: some prices do come down though they seldom get the same screaming headlines that rising prices appear to merit. Third party motor insurance is one, as we learnt this week. A Johannesburg dealer is cutting prices of Kawasaki motorcycles. Anybody who gingerly handled a pocket calculator, retailing for R800 when it first came on the market in the early 1970s, may have



kicked himself a few years later for precipitately buying one. An improved version costs less than R10 today.

The same thing is happening to wrist-watches, clock-radios, computers — in fact anything electronic. Home computers are now available in SA for R895, but already you can get one in the US for \$399.

Two trends are apparent. In some cases, notably electronics, prices are actually falling in money terms thanks to technology leaps. In others, because of such factors as improved marketing, tougher competition or economies of scale, the rate of price inflation is being held below the average for the economy.

Despite monetary inflation, real prices of most goods and services have also gone down consistently in the post-war years.

From big mainframe computers through to microprocessors, capability is doubling every few years. At the same time, price is dropping by half, leading to a four-fold (or better) improvement in price-performance with each new generation of hardware.

Increasing miniaturisation is mainly responsible for driving hardware costs down today. The computer industry can put the equivalent of 30 000 transistors on a single 8 mm square chip of silicon.

Within a few years, the million-transistor chip will be a reality.

Memory costs are expected to decline from 1c (US) per "bit" of data storage in 1975 to 0.006c by 1985.

There are plenty of other examples of price containment. Gordon Hughes, MD of Lion Chemicals, points out that, although the cost of producing chlorine and other pool chemicals has risen 10%-12% a year in the last five, the price in the marketplace is only 14% higher than it was 15 years ago.

"In 1965, the price of chlorine in hardware shops and pharmacies was R7.50 for 10 lb," he says. "Today your R7.50 buys you 4 kg (8.8 lb) — a price increase of only 14% in 15 years. The main reason for this is that marketing methods have changed radically. Chlorine is now made in SA and sold direct to the supermarkets, which have a very low mark-up. Previously, it was imported and channelled through wholesalers and distributors on its way to the retailer."

Hughes points out, too, that SA pool chlorine is considerably cheaper than in most other parts of the world.

"In Britain, Germany and the US, it costs probably twice as much as here. In Australia, 4 kg of chlorine costs R15."

The prices of home pools have also remained remarkably constant — between R2 000 for an economy unit and R3 000 for a luxury pool — over recent years, but this is largely because homeowners are installing smaller pools.

"Ten years ago, the average home pool was a 12 m x 6 m, 100 000 l unit," says Hughes. "Now we're talking about 50 000 l-60 000 l."

The humble, throwaway ballpoint pen is still uncommonly good value.

Says Benny Schreiber, MD of Bic SA: "When we started manufacturing them in January 1960, the Bic retractable pen was selling for 1s 6d (15c). Now the price is 22c." That's an increase of 47% in 20 years — an average price rise of less than 1% a year. "There was no change for at least a decade," says Schreiber.

The Bic orange pen has gone from 10c to 18c in 16 years — less than 4% a year. The price of the Bic disposable lighter has been unchanged at 59c in supermarkets since it came on the market four years ago, and the Bic razor has experienced no change in three years.

Reasons, says Schreiber, are increased volumes and automation leading to better efficiency.

Prices often come down when a new low-cost producer (usually because of labour costs) enters a market. In the post-war years, the cause has very often been a Japanese or another Far Eastern producer. It happened in motorcycles, where the entry of Japanese producers destroyed the high-cost British motorcycle industry, and also to a less severe degree in motor cars.

It may have been bad for the British, but it was good for the competitive system in which we live.

During the Seventies, despite two recessions, the real disposable income of Americans rose 28.5% — only slightly below the 30% of the booming Sixties. The conclusion is clear: despite everything, despite the oil crisis, despite short-term and sectoral fluctuations, the West is still the best place for the fulfilment of rising expectations.

Beating the index?
F.M. 11/1/80

The chances are, that for the first time in five years your next salary increase will outpace the rise in the consumer price index (CPI). This is one of the findings of the latest P E Consulting Group salary survey.

Last July, employers in the private sector were projecting 10%-11% salary increases for executives over the next twelve months," says John Cole, manager of P E's Salary Survey Unit. "In the survey we are just completing, the figure is 15%, which is marginally ahead of the expected rise in the CPI."

But rise in take-home pay should still not match the CPI increase because as salaries rise so does the tax rate.

According to P E, since 1975 non-whites have scored the most in pay rises and the average wage of the lowest paid black workers in their sample is now R6 a month above the national poverty datum level. Against a 69% rise in the CPI non-white remuneration has gone up by 137%. White executive salaries have gone up by 66% and other white workers 60%. Included in the "other white workers" category are white artisans who have received hefty increases. Cole says that the real incomes of some white clerical workers who have received the smallest increases of all employee categories is about half what it was five years ago.

Some public service employees have also done badly, the last pay rise for teachers was in January 1978. Railway workers have done rather better, in January 1979 across the board increases in the SAR were 10% for whites, 12.5% for coloureds and Indians, and 15% for blacks. Further increases require cabinet approval.

Big company personnel chiefs canvassed by the F M confirm that salaries are on the up, but refuse to reveal their own figures. "If you published that we were giving a 16% average increase how would this affect an employee who gets only 10%," asks the personnel consultant of a mining house.

All agree that the new increases for executives have been sparked by the improving economy. "But," says one, "this is not because we have more to give. It is simply a reflection of the job market. There is a shortage of executives, and it will get worse."

P E thinks the shortage is so bad that by the end of the decade real incomes of

SA executives will be the second highest in the world after the US.

A personnel director of a large multinational company says: "Paying high salaries is not a complete solution to the problem. There is simply not enough executive material among the whites to do the job, so we have stepped up recruitment and training of non-whites. We believe in paying the rate for the job but to get the rate, they must be able to do the job. That is why training is so urgently needed."

Although the boom is demanding more executives it is also attracting more from overseas. Says Cole: "Partly due to the glamour of gold and partly to the fact that people are becoming more aware of SA exports executives from the UK and Germany particularly those with technical qualifications are looking for jobs here. SA mines have an excellent reputation overseas, and three years with a SA mining house looks good on any engineer's curriculum vitae."

The flow of UK executives to SA is increasing, in spite of the Thatcher government's new tax policy, which, by reducing direct and increasing indirect taxes, has doubled the take-home pay of some executives.

Deputy MDs are getting some of the highest executive pay rises. Cole speculates that this is because many companies have started expansion programmes. "When a company is expanding it needs a strong man as the number two," he says, "because either he heads the expansion, or he holds the fort while the MD handles it."

Some companies are trying to hold back pay increases until government's policy on taxing fringe benefits has been revealed in this year's budget. Says one senior personnel man: "We may have to restructure our entire compensation package. I only hope that the government scraps the idea, because if they tax subsidised housing, thousands of lower paid civil servants will suffer."

Big wine and spirits price rise

CT 15/1/80

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By GORDON KLING

THE PRICES of wine and a wide range of spirits are to rise by about 15 percent from next week. The increase, in the face of a substantial surplus, follows a big boost in primary producer prices by the KWV wine farmers' co-operative.

crease would deter people from drinking wine and spirits or cause them to switch to beer. Beer prices had effectively risen since the curtailment of price cutting promotions with the end of the beer war in November, he said.

The wine market was now characterized by a shift downwards from high-price wines, and a shift upwards from low price to medium price wines, of which those in five-litre boxes and 1.5 litre magnums were the most popular.

In a statement issued in Paarl, the KWV said costs had risen at an unprecedented rate during the 1979/80 production year. It was estimated that materials would go up by more than 30 percent in the year to the end of June. The wine-producer was making a major contribution towards stabilizing prices in strong inflationary circumstances, a contribution which was coupled with financial sacrifice and great pressure on technical efficiency.

The KWV estimated that the new wine crop would be bigger than last season's, but said that as a responsible organization charged with maintaining stability in the industry, it would be necessary to store distilling wine to cater for poor years and to find new markets for good wine.



Dr Anton Rupert

The KWV board of directors decided at a meeting in Paarl yesterday on an increase of 12 percent in the minimum price of good wine to wholesalers and 13.6 percent for distilling wine.

Then recommendations go to the Minister of Agriculture, Mr Hendrik Schoeman today for approval, which in the past has always been granted.

A KWV spokesman told the Cape Times last night that it could take anything from a few days to a month depending on outlets stocks for the increase to be reflected in the retail price but it could generally be considered as coming into force from next week.

Liquor dealers said the increase would amount to a rise of about 15 percent in the retail price of wine and spirits including brandy, gin and vodka which are based on distilling wine.

The move was unofficially greeted with dismay by the major producer-wholesalers. They're crazy, exclaimed an executive of one large Stellenbosch winery.

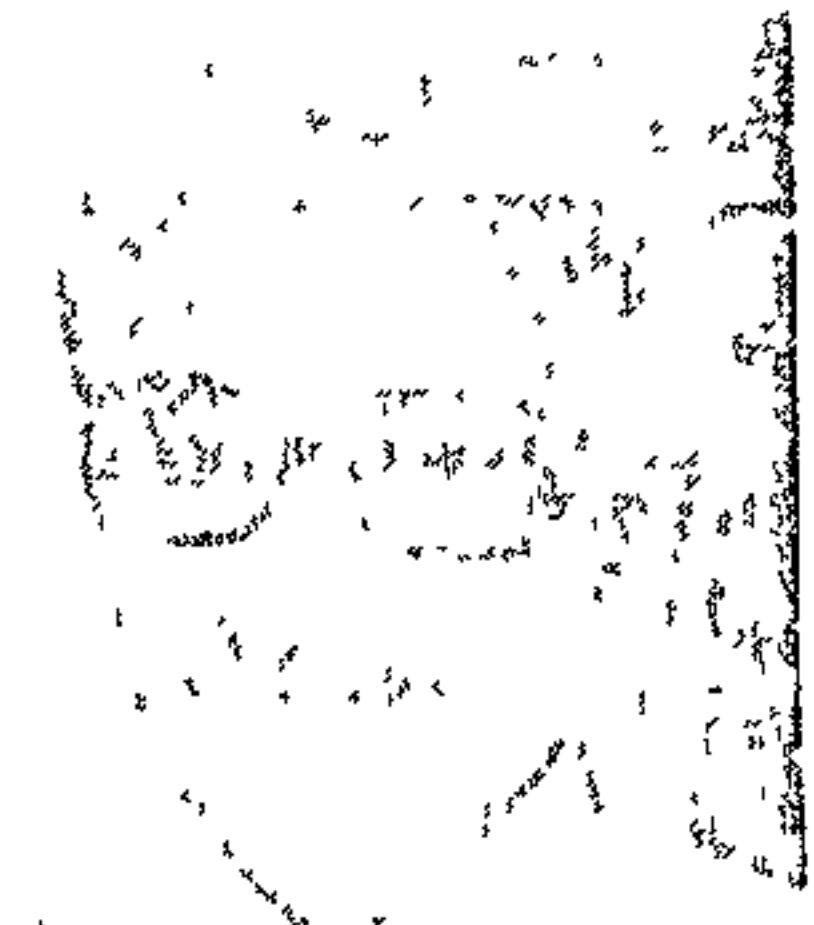
The Cape Times was unable to obtain official comment from the wholesalers who, although previously critical of KWV pricing policies, are now partners with it in the recently-formed Cape Wine and Distillers company formed during the rationalization of the liquor industry last November.

The controversial liquor deal resulted in virtual beer and wine monopolies in South Africa and saw Dr Anton Rupert's Rembrandt empire, which owns the Oude Meester liquor group, and South African Breweries, which owns Stellenbosch Farmers Winery, join the KWV with a 30 percent shareholding each (10 percent went to the public - mainly wine farmers) in Cape Wine and Distillers.

Retailers said the increase would cause the price to consumers to rise by about 15 percent.

It will be quite a rise, certainly more than 12 percent by the time it reaches the shelves, said the managing director of the Liquorama chain, Mr F J Sacks.

He did not believe the in-



Mr Hendrik Schoeman

CAPE TOWN — Prices of wine and a wide range of spirits are to rise by about 15 per cent from next week because of a big hike in primary producer prices, although there is a substantial surplus

KWV, the wine farmers' co-operative, decided on an increase of 12 per cent in the minimum price of good wine to wholesalers and 13,6 per cent for distilling wine. The recommendation goes to the Minister of Agriculture, Mr Schoeman, today for

Wine, spirits to go up 15 pc

D.A. 15/11/80

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F	C		B	
	M	F	M	F
17,11	133,70	119,02	91,30	88,18
2,39	17,22	16,21	10,23	9,93
0,74	2,26	1,25	1,64	1,12
2,48	8,80	4,96	4,78	3,70
8,72	24,27	17,87	18,06	15,57
2,93	96,90	71,79	53,38	45,89
5,51	14,62	11,00	8,77	8,13
1967	16632	12847	18348	13062

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NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,23
25-44	0,05	0,05	0,28	0,17	0,42	0,31	0,72	0,78
45-64	0,44	0,18	1,73	1,04	1,73	1,02	3,80	3,64
65+	1,84	1,95	8,32	6,56	8,55	5,71	14,69	14,84
ALL	0,22	0,23	0,56	0,38	0,83	0,65	1,80	1,96
NO.	463	485	199	134	943	761	3765	3145

NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,85	0,69	0,70	0,31	1,18	1,24	0,32	0,19
1-4	0,49	0,21	0,31	0,27	0,63	0,61	0,21	0,20
5-24	0,71	0,22	0,68	0,20	1,40	0,38	0,68	0,12
25-44	1,18	0,30	1,43	0,37	3,32	0,70	1,22	0,26
45-64	1,25	0,42	1,55	0,40	2,89	0,76	1,10	0,31
65+	1,26	0,71	1,34	0,91	2,19	0,90	1,02	0,53
ALL	0,95	0,33	0,95	0,29	1,91	0,56	0,89	0,20
NO.	1973	677	333	104	2175	652	1868	324

Increase as another food price rise looms

The HSL is the minimum cost of food, accommodation and clothing

It does not include education or medical fees

In October, 1973, the HSL for a black family was R82

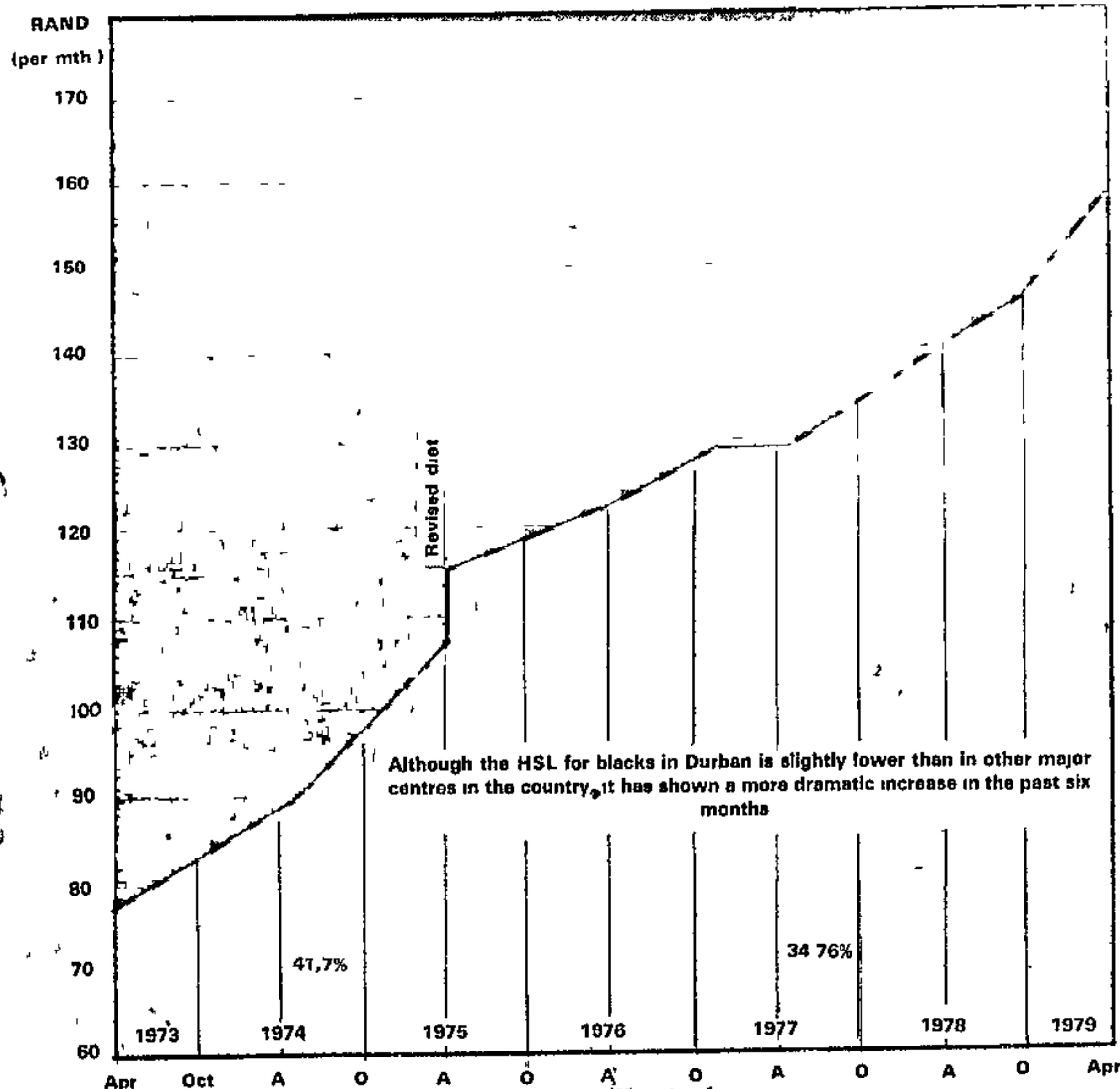
Two years later it was fixed at R115

In October, 1977, this figure had risen to R130

In October last year the HSL was R160

The cost of food has been the largest single factor contributing to the increased HSL

The increasing price of petrol, accommodation and clothing, coupled with the minister's announced fertiliser price increase, is likely to push the HSL beyond the R200 mark this year



THE graph shows the increase in the lowest cost possible to support a black family of six. This figure — the Household Subsistence Level — could rise beyond R200 this year

ay, January 16, 1980

244

in mercury

Blacks face crippling cost of living

Mercury Reporter

THE proposed 17 percent increase in the price of fertiliser could have a crippling effect on thousands of black families, putting basic daily needs out of their reach, a Mercury investigation has revealed.

The fertiliser price increase was announced by Mr Hendrik Schoeman, the Minister of Agriculture, recently.

The Mercury found that while the average white family eats potatoes, rice, meat and vegetables, these foodstuffs are already generally too expensive for a black family

Mr Schoeman has said that grain products will

be hardest hit by the increased fertiliser price.

Grain products form the core of the black diet of mealie meal, samp, dried beans and peas

Figures obtained from the Institute of Race Relations in Durban and researched by Professor J F Potgieter, head of the Institute for Planning and Research at the University of Port Elizabeth, show the increase in costs black families have had to bear over the past seven years.

His figures show that the Household Subsistence Level — HSL — calculated for an average black family of six has doubled in the past seven years

WINE SURPLUS IS NOT WINE'S PRICE

Mercury Reporter

THE director of a Durban liquor outlet, Mr Dave Hooper, said yesterday that he could not understand the logic of increasing the price of wine in the face of a massive surplus.

Reacting to the decision

by the KWV wine farmers' co-operative to increase producer prices by 15 percent, Mr Hooper said: 'In the face of a massive surplus one would have expected them to reduce the price.'

He expected the higher price to filter through to the consumer in about a month.

The current wine surplus in South Africa amounts to about 30 percent of the country's annual production of 2 300 000hl of good and distilling wine. In the trade the surplus is referred to as a 'wine lake'.

The director of the Consumer Council, Mr Johan Verheem, said the increase was a result of a 'breakdown of sound competition in the market place'.

The problems in the industry arose because a 'monopoly has been created'

The Minister of Agriculture, Mr Hendrik Schoeman, is expected to make a decision on higher wine and spirit prices today.

He has the final say over prices and in the past has always granted KWV requests for a price rise.

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(182)

by 1970, this figure had decreased to 15.7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15.2% to 7.1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

29/1/80
244

Another rise in cargo costs

By Jean Moon

Yet another price increase has been announced by the Europe/South and South-East African Conference shipping lines on cargo loaded at South African Ports.

From February 1 costs will go up by a further 6.88 percent, only one month after they were raised by 5.39 percent. The further decline of the US dollar has been blamed.

Can we therefore expect that once the dollar picks itself up, charges will be reduced?

Also, the line's latest bunker costs monitoring exercise has resulted in a Bunker Adjustment Factor (BAF) re-calculated requirement of 65.1 percent which will apply on cargo loaded at South African ports from February 1, 1980.

The BAF applicable from January 1 was 5.45 percent.

These additional charges will affect:

- To the UK/North west continent SA Sederberg voyage A818.
- To the Mediterranean Europa voyage S922
- To Scandinavia: Elgaren Voyage A969.
- Also, vessels sailing southbound from Europe to ports in the Walvis Bay/Beira range.

tes have shown a changing spectrum related with an improving health status. Important and the major causes of death are and Neoplastic diseases. The a persistently high proportion of The Africans exhibit a spectrum of associated with developing communities,

Small proportions of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

(iv) Proportional Mortality, accounted for by specific conditions.

(v) Expectation of Life. This was calculated both at birth (e_0) and at 45 years of age (e_{45}) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

RESULTS

The infant mortality rates (IMR) and standardised mortality rates (SMR) for whites and 'coloureds' are provided in Fig. 2 and Fig. 3. Whilst the whites have experienced a steady decline in both of these indices since 1929, the 'coloureds' after an initial decrease, show a comparatively static IMR since 1950 and an increase in their SMR since 1960.

From 1941 to 1970, the white IMR has fallen from 50,9/1 000 to 21/1 000, an improvement of 57.6%. During this period, the 'coloured' IMR has decreased from 164,8/1 000 to 132,6/1 000, a change of only 19.7%.

This is of particular concern when it is appreciated that the greater the IMR, the more easily should improvements be accomplished. The decrease in SMRs between 1941 and 1970 were 28,4% and 25,7% for whites and 'coloureds' respectively.

The age specific mortality rates are summarised in Fig. 4. Since death is inevitable, it is to be expected that decreases in the mortality experience of younger age groups will give rise to a corresponding increase in mortality amongst elderly persons. Thus, although it is to be expected that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

COL rises 2/1/80 75 percent in ⁵ 5 years

By Mignonne Crozier,
Fair Deal Reporter

The cost of living in South Africa has increased by 75 percent in the past five years. Items which cost R1 to buy five years ago probably cost R1,75 by now.

That is what latest figures released by the Department of Statistics mean for consumers.

Last month the Consumer Price Index—made up by the department from information about the cost of goods and services in 11 major urban areas and with a base of 1975 = 100 — stood at 164.

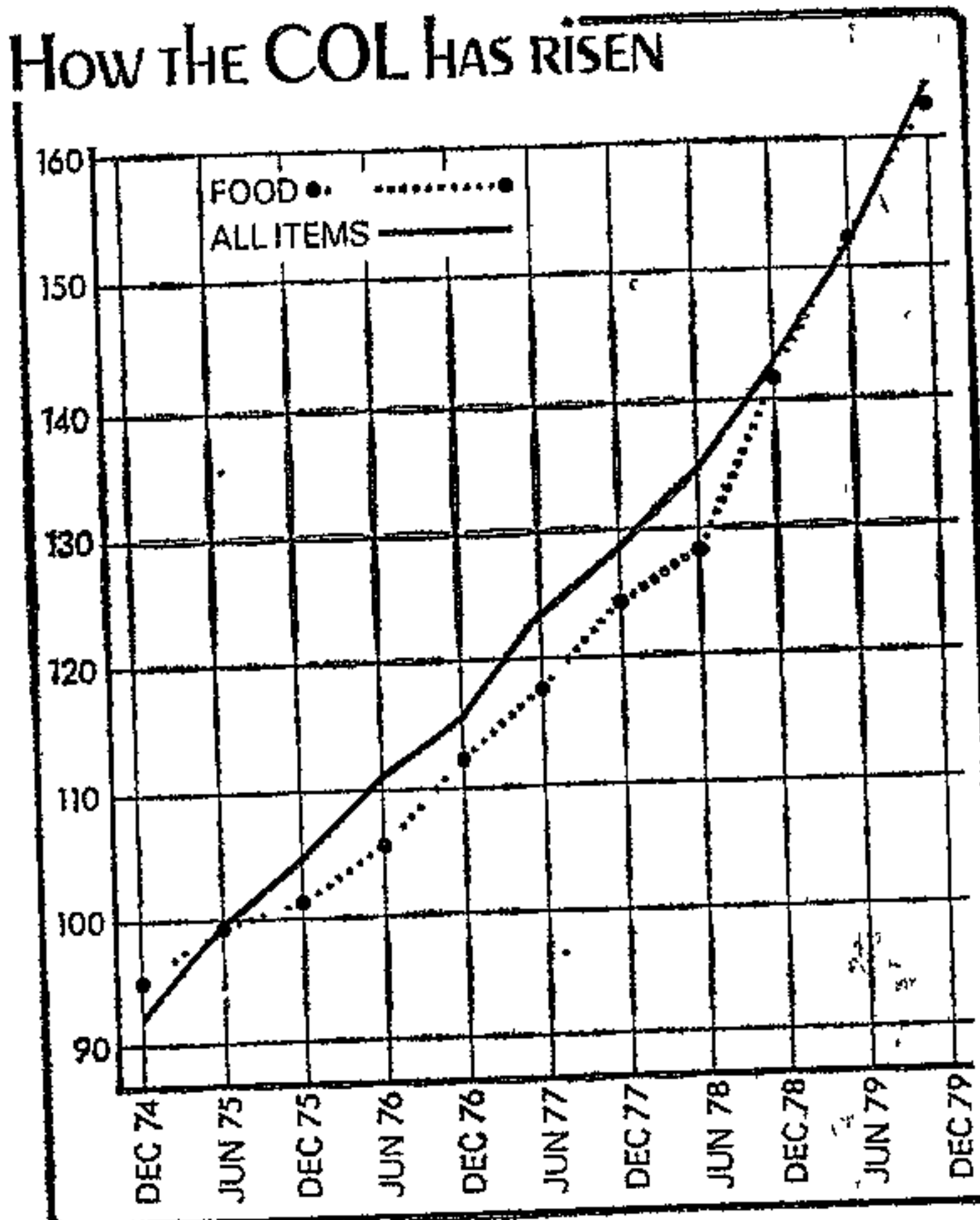
This figure represents an increase of 75 percent since December 1974 — exactly five years before — and an increase of 14 percent over the year ending December, 1979.

The index for food prices alone reached 163,6 last month. This represents an increase of 72 percent since December, 1974 and an increase of 14,7 percent for the year ending December 1979.

Our graph above shows how food prices (dotted line) and the general consumer price index have risen steadily over the past five years.

The Consumer Council is so concerned about the in-

HOW THE COL HAS RISEN



crease in food prices recently that it has asked the Government to introduce additional subsidies on basic foodstuffs, particularly maize and wheat. The council's director, Mr. Johann Verheem, has said there is every indication that the price of food could rise even more this year.

"The average consumer simply cannot afford to

meet any further price increases and will have to eat less if they occur," he said.

"Malnutrition and hunger is something that cannot be tolerated in a country poised, as we are, on the verge of an economic boom."

He said the country now had the funds and the means to alleviate the problem.

'Price of paraffin to go down

244 Post 8/2/80

THE Government would reduce the equalisation levy on paraffin by more than half as from March 1, the Minister of Industries and of Commerce and Consumer Affairs, Dr Schalk van der Merwe, said in Parliament yesterday.

The measure would bring relief to lower income groups who spent a large portion of their income on paraffin, he said in an announcement.

The levy had been introduced last year to finance increases in the purchase price of crude

This new measure now means the price of paraffin may go down very soon as the levy (tax) that the consumer had to pay would now be less.

The Government had decided initially to subject all products of base oil to the levy which ensured that all consumers contributed uniformly to the higher prices of crude oil.

"From time to time representations have been received from certain consumers for the reduction of the levy on certain petroleum products.

"It was in the past considered inadvisable to favour certain groups of consumers, but it

became evident that an extremely heavy burden was being placed on lower income groups.

"Market research has indicated that the cost of paraffin which is required by a household of seven people for the use of two paraffin stoves, two paraffin lamps and one paraffin heater during winter time, represents 18 per cent and 27 per cent respectively of its average monthly income during the summer and winter months," the Minister said.

"These percentages are considerably higher in relation to the average monthly expenditure of the more privileged section of our community on the use

of electrical power which is generally at their disposal."

The government had decided it was not only desirable but imperative to make an exception regarding the application of a uniform levy on all petroleum products. "The Government has therefore decided to reduce the levy on paraffin from the presently effective levy of 10,3 cent per litre to 5 cent per litre as from March 1," he added.

The reduction would bring about a loss in revenue of R1,9-million per month in the equalisation fund.

It would make a more than commensurate contribution to the lot of the underprivileged as

the distributors' margin, which was to the order of 50 percent, would also be reduced in absolute money terms.

The Minister warned that strict control would be exercised to ensure that the full advantage of the reduction was passed on to the consumer.

The decision to lower the levy on paraffin and an earlier announcement that increases in fuel prices of 1 cent per litre would not be passed on to consumers, meant the Government had now aided the consumer directly or indirectly by more than R70-million, Dr van der Merwe said.

- Sapa.

Problem	Prevalence	Severity	Community concern	Vulnerability to management	Total
Large & Poorly spaced families	++++	++++	+++	++	96
Inadequate antenatal & obstetric care	++++	++	++	+++	48
Malnutrition	+++	+++	++	++	36
Need for medical care	++	++	++++	++	32
Specific diseases:					
V.D.	++	++	++	++	16
Dental Problems	++++	+	+++	++	16
TB	+++	+	+++	++	16
Common cold *	++++	+	+	++	54
Yaws *	-	+	+	++	0

* Added to test scoring method

Diagram 1: A method of ranking health problems

The following method for guiding the choice of priorities has been described by John Bryant. 12 It has been used by medical and nursing students in Thailand, and one of its advantages is that it can be used where no numerical data is available. It, therefore, lends itself to potential health problems are first listed, and then given a score (from one to four pluses) under each of four headings:

2.4 An Informal Method for Setting Objectives

A very large proportion of decisions are now taken with no further analysis than this. Any further steps involve a way of systematically valuing the benefits of different programmes to render them comparable to one another.

ing. This is partly due to a deficiency in information on the results of the programmes which can be resolved by recourse to appropriate data. Nevertheless, there will also be differences of judgement which cannot be resolved without prior agreement on the relative valuation of different benefits which have to be fed into the analysis; and in the intuitive process, these two factors may not be differentiated.

Food costs to soar if ⁽²⁴⁴⁾~~3 (maize)~~ farmers ^{stay} win maize rise

By Charlene Beltramo
Farmers seem set to ask the Government to increase the maize price by 27 percent in April.

Such an increase will have a major effect on the prices of basic food-stuffs such as butter, eggs, poultry, dairy products, meat, maize meal and animal feeds

Dr Jan Lombard of the Meat Board said that if maize increased to R120 a ton from the present price of R102, the price of beef would have to go up 40 percent.

However, maize farmers point in justification to price increases of 14,3 percent for fertiliser last year, and 17,1 percent this

year. Fertiliser accounts for 33 percent of maize production costs

Even more serious is a minimum anticipated loss of R100-million on maize exports this year

Surplus over the five-million ton consumption figure for maize is traditionally exported

This year a better than usual crop, of nine million tons is expected.

A spokesman for the South African Maize Producers Institute, said this loss would have to be carried by consumers if surplus were not converted into ethanol.

He said the export loss would be a direct result of the United States cancelling its 4-million ton

grain contract with the Soviet Union.

"The Government has already said that it will not, in turn, supply Russia," the institute spokesman said.

"The international market will be flooded American farmers sell their maize for R80 a ton — R22 cheaper than we do — and although it is inferior, they will dump it on the world market"

Maize export losses would have a tremendous effect on the economy.

Consumer groups have appealed to the Government to take whatever steps it can to keep maize prices down

● Page 5: Gold price may stem bread price increase.

PURE

to describe the
to analyse
ultural labour.

arms is of little
due to the fact
consistent with
n of this paper
asures taken to

policy will be given and in the final section an effort will be made to show what part the three agricultural departments play to compensate for the effects of the agricultural policy.

IMPLEMENTATION OF AGRICULTURAL POLICY

In order to implement agricultural policy and to fulfil the needs of the agricultural sector, a number of measures have been designed. The administration and implementation of these measures devolve mainly on the agricultural departments, namely the Department of Agricultural Economics and Marketing, the Department of Technical Services and the Department of Agricultural Credit and Land Tenure. Contributions are also made by the Land and Agricultural Bank of South Africa, the Department of Water Affairs, the Department of Bantu Administration and Development, and Departments that provide public services. The services and facilities concerned more directly with agriculture are divided into nine categories: (1)

(i) Soil and water conservation

In regard to the natural resources, soil and water, there is a long-term policy of conservation and their effective utilization and improvement, as contained in the Soil Conserva-

CAPE TOWN 22/2/80
Liquor
prices in
bars to
increase

Staff Reporter

FROM March 3 the price of all spirits except whisky will rise one cent a tot in Cape Town hotels, bars and restaurants, while whisky will rise by three cents a tot, according to reliable sources in the City last night

The price increases form part of the snowball effect KWV price hikes and overseas whisky price rises have had on the industry

Sapa reports that in Johannesburg the price of spirits will go up an average of five cents a tot in hotels, bars and restaurants, and wine will go up an average of 30c to 50c a bottle — making it the most expensive drinking city in the country

Whisky recently rose an average of 15 percent in price overseas while wine rose between 10 and 12 percent in Johannesburg

Anticipating possible consumer resistance, the Transvaal Hotel Liquor and Catering Association has attempted to halt the cost spiral

‘Even though hotels have had increases in running costs in the past year, we have decided not to incorporate them into a liquor price increase, a spokesman said

The Transvaal association has recommended that hotels and bars do not increase the price of liquor above their usual mark-up on the wholesale price increase

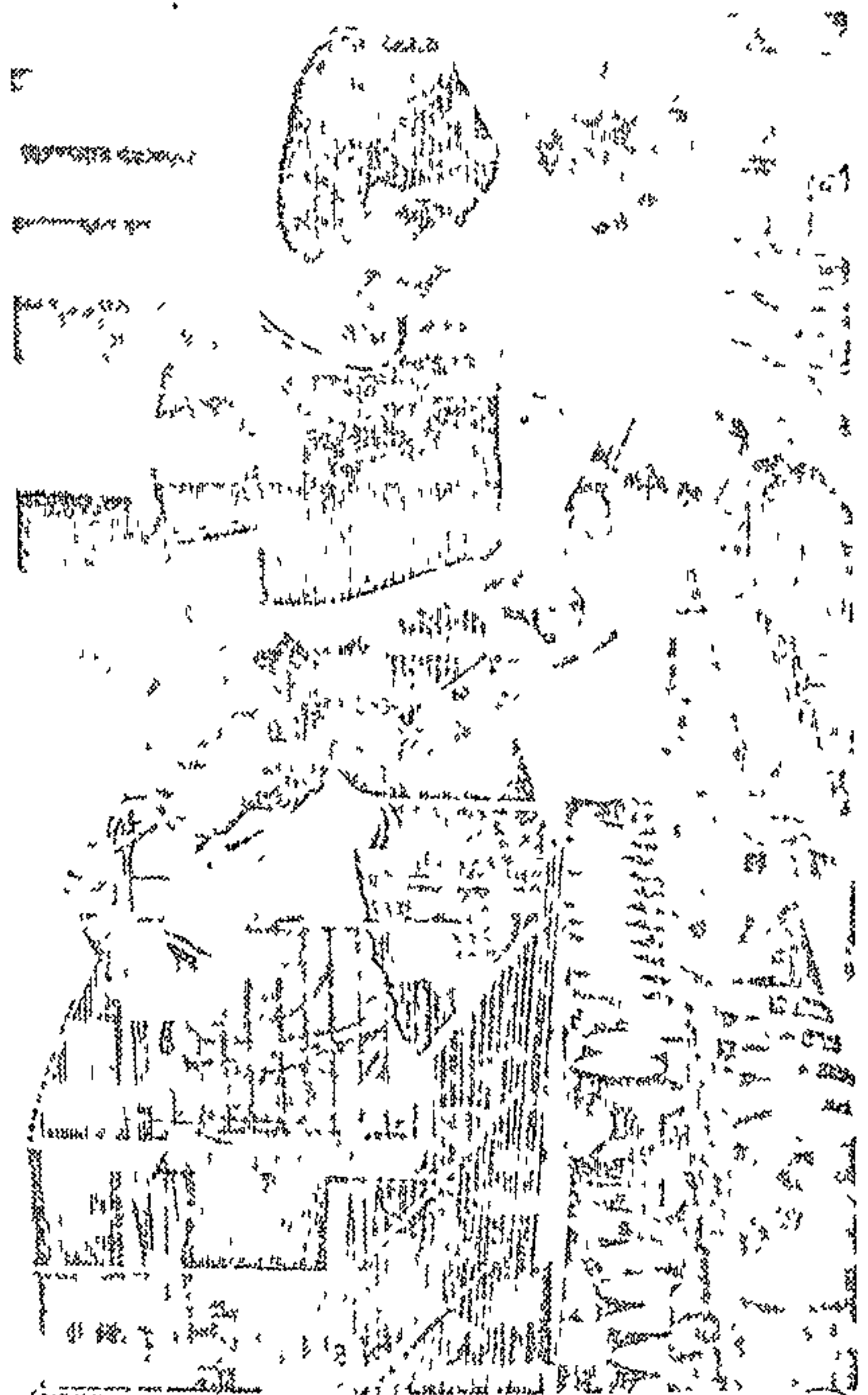
Prices will vary from hotel to hotel, largely dependant on star ratings and area

Most Transvaal hotels are still working out how much more they will charge. As one five-star hotelier said ‘Hotels don't have to take cognizance of the recommendation

It has been pointed out that the higher wine prices are hardly geared to boost consumption of the ailing fruit of the vine, badly crippled by the beer war eroding profits

244 26/2/80

So you think



Johannesburg is one of the cheapest cities in the world

By Charlene Beltramo

Johannesburg is one of the cheapest major cities in the world to live in — believe it or not — but then again, it's incomes are also among the lowest

An investigation by the Union Bank of Switzerland, evaluating some 18 000 price and salary data from 45 cities in all parts of the world, gives a fascinating insight into world costs and living power

Jeddah Abu Dhabi and Marama (Bahrain) were

cows, the same block would cost R4.98

Whisky lovers would be well advised to stay away from Scandinavian countries, where a seven decilitre bottle costs 40 percent more than Switzerland's R2 a bottle

The city fathers of Copenhagen must be against the dangers of smoking. A packet of 20 cigarettes cost R3.24 in that city, while in Bogota cigarette smoking is within the reach of all, at a mere 19.5c a packet of 20

Women's clothes cost the same in Caracas (Venezuela) and Montreal

found to be in the most expensive places in the Western world in which to live

Tokyo, Oslo, Geneva, Copenhagen, Zurich and Dusseldorf follow in that order

Johannesburg is the seventh cheapest city in the world (if the survey is taken to be representative of world trends) in which to live

Cheaper cities are Bangkok, Bogota, Mexico City, Istanbul, Lisbon and Manila

However, in terms of income of 12 representative occupations surveyed, including bus drivers, engineers, teachers and bank tellers, Johannesburg comes a miserable 33rd

The survey shows that Johannesburg's cost of living is in many instances on a par with Canadian, Venezuelan and Australian levels

As an example, Johannesburg and Sydney both come eighth in the cost of a food basket. The survey comparison included 39 different articles such as pasta, rice, bread, cooking oil, sugar, dairy products, meat, fish and poultry

Food was most expensive in Tokyo where the Swiss Union Bank food basket cost R359, as opposed to R142 in Johannesburg

Average

Lowest food prices were in Tel Aviv, Bogota and Mexico where the food basket come to R110. The global average for the food was R191

South African housewives are probably less likely to complain about paying R3 a kilogram for medium quality rump steak when they realise their Swiss counterpart is paying R29 for the same amount of rump steak

In Tokyo the price is 70 percent higher

The average price in North America for the same steak would be about R8 and in the meat producing countries of South America it would cost about R4.91

Butter costs about R1.30 here per 500g, and in Switzerland, the home of picturesque herds of dairy

farmers as in Switzerland

Men's clothes in Johannesburg are the ninth cheapest in the world and are at the same price level as Jakarta, in Indonesia

Cities cheaper than Johannesburg for men's clothes are Dublin, Istanbul, Lisbon, Manila, Milan, Bogota, Athens and Bangkok

Johannesburg is 10th cheapest in the world for household appliances — a ranking shared with Montreal and Vienna

Surprisingly, Amsterdam, London, Los Angeles, Hong Kong and Rio de Janeiro are cheaper in this category. London is also cheaper for clothes

Apartment

Could you afford R190 a month for a fully furnished four bedroomed apartment? That's the going rate in Jeddah

Johannesburg's comparable R142 for the identical apartment seems a pitance in comparison

The surveyed flat included a separate kitchen and bathroom, garage space for one car and all utilities, such as custodial services, water and electricity. The flat had to be in a building built after 1960

Only in Dublin, Milan, Stockholm and Lisbon in Europe and in Bangkok, Istanbul and Johannesburg among the non-European countries, could a four bedroomed furnished flat be obtained for less than R737.94 a month

Motorists who have just paid the mandatory R20 for their licence fees, will be consoled to know that in Amsterdam, Athens and Singapore motorists have to fork out more than R368 a year in car licence fees

However, Helsinki and Jeddah motorists pay nothing at all. In six cities, third party liability insurance is not mandatory either

The average charge for the labour (excluding the cost of replacement parts or an oil change), involved in a 15 000 km check-up of passenger cars

(244) 26/2/88

It's expensive?

Lady, you're living on the cheap!

City	10	20	30	40	50	60	70	80	90	100	110	120	130	140
Jeddah														
Abu Dhabi														
B...														
E...														
O...														
Geneva														
Copenhagen														
Zurich														
Du...														
B...														
T...														
Paris														
H...														
B...														
N...														
C...														
Lu...														
H...														
B...														
L...														
C...														
Am...														
M...														
A...														
San...														
San...														
Los...														
L...														
Singapore														
Pal...														
Jakarta														
Toronto														
Sydney														
Du...														
Montreal														
Munich														
Johannesburg														
Bangkok														
Bogota														
Mexico City														
Istanbul														
Lisbon														
Manila														

Prices in Johannesburg are the seventh cheapest in the world, according to a survey of 45 cities conducted by the Union Bank of Switzerland.

varied from R7 in Manila to R245 in Jeddah. The average price in Johannesburg was R38. The Swiss Union Bank surveyed the incomes of people in 12 occupations including primary school teacher, bus driver, automobile mechanic, department manager, construction worker, toolmaker, electrical engineer, bank teller, secretary, woman and a textile generator. Johannesburg primary teachers intent on more than their R235-a salary, should have to Zurich

At R38 618 a year, that city pays the highest of all surveyed. The lowest paid teachers are those in Manila, who gross a mere R112,74 a month. Salaries paid to construction and textile workers in Johannesburg are among the lowest paid in the world. A construction worker here can expect to take home about R235 a month, in San Francisco, however, he will earn R1 855 a month more. Textile workers take home about R194 a month in Johannesburg according to the survey — a

salary many workers here will probably feel is optimistic. They would be better off saving for an air ticket to Dusseldorf, where their monthly income would jump to R1 311. In most of the 45 cities surveyed, department managers and electrical engineers received the

highest salaries. Car mechanics make as much as R29 271 a year in Chicago, which is more than twice the average pay for their counterparts in the rest of the world. Among the cities with the lowest wage levels — 60 to 70 percent below the all-city average — were Manila, Jakarta,

Bangkok and Bogota. Johannesburg ranks 20th in the world-wide net purchasing power stakes, falling below front runners Chicago, San Francisco, Los Angeles, Amsterdam and Zurich. And as we're the seventh cheapest city of the 45 surveyed — try smiling through your tears.

~~Govt~~
 Increase
 in price
 of bricks
 sought

DURBAN — An application is being drawn up for an increase in the price of bricks. It will be submitted to the price controller shortly, it was revealed in Durban today.

The managing director of the Tongaat Clon Group, Mr Cedric Savage, said the cost of brick production had been hard hit by increases in products like oil and coal which were major items, while other costs like transport and wages had also escalated.

The building boom throughout the country had created a shortage of bricks in the Transvaal and Free State, while demand was being met in the Western Cape. But Natal had a three-month surplus.

He said the application for the increase was still being determined, and he would be in a position to reveal the amount asked for in about three weeks.

37. For a full discussion on the distinguishing features see Maurice Dobb, Theories of Value and Profit London Since Adam Smith, Cambridge University Press, 1973, pp. 151-154.

38. For example see Michael Williams, An Analysis of South African Capitalism, Neo-Kickdianism or Neo-Marxism? Bulletin of the Conference of Socialist Economists, IV, 1, February, 1975.

Call for bigger food subsidies

Pretoria Bureau

BIGGER subsidies to cheaper basic foods is what most black families are hoping for in the March 26 Budget

This is the view of black labour leaders and businessmen spoken to yesterday

They claim that only through Budget measures aimed at lowering rocketing living costs can the vast majority of blacks benefit from the expected huge surplus of more than R1 000-million the Minister of Finance has accumulated from the gold bonanza and inflated returns from other tax sources

They claim, too, that at least 85% of blacks would not benefit by expected income tax concessions as most earn too little to pay taxes anyway

The general secretary of the Motor Industry's Combined Workers' Union (a coloured and Indian union), Mr Ronnie Webb, said the most valuable concession would be the scrapping of the sales tax on basic foods and a lowering of the 4% level of the tax

It was virtually certain he said, that the prices of wheat and maize products would rise

before the middle of the year. "These constitute the staple diet of most blacks, coloureds and Indians and the effect of a bread price in excess of 20% — and this is informed speculation — would be a heavy blow."

If the Minister refused to remove GST from basic foods, food subsidies must be substantially raised Mr Webb said.

He agreed with other black, Indian and coloured trade unionists that housing and expanded formal and vocational education facilities were other urgent priorities

The assistant secretary of the Garment Workers' Union, Mrs Sarah Chitja, said the greatest need among blacks was cheaper food. With unemployment running at more than a million — the majority have no unemployment benefit entitlement — there were thousands of families without enough to eat.

"There are of course the long term needs to improve the quality of the lives of blacks in urban townships, like better housing and more recreational facilities, but the crying need in most families is for food."

Call for bigger food subsidies

(244)
RDM
5/3/80

Pretoria Bureau

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before the middle of the year. "These constitute the staple diet of most blacks, coloureds and Indians and the effect of a bread price in excess of 30% — and this is informed speculation — would be a heavy blow."

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"There are, of course, the long term needs to improve the quality of the lives of blacks in urban townships, like better housing and more recreational facilities, but the crying need in most families is for food."

BY VITA PAI ESTRANT

CONSUMER MAIL

January food prices up a massive 2,1%

THE Consumer Price Index (CPI) rose by 0,9% during January and by 13,8% during the 12 months ending January

The year on-year increase to January shows a drop on the December to December increase of 14%

These figures were released by the Department of Statistics in Pretoria

Low income groups were hardest hit over the January period with the CPI increasing by 1,1% — and by 12,5% during the 12-month period

Middle and higher income groups increased by 0,9% and 0,8% respectively during January and 14% and 14,1% over the year

Food, which is a major expenditure in low income groups, rose by a whopping 2,1%

Over the past year, food prices have escalated ahead of the general CPI increasing by 14,9%

In the food sector — meat increased most — by 6,2% and by 22% over the past year

Fruit rose by 2,2% while fish, milk and milk products, fats, oils and vegetables dropped marginally

Grain products rose by 0,4% Soft drinks increased by 0,8%, alcoholic drinks by 0,7% and cigarettes by 0,1%

Clothing and footwear increased by 0,3% during January and 6,2% over the year while furniture and equipment increased by 0,2% and by 5,7%

Household operations which rose by 0,5% has increased by 21,3% during the 12-month period, with cleaning materials alone increasing by 0,4% — and 24,5% over the year

Domestic servants were paid 0,4% in January and 21,3% more over the 12-month period

Medical hikes are filtering through, rising by a considerable 4% during January and 15,6% over the year

Transport costs, which have levelled off, increased by 0,1% during January

Every month the Department of Statistics gleans masses of information about the costs of goods and services in 11 major urban areas These figures are processed to make up the index

Consumer Mail publishes the CPI monthly as a service to its readers

	Jan 1980	Dec 1979	Jan 1979
ALL ITEMS	165 4	164 0	145 3
Lower income group	161 3	159 6	143 4
Middle income group	165 0	163 5	144 8
Higher income group	166 8	165 4	146 2
FOOD	167 0	163 6	145 3
E11	164 3	163 6	150 3
Grain products	159 3	150 0	130 6
Meat	186 3	187 0	159 6
Fish	156 0	157 8	140 0
Milk, milk products & eggs	183 3	183 6	160 3
Fats & oils	179 0	175 2	172 3
Fruit	148 5	150 2	122 5
Vegetables	238 2	238 2	209 9
Sugar	233 0	232 9	227 9
Coffee & tea	165 2	162 8	150 7
Other	171 4	170 0	160 3
COLD DRINKS	151 3	150 2	141 1
ALCOHOLIC DRINKS	150 6	150 8	144 2
CIGARETTES CIGARS & TOBACCO	146 7	146 2	138 1
CLOTHING & FOOTWEAR	139 8	139 3	134 4
Clothing	183 6	182 8	159 2
Footwear	143 7	142 6	129 8
HOUSING	212 9	212 9	180 9
L & POWER	151 3	151 0	143 1
FURNITURE & EQUIPMENT	134 6	134 7	128 5
Furniture	147 9	147 5	138 7
Appliances	161 3	160 2	150 8
Other	201 2	200 2	165 9
HOUSEHOLD OPERATION	182 0	181 1	147 4
Cleaning materials etc	209 1	208 2	172 4
Domestic servants	186 1	184 7	159 1
Other services	159 8	152 4	138 2
MEDICAL CARE	198 0	197 9	159 5
TRANSPORT	171 3	171 3	157 3
Vehicles	241 5	241 4	166 3
Running costs	156 4	156 4	149 0
Public transport	101 3	101 3	101 3
COMMUNICATION	158 9	158 6	149 5
RECREATION & ENTERTAINMENT	167 5	167 3	156 0
READING MATTER	176 9	176 9	153 3
EDUCATION	161 4	161 2	150 1
PERSONAL CARE	163 8	163 7	140 2
OTHER			

Rail tariffs 'will push up prices'

244
RDM
7/3/80

By GERALD REILLY
Pretoria Bureau

PRICES are expected to reach new high levels this year because of the big increase in rail tariffs and other inflationary factors, say leading economists.

Some believe the inflation rate could go above 15% before the end of 1980.

Another big factor which will put pressure on prices are the large pay increases — more than 20% when bonuses are included — granted to railway workers, and those expected to be announced for other public sector workers in the Budget later this month.

Economists fear that pay increases for the public sector could trigger off a chain reaction in the private sector.

Meanwhile, increases of at least 20% are expected to be granted to maize and dairy produce farmers before the middle of the year.

The bread price, too, will rise steeply soon unless the Minister of Finance, Senator Horwood, is prepared to grant a subsidy of about R200-million for the new financial year.

The director of the SA Agricultural Union, Mr Chris Cil-

liers, said "We will do our best to see that the additional rail costs are passed on to the consumer, wherever this is possible."

But with vegetables and meat, which are sold by auction, this was not possible, he said. Only with price-controlled products such as maize, wheat and dairy produce, could the consumer be made to compensate farmers for the additional transport costs.

Mr Cilliers said the SAAU's commodity committees would meet this month to make their price recommendations on maize, wheat and dairy produce.

Producers, he said, believed they had a strong case for increases of at least 20%, and a review of their costs in the past year would probably show this to be so.

The chairman of the Consumer Council, Professor J L Weyers, said the tariff increases were a severe blow to consumers. The danger was that they could be exploited.

Manufacturers could, as some had done in the past, use the tariff rises to justify raising the prices of products, though transport was a minimal factor in their costs.

Barclays Bank chief economist Dr Johan Cloete said price levels would be driven up to new levels. Transport costs were a basic and significant factor in the production of nearly all goods and services, and in most cases they would be passed on to the consumer.

With all the other price rises in the pipeline — among them a large range of foods, such as bread and maize — the inflation rate this year would exceed last year's 13,2 per cent.

"The rate for the current year will be closer to 15% and could even go higher before the end of the year," he said.

Volkscas chief economist Mr A S Engelbrecht said that, directly or indirectly, the new rail tariffs would have an impact on prices.

He estimated that the effect on the inflation rate would be 1,2%.

He agreed, too, that the salary and wage increases outlined in the Budget would strengthen and justify demands from the private sector.

There could be a chain reaction, especially after the increases for State and provincial departments were announced.

Billion-rain

rise in Opec

aid fund (244)

N.M.
8/2/80
ES

Ganini Senaviratne

THE Organisation of Petroleum Exporting Countries (Opec) is changing the pattern of its aid-giving programme for Third World countries

In essence Opec has raised the financial base of its special fund by R1.3 billion to R2 billion and served notice of intent to set up a new aid agency

The special fund was established in the wake of the 1973 oil price rise - the first significant catalyst action by a group of Third World primary commodities producers - specifically to help developing countries, oil importers who were least able to bear the extra financial burden -

The boost to the special fund's funds, by double the amount that had been generally expected, has of course been well received. Not so the intention to set up a new aid agency. It raises two questions: will the special fund be completely restructured to become the new body which the aid agency will operate but gobble up the fund's funds?

Few details are available yet, but the words 'aid agency' alone, when attached to the special fund, are sufficient to raise fears for the short term and

hopes for the long. They are based on the philosophy and aid pattern of the special fund so far, and on the way an aid agency normally operates.

First, the bad news. The fear is that the financing role of the special fund will be drastically altered. Its loans so far have been given on a programme basis - that is, for whole areas of activity, such as health or transport, and even across more than one area.

Programme aid has the significant advantages of simplicity and speed. Once agreement is reached between the fund and the recipient of a loan (on which programme needs how much) it has so far borrowed little more than a million dollars signing the cheque.

But an aid agency would be another matter entirely. Such a body would be virtually synonymous with the project assistance. As such simplicity and speed would certainly have to be sacrificed.

Big bread rise is expected

8/3/80

244

RDM

GERALD REILLY
Pretoria Bureau

GOVERNMENT sources in Pretoria expect a big rise in the bread price to be announced before the end of the month

They said yesterday there was no way at this stage of telling whether the Minister of Finance, Senator Owen Horwood, would use his huge R800-million Budget surplus to bolster food subsidies and cheapen foods for the poorer section of the population

But this was the only way a substantial bread price rise could be avoided.

The present subsidy of R70-million is about to run out

Total food subsidies for the current financial year now drawing to a close totalled R124-million, according to the Department of Agriculture, Economics and Marketing

Maize products were cheapened to the extent of R50-million and butter by R4-million

The Wheat Board has recommended during the past 15

years that the price of bread should be adjusted annually, and that the price should be allowed to rise gradually to an economic level

This, it was stated, would avoid a situation where large price increases had to be made — and thus, it was stressed, is the current situation

White bread was last adjusted two years ago — to 26c a loaf — and brown bread four years ago to 16c a loaf

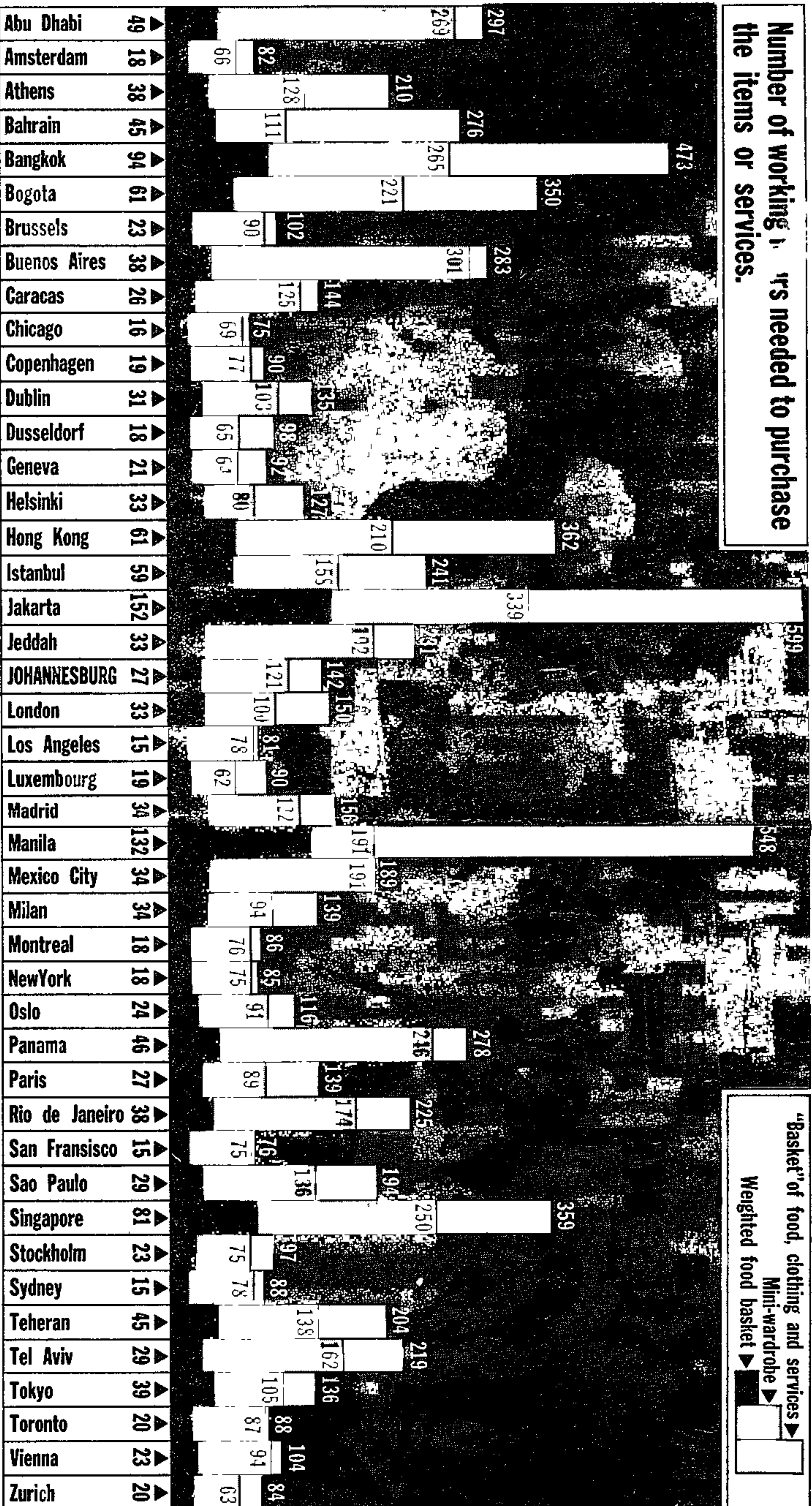
Economists, leading Opposition politicians including the PFP's financial spokesman, Mr Harry Schwarz, and Labour leaders, support a substantial rise in subsidies or a scrapping of the General Sales Tax on basic foods

It is pointed out that scrapping of the GST would not bring basic food prices down significantly, and that bigger subsidies are essential

It is also pointed out that cheapening food is about the only way the Government can let the lower income groups share in the gold bonanza.

Table 1

Number of working hours needed to purchase the items or services.



White Johannesburg beats the big cities

RDM
12/3/80

ASK any tourist — he will probably tell you that Johannesburg must rank amongst the finest places to live in the world. High salaries, low prices and comfortable living. If you are white.

White South Africans have long argued that the black people are not as badly off as the hordes of hungry in India, South America and the Far East. Blacks eat meal-meal because they like it, the argument goes.

That might be partly true, but it makes one stop and think when it is pointed out that many — probably the majority — simply could not afford a traditional Western diet.

A basket of food and beverages that is the normal fare in the West and in most white South African households — that would cost an electrical engineer only 9%, or a bank teller 20%, of their salaries — would cost a black textile worker 82% of her month's wages.

When comparing the "quality of life" in South Africa with that in other countries of the world, you usually think: What do I earn next to an Australian, a Brazilian, an Englishman or an American?

One way of gaining a reasonable idea of earning power is the number of working hours needed to pay for a certain article. How many hours of work it takes to earn an off-the-peg suit, for example.

Do you know that the average (white) Johannesburg resident has to work the same length of time — 26 hours 45 minutes — as the average Parisian to buy an equal amount of food? This same basket would be earned by a resident of Chicago in 16 hours 15 minutes while an Indonesian in Jakarta would have to put in 152 hours.

The Union Bank of Switzerland has calculated that in its latest edition of "Prices and earnings around the globe", in which all the headache work of calculating the rate for the job in 45 countries, less income tax and the multitude of other considerations, has been performed by a gnome with a calculator somewhere in Zurich.

The researchers concentrated on 12 occupations which they felt formed a broad cross-section of the occupational structure of the countries studied. These were: primary school teachers, bus drivers, auto-

mobile mechanics, construction workers, toolmakers, cooks, female textile workers, saleswomen, secretaries, bank tellers, electrical engineers and department managers in an industrial firm.

A unique problem arises in regard to the Johannesburg study. Only the occupations of construction workers and female textile workers included salaries of blacks. And accommodation has been selected in all cities in a "typical middle level executive neighbourhood", which by definition excludes Soweto.

Johannesburg emerges as a city of anomalies: salaries for white, skilled workers are extremely high, almost as high as those in North America and Western Europe. And consumer items, particularly clothing and electrical goods, are in many cases as costly as in the more prosperous cities of the industrialised world.

Yet wages of black unskilled workers are amongst the lowest in the world, rubbing shoulders with cities where poverty is a byword. Earnings of black construction workers in Johannesburg equal those in Mexico City, less than in Panama, though more than in Rio de Janeiro, Singapore, Istanbul and Bogota.

One must keep in mind that while Johannesburg rates as one of the cheapest cities in the world overall, this is based on the high earning power of whites. Low-earning blacks still have to pay the same prices for food and clothing as do whites.

So the results and subsequent comparisons see in the table of purchasing power (Table 2) on this page must be seen as referring to white workers only.

However, what does emerge is that out of the 45 cities surveyed, Johannesburg is.

● One of the most expensive cities in the world — 12th — in

the cost of public transport. Only 10 cities are more expensive in this regard. We pay as much for single bus or train fares as do people in Geneva, Switzerland.

● 8th from the top in what we pay in taxi fares — more than in some of the world's most expensive cities such as London, Los Angeles, New York, Paris and Vienna.

● Halfway — 23rd — in purchasing power. We get more for our money than do people in Caracas, London and Madrid, though less than Dublin, Paris and Milan.

● Halfway — 23rd — in the cost of women's clothing. Women pay as much for the sake of fashion as do their counterparts in Montreal, Canada, and Caracas, Venezuela, and more than in London, Amsterdam, Sydney and Tel Aviv.

● One of the cheaper cities — 36th — in food prices, though we pay as much for food as do

people in Sydney, Australia.

● One of the cheapest cities in the world — 39th — in overall price levels. That is, 36 of the cities surveyed are more expensive than Johannesburg.

● One of the cheapest cities in which to post a letter or use a public telephone. Postage prices equal those in Singapore and Bangkok.

TABLE 1 is a direct illustration of purchasing power in the 45 cities, linked to the average wage of the 12 occupations surveyed.

Column 1 is how many hours the average worker would need to buy a weighted basket of food and beverages — 39 items such as bread, pasta, rice, sugar, oil and cooking fat, milk and milk products, various kinds of meat, fish, vegetables and fruit.

The United States continues to be in the lead in the comparison of purchasing power. Based on the actual gross hourly earnings of the 12 occupations, wages or salary earners in Chicago, New York, Los Angeles and San Francisco work only from 15 to 18 hours to buy the food basket. Employment in Amsterdam, Dusseldorf, Montreal and Sydney are almost as well off.

Johannesburg employees have to work 27 hours for the food basket, the same as their counterparts in Paris. On a 40-hour week, this means they would have to work slightly more than three days to gain what it takes a man in Chicago two days to earn. It what means more than three days work for a Londoner.

Column 2 is the number of working hours needed to buy a combined wardrobe consisting of a summer dress, a jacket, a skirt and pair of elegant shoes for the ladies and a ready-made suit, a blazer, a shirt and a pair of good quality shoes for the gentleman.

Continued

Where do you think Johannesburg rates amongst the major cities of the world in the earnings race? What do you get for your money in the way of food, services and accommodation? **BRUCE STEPHENSON** examines the latest survey of the Union Bank of Switzerland on prices and earnings in 45 major cities around the world and concludes that some extraordinary anomalies are present in this city.

Column 3 is the number of working hours needed to buy a package of goods and services consisting of food and beverage items, household appliances, clothing, transport expenses and miscellaneous services such as a haircut, the price of a daily newspaper, a record, dry-cleaning and laundry, admission to a movie, postage, telephone and television charges. What would take a Johannesburg employee 18 days to earn the money for, would take his counterparts in Sydney and Cape Town 11 days, while in Buenos Aires would take five days of working time. A whopping 15 weeks work would be needed to buy those items in Jakarta, Indonesia, 13½ weeks work in Manila. A meaningful comparison of differences in taxes and insurance contributions based on wages and salaries must also take into consideration the benefits afforded the taxpayer by the state in return. Needless to say, these benefits display great dissimilarities from country to country. No attempt has been made to answer this problem because rational conclusions and comparable statements regarding the "quality of life" provided by the state are almost impossible in quantitative let alone in qualitative terms. TABLE 2 sets out the monthly earnings, after tax, of the 12 representative occupations in Johannesburg. What follows is the percentage of those earnings which would be needed to buy a weighted basket of food from the large supermarkets worth R97, a selection of women's clothing in the medium price range worth R204, a selection of men's clothing also in the medium price range worth R234, an average month's rent for an unfurnished three-room apartment with separate kitchen and bathroom, and a "basket of services" costing R176. As wages increase, the expenditure on food decreases proportionately. The electrical engineer would spend only 9% of his take-home pay on the food basket, while the black female textile worker would — given the Union Bank's figures — have to shell out 82% of her net pay. Johannesburg ranks 36th in the 45 cities — alongside Sydney and well in the lower third — on straight food costs. We pay more for food than in Tel Aviv, Lisbon or Bangkok, though a lot less than in Athens. Food continues to be most expensive in Tokyo, almost one third more than Zurich and Geneva and roughly 40% to 50% higher than in most Arab and European countries. To clothe himself, the engineer would pay out only 22% of his earnings on a mini-wardrobe, while the black textile worker would have to spend two months pay on her medium-price wardrobe. Johannesburg does not fare very well when it comes to the price of fashion. Don't take for granted those advertisements which tell you that clothes are cheaper in South Africa than anywhere else. In fact, women in Johannesburg pay as much for their clothing as their counterparts in Montreal and Caracas and more than women in London, Amsterdam, Sydney, Sao Paulo and Luxembourg. In 20 cities, women's clothing is cheaper than in Johannesburg. Men's clothing is slightly more realistic. We would pay the same prices in Jakarta, and in only seven cities is clothing cheaper than here, in order those being Athens, Milan, Dublin, Bangkok, Lisbon, Bogota and Manila. The average-priced unfurnished three-room apartment with separate bathroom and kitchen in a good neighbourhood averages out at R226 a month in Johannesburg. The engineer would pay a low 22% for his flat, while the textile worker (were she allowed to live there) could take two months work to pay the landlord. Johannesburg is about in the middle in this regard — more expensive than London, Montreal, Tokyo, Toronto and Brussels, though not much cheaper than New York, Zurich and Sydney. Rentals for medium-priced unfurnished three-room apartments with all additional charges, but without a garage, range from R125 in Lisbon to R1 722 in Hong Kong, while the average for the 45 cities surveyed is about R500. Johannesburg comes off extremely well when pricing a four-room furnished apartment that would suit the mid-level executive. Lowest rents are in Lisbon (R200) and Bangkok (R267), with Johannesburg coming in third at R300 in the medium-class range. Yet it is second only to Lisbon in the expensive range at R510 a month. Clearly in the lead for high-cost furnished accommodation is Jeddah with monthly rentals of about R2 292, followed by Tokyo at R2 300 and Hong Kong at R1 200. Among European cities, Geneva tenants pay the highest rents at R550.

(244) NDM 12/3/80

Table 2
Percentage of pay needed to buy a selected "Basket" of goods or services

Occupation	Experience	Monthly Pay After Tax	Food Basket R97	Selection Women's Clothing (Medium Price) Total R204	Selection Men's Clothing (Medium Price) Total R234	Apartment Rent Average R226	Basket of Services R176
Electrical Engineer	Completed University studies with at least 5 years experience, about 35 years old, married, no children.	R1 044	9%	20%	22%	22%	17%
Department Manager	Technical Manager of industrial firm. Many years experience, about 40 years old, married, no children.	R926	11%	22%	25%	24%	19%
Toolmaker/Lathe Operator	Skilled, with 10 years experience, about 35 years old, married, with two children.	R668	15%	31%	35%	34%	26%
Cook	Deputy Chief cook in a large hotel. 10 years experience, 30 years old, single.	R648	15%	32%	36%	35%	27%
Automobile Mechanic	Qualified with 5 years experience, about 25 years old, single.	R557	17%	37%	42%	40%	32%
Primary School Teacher	10 Years experience in Government schools, about 35 years old, married, no children.	R508	19%	40%	46%	44%	35%
Bank Teller	Completed Bank training with 10 years experience, 35 years old, married, two children.	R495	20%	41%	47%	46%	36%
Secretary	Bilingual secretary to Department Manager, 25 years old, single.	R460	21%	44%	51%	49%	38%
Bus Driver	Municipal employee, 10 years experience, 35 years old, married, two children.	R453	21%	45%	52%	50%	39%
Saleswoman	Ladies' Wear Department of large store, 3 years experience, 22 years old, single.	R236	41%	86%	99%	95%	75%
Construction Worker (Black)	Unskilled or semi-skilled labourer, about 25 years old, single.	R160	60%	127%	146%	140%	110%
Textile Worker (Black Female)	Unskilled or semi-skilled operator in a medium sized plant, 25 years old, single.	R119	82%	172%	197%	195%	149%

en's clothing in the medium price range worth R204, a selection of men's clothing also in the medium price range worth R234, an average month's rent for an unfurnished three-room apartment with separate kitchen and bathroom, and a "basket of services" costing R176. As wages increase, the expenditure on food decreases proportionately. The electrical engineer would spend only 9% of his take-home pay on the food basket, while the black female textile worker would — given the Union Bank's figures — have to shell out 82% of her net pay. Johannesburg ranks 36th in the 45 cities — alongside Sydney and well in the lower third — on straight food costs. We pay more for food than in Tel Aviv, Lisbon or Bangkok, though a lot less than in Athens. Food continues to be most expensive in Tokyo, almost one third more than Zurich and Geneva and roughly 40% to 50% higher than in most Arab and European countries.

To clothe himself, the engineer would pay out only 22% of his earnings on a mini-wardrobe, while the black textile worker would have to spend two months pay on her medium-price wardrobe. Johannesburg does not fare very well when it comes to the price of fashion. Don't take for granted those advertisements which tell you that clothes are cheaper in South Africa than anywhere else. In fact, women in Johannesburg pay as much for their clothing as their counterparts in Montreal and Caracas and more than women in London, Amsterdam, Sydney, Sao Paulo and Luxembourg. In 20 cities, women's clothing is cheaper than in Johannesburg. Men's clothing is slightly more realistic. We would pay the same prices in Jakarta, and in only seven cities is clothing

cheaper than here, in order those being Athens, Milan, Dublin, Bangkok, Lisbon, Bogota and Manila. The average-priced unfurnished three-room apartment with separate bathroom and kitchen in a good neighbourhood averages out at R226 a month in Johannesburg. The engineer would pay a low 22% for his flat, while the textile worker (were she allowed to live there) could take two months work to pay the landlord. Johannesburg is about in the middle in this regard — more expensive than London, Montreal, Tokyo, Toronto and Brussels, though not much cheaper than New York, Zurich and Sydney. Rentals for medium-priced unfurnished three-room apartments with all additional charges, but without a garage, range from R125 in Lisbon to R1 722 in Hong Kong, while the

average for the 45 cities surveyed is about R500. Johannesburg comes off extremely well when pricing a four-room furnished apartment that would suit the mid-level executive. Lowest rents are in Lisbon (R200) and Bangkok (R267), with Johannesburg coming in third at R300 in the medium-class range. Yet it is second only to Lisbon in the expensive range at R510 a month. Clearly in the lead for high-cost furnished accommodation is Jeddah with monthly rentals of about R2 292, followed by Tokyo at R2 300 and Hong Kong at R1 200. Among European cities, Geneva tenants pay the highest rents at R550.

© Prices and Earnings around the Globe, fourth edition, Economic Research Department of the Union Bank of Switzerland. The study is based on the Bank's own investigations in the countries concerned and aims at furnishing the interested public with reliable information on the current price and earnings situation in major countries.

Johannesburg, not cheap city

By VERA BELJAKOVA

JOHANNESBURG is not one of the world's cheapest cities or London the most expensive, as would appear from the recent survey conducted for travelling businessmen by London's Financial Times.

According to the Union Bank of Switzerland, which surveyed the world's top 45 cities, the position is as follows

• **PRICE LEVELS:** Johannesburg is the 38th most expensive city and London the 21st. The world's three most expensive cities are Jeddah, Abu Dhabi and Manama. (Bahrain), followed by Tokyo, Oslo, Geneva, Copenhagen, Zurich and Dusseldorf.

New York ranks only 16th and Los Angeles 29th. Istanbul, Lisbon and Manila are the cheapest.

• **PURCHASING POWER:** Top of the league are Chicago, San Francisco and Los Angeles, due to high earnings and only moderately high prices.

Johannesburg is 23rd and London 25th. Bottom of the list are Bangkok, Manila and Jakarta, in terms of both net and gross earnings comparisons. For food prices alone Johannesburg ranks 35th.

The household budget is least

taxed in Manila, Lisbon, Istanbul, Mexico City and Bogota. Johannesburg employees work 27 hours to buy the same goods for which a Londoner needs to work 33 hours.

To buy the same clothes, however, takes 20 more hours in Johannesburg as compared to the 100 hours needed in London.

• **EARNINGS:** Johannesburg ranks 27th and London 25th for gross average hourly earnings.

REGISTRAR (ACADEMIC)

* TOTAL NUMBER OF STUDENTS 7

15036

PAGE 1

AS AT 29 02 80

EXAMINATION RESULTS IN FACULTY ARTS

YEAR : 3

15036 H.A./L.B.

STUD NO

SURNAME

FIRST NAMES

COURSE

DESCRIPTION

SYMBOL

101634P

HACK

BRAM GECLE

602101

PUBLIC INTERNATIONAL LAW

2-

4

101834P

115474D

HARPER

GREGORY HACK

602101

PUBLIC INTERNATIONAL LAW

2-

5

115474D

114330E

LAGONS

ORAISE ELLEN

603202

ROMAN LAW & JURISPRUDENCE I

1

4

114330E

103069G

LEWIN

DIANE

603202

ROMAN LAW & JURISPRUDENCE I

1

4

103069G

100344V

LOUE

ANTHONY

603202

ROMAN LAW & JURISPRUDENCE I

1

5

100344V

094440C

TRAYN

HENRY

603202

ROMAN LAW & JURISPRUDENCE I

1

4

094440C

102253V

ILLIANS

MICHAEL DAVID

602101

PUBLIC INTERNATIONAL LAW

1

4

102253V

26 (30) 21 244

Business Property

Recovery in commercial property letting sector

RETAIL lettings of Cape commercial property have recovered strongly in the Peninsula in line with improved consumer confidence and distributable income, according to SRE Real Estate Landlords now prefer shorter leases and are taking the view that rentals for retail and office accommodation have not kept pace with the general increase in prices. This view, they say, has been confirmed by rentals required to make new developments economically viable.

"Taking this argument to its logical conclusion, properties sold on nine percent returns, as compared with 12 percent a year ago, should on rent review give a far higher return. We would recommend to clients that they invest in well-located retail and office premises."



● Mr Koos Jonker, property economist at SRE Real Estate, has been appointed a part-time lecturer in property valuations at the Cape Technikon

Industrial market

The general upswing in the industrial property market is continuing with greater emphasis on buying vacant land for development. The few remaining plots in Paarden Eiland are in demand and SRE have recently negotiated sales at R36 a square metre. Recently the company was involved in a deal where the sale was negotiated at a figure considerably in excess of the asking price because several keen buyers were after the property.

Good industrial stock is very limited and the time of new building has arrived with the consequent dramatic increase in rentals.

Established premises in prime areas and in good order are now fetching rentals of R1,30 a square metre with new buildings coming on stream at R1,80 a square metre.

A spokesman for the company said that the notable gap between average yields of flats on the one hand and office blocks and industrial and commercial property on the other, would narrow appreciably during the year.

Prices rising.

"This means that there will be marked increases in prices paid for office blocks and industrial and commercial property. As a result of price increases, returns on blocks of flats have decreased sharply from some 13 percent to eight percent in the past two years. This represents an average price increase of 70 percent or more in the prices paid for blocks of flats."

"Returns on industrial investment can still be obtained at between 10 and 11 percent while it can vary between 10 percent and 13 percent for office blocks, depending on quality and age."

Healthy growth

"The same factors that led to the sky-high prices of flats will come into effect now as far as office blocks and industrial property are concerned. With the healthy growth of the economy the demand for office and industrial space is growing fast. The returns here may drop as low as eight percent."

There has been virtually no new building in recent years. It would take up to four years to finish new buildings like the Golden Acre. As a result restoration has come to the fore and in Cape Town office space in older buildings can still be bought at R1,50 a square metre and resold at R3,50 after restoration.

THE price of maize is expected to go up at the end of April — and Government sources warn that the consumer may have to foot at least part of the bill for predicted record export losses of R150-million on yellow maize. —
Page 3

The Minister of Agriculture, Mr Hendrik Schoeman, is expected to announce the drop in butter and cheese prices on Friday.

Choice butter will drop from R1.07 for 500g to 79c — the cost price.

Cheddar cheese will be cut from R2.30 a kg to R1.32 a kg, according to leading supermarket chains.

Mr Rex Granville, managing director of the Checkers chain, appealed to the Minister of Agriculture to institute a more effective agricultural marketing system.

"We do not believe the Dairy Board is doing a professional marketing job. The price reduction is only a promotional allowance which will last a week and cause wild rushes and wild expectations.

"We have a horrid feeling that, as in the past, the consumer will pay for this.

"The authorities need to look ahead, see the products building up and carefully control supply and demand," he said.

The vice-chairman of the Housewives League, Mrs Judy Foreshaw, attacked the egg price hike.

"They have had fuel and packaging increases already, so I really cannot understand why they require a further increase."

Eggs Up, Butter Down

Staff Reporter

THE price of eggs is going up again on March 31 — and it's the third increase since December in the Transvaal and Free State.

But butter and cheese prices are due to drop by 20% a Dairy Board bid to get rid of a 100 000-ton surplus.

The price of extra-large and large eggs will go up by 2c a dozen and medium-size eggs by 3c a dozen.

This means the consumer will have to pay an average 76c a dozen for extra-large eggs, 72c a dozen for large and 69c a dozen for medium-size eggs.

The National Egg Producers Co-operative has also indicated that there might be a further increase — about 5c or 6c a dozen — if the price of maize rises.

A Napco spokesman said "The increase has become necessary because of general cost increases and also to bring the prices in line with egg prices in the rest of the country."

THE price of maize is expected to go up at the end of April — and Government sources warn that the consumer may have to foot at

RESULTS IN FACULTY ARTS

AS AT 29 02 80

YEAR : 1

FIRST NAMES	COURSE	DESCRIPTION	SYM
ZANVE ELIZABETH	106103	ECONOMICS IA	F
ALLY ANN	107101 116120 114161	ENGLISH I (PRE-1980) DRAFA I CULTURAL HISTORY OF W.E. I	F S S
ERYL	102101	AFRIKAANS	UP
NELOPE JILL	105202	SOCIAL ANTHROPOLOGY I (PRE-1980)	UP
VID	104101 110101	ARCHAEOLOGY I HISTORY I	F F
NDSEY FRANCES			

NO JACQUES ERASMUS	001101 010105	COMMER STATS
VIN MARK ELAD	101105	AFR & AL
LIETTA	107101	ENGLISH
LAG DEBORAH	115101	FRENCH
HAEL BRUCE	004101	PSYCHOL
FLA JUAN	104101 115102 010105	ENGLND I FRENCH ITALIAN
PIA	014102	PHYSICS

244

FOOD SUBSIDIES

False economy of malnutrition

am 21/3/80

(244)

16

It's a safe bet that a new round of food price increases is imminent. Recently Agriculture Minister Hendrik Schoeman warned that even the price of brown bread may have to be increased.

Surely it is high time government heeded the scores of warnings from doctors, welfare workers and health experts about the appalling extent of malnutrition? Humanitarian considerations apart, the present neglect is false economy, which costs the country millions of rands annually in hospitalisation.

No-one can calculate the cost of a generation growing up physically and mentally stunted, but it is a simple fact that it costs only a few cents a day to feed a child, while the cost of a hospital bed runs from over R10 per day in medium-sized hospitals for blacks in Natal and the Transvaal to R50 a day in some of the large hospitals and up to R75-R80 in training hospitals. (These statistics are drawn from a report by the South African Medical Research Council, re-published in the SA Medical Journal, May 13, 1978.)

Reliable statistics about malnutrition are difficult to obtain. According to the council's report, the Department of Health had estimated that at least 100 000 people with pellagra are treated as in-patients or out-patients annually. In 1976, the department said that 286 district surgeons reported 48 783 cases of kwashiorkor, 37 855 of pellagra and 1 008 of beriberi. But these figures are unreliable and have been discontinued. Incidentally, it has never been explained why kwashiorkor was removed from the list of notifiable diseases. Then there are other complaints. For instance, eye lesions associated with malnutrition. And who knows how many ordinary illnesses, such as TB and pneumonia, may have been brought on by it?

The underlying causes — poverty, unemployment, the migrant labour system, ignorance and the over-crowded underdeveloped homelands — will take many years to eradicate (FM January 11, 1980). At least until the political restraints which distort the economy have been removed, these by-products of apartheid will remain a national responsibility. Last year, government provided some R97m for new school teacher-training and so on. But no child can learn properly on an empty stomach. The old scheme, run by the Department of Social Welfare & Pensions, was stopped in 1958. It had been badly mismanaged with a lot of waste and misuse of funds.

A new scheme, to avoid waste, should be selective regarding both schools and students, and subject to constant review. These are not insurmountable problems.

The African Children's Feeding Scheme provides 25 000 full balanced meals a day at centres in Soweto and a number of towns on the Witwatersrand at a cost of R10 per child per annum. There is no wastage, stresses organising secretary Kay Glynn. Teams of nurses and social workers check schools and homes for malnutrition. Children pay 3c a day unless they can't afford it. The (Cape) Peninsula School Feeding Association fed nearly 120 000 children at 221 schools every school day in 1979. (Average cost 3c per meal, consisting of either thick soup and bread or flavoured skim milk with bread and spread.) Wastage, organising secretary Norman Freeman, told the FM, has been cut to as little as 3%. Schools have to apply, and are then inspected. The problem of selecting which children to feed, Freeman says, 'sorts itself out automatically' as those who don't need the food don't take it.

In May, by which time the departments of Health and Social Welfare & Pensions will have been amalgamated, a spokesman for the former told the FM it will survey 20 000 children in the 6-8 age groups at schools all over the Republic. They will be chosen at random to establish by average in which groups and localities the needs are greatest. This will be completed in about a month, and will be repeated annually. A sensible beginning.

The skimmed milk powder subsidy of R199 000 annually (not R700 000 as previously reported) intended for babies and young children is not being fully used by the local authorities. Even health forums held by the department at various centres haven't woken them up. This is criminal

negligence, as one doctor said. Until now the subsidy has been 56% of the cost to the local authorities. From April 1981 it will be increased to 87.5% so that the local authorities will only pay 12.5%. They must be forced to make full use of it. Part of the trouble is that mothers have to take their children to the clinics to get the powdered milk. More conveniently situated distribution points are needed.

In the rural areas and homelands, the problem is aggravated by ignorance and taboos, which it is thought probably contribute more to malnutrition than actual food shortages, though more use could be made of fortified foods, particularly maize meal.

The Department of Health, with the Medical Research Council and the Research Council for Human Sciences, recently made a survey in the Ciskei. They found about 3% of children under five were suffering from third degree (severe) malnutrition. (The Department uses the Gomez classification, accepted by the World Health Organisation. This measures protein-energy malnutrition (pem) by the percentage of expected weight for age and sex.)

Following the report, a team of experts will be sent to the Ciskei to give advice and training, for instance to nurses, on feeding and treatment.

Such surveys must be repeated throughout the country. Within the limits of its resources, the Department of Health seems to have been working along the right lines.

The onus is now on government to give the new Department of Health Welfare & Pensions the green light.



Subsidised feeding it can be done.

Brick black market

244
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nies were promptly shut down

Mr Dick Kemp, chief executive of Tongaat said these comments were typical of those in times of trouble

"The fact that there are 22 other companies in the same line as ourselves in the Transvaal alone and that we have railed bricks from Natal to help the situation shows that they are not true"

Dr David Mouton head of the Competition Board, said his board was aware "of a concentration in the brick industry", and that it acted on complaints or in some instances took the initiative to investigate possible monopolies

"But we have no intention at this stage of looking into the brick industry

If anyone has complaints they can send them to us at PO Box X84, Pretoria"

Bricks black market brings chaos to industry

STAR
24/3/80
193
244
245

By John Murray

Increases of up to 130 percent over the controlled price of bricks are bringing chaos to the home-building industry, which has already been by delays of up to a year in brick deliveries

Adding to the prospective homebuilder's problems, the increase in costs caused by the brick shortage - at least two percent for every month's delay.

Several building concerns have called on the Government's Competition Board to investigate the brick industry, which is dominated by one large concern, Corobrick

The Government-controlled price on bricks is R70,50 a thousand stock bricks delivered, but profiteers are asking anything from R67 to R120 a thousand

This situation has been brought about by a building boom which has left the smaller builder struggling to get supplies of bricks

In some cases the smaller builder has been told he will have to wait up to a year for delivery of bricks

A brick and building supplies merchant who did not want to be named said "Some smaller brick yards are exploiting the shortage

"There is racketeering, and merchants are cashing in on the situation"

The company charging R120 a thousand said it was raling one million bricks from Pietersburg to meet demands far exceeding supply

Additional charges were for railage, loading and road transport to site, it said

Corobrick, a Durban-based company which manufactures 600 million bricks a year said it was raling 140 000 stock brick a day from three points in Natal and was selling them for R100 a thousand delivered

Building concerns have called on the Competition Board to investigate the "chaos created when the Corobrick monopoly became effective"

Builders say that while Corobrick is the only effective source of bricks, it now introduced supply quotas and credit guarantee restrictions

These slash potential business by 75 percent and destroy the trust existing when the small man supported Corobrick through the 1974 to 1979 recession, they say

A contractor-merchant who also did not want to be named said "Natal and Transvaal companies were amalgamated under Tongaat to form the existing Corobrick monopoly

"I would like to know why some of these compa-

To Page 3, Col 3

BY VITA PALESTRANT
CONSUMER MAIL

Consumer dismay at bread rise

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THE INCREASE in the price of bread announced at yesterday's bonanza Budget was slammed by consumer spokesmen as inexcusable and ill-advised.

On April 1, the price of brown bread will increase by 4c to 20c a loaf and white bread will increase by 5c to 31c a loaf. This excludes GST.

Consumer spokesmen said the increases would

place a heavy burden on the poor, particularly blacks, the majority of which would not benefit from the general tax concessions.

"I cannot see the point of the Government trying to combat malnutrition at hospitals and clinics when it is creating it," said Mrs Sarah Chitja, Khaiti secretary of the National Union of Cloth-

ing workers, and a community leader.

Why couldn't the gold windfall be used to alleviate the black man's burden, said Mrs Sally Motlana, the president of the Black Housewives' League.

Pay packets had not gone up, unemployment was still rife in the black community

and now they would not even be able to pay for bread, she said.

The consumer Ombudsman for the South African Council of Churches, Mr Eugene Roelofse, slammed the Government for allowing heavy increases in fertiliser and agricultural implements.

The increase is inexcusable.

They should look at the cause of the increases. Labourers on wheat and maize farms are paid such low salaries that farmers should be able to produce basic foods at a fraction of the costs overseas," he said.

He said there was little in the budget that did benefit blacks.

"The government has missed a golden opportunity to put things right. It has done very little to restore black confidence in white economic leadership.

"The poorest of the poor should have reason to believe they are fairly treated and acknowledged by the Government — this has not happened."

'Hunger will ⁽²⁴⁴⁾ haunt townships'

Pretoria Bureau

THE big bread price increases announced in yesterday's Budget came as a "terrible shock" to the poorer section of the country's population

The Minister of Finance said the price of brown and whole wheat bread would rise by 4c a loaf to 20c, and white bread by 5c a loaf to 31c a loaf

Sen Horwood said that to have kept the price of bread at current levels would have entailed a subsidy of R220-million. This, he said, would have been a disproportionate subsidy

However, economists point out that taking into account the massive unemployment still plaguing the country, and the Government's powerful financial position, the subsidy should have been raised to a higher level

Black trade unionists said the higher bread price and the expected increase in maize products from the end of April

would spread hunger and hardship in the townships

Most blacks had not benefited from tax concessions because they earned too little to pay taxes

The secretary of the National Union of Clothing Workers, Mrs Lucy Mvubelo, said the bread price rise had come as a bitter blow to the black people

"There are hundreds of thousands of us unemployed. Where are we to get the money from to buy the bread in adequate quantities at the new prices?"

She called on employers to adjust wages immediately to compensate for the new bread price and the certainty of increased maize meal prices in May

Mr Rex Glanville, managing director of Checkers, said last night that he believed the Minister should have allotted a larger slice of revenue to subsidising basic foodstuffs, especially bread

DE

* TOTAL NUMBER OF STUDENTS

1

REGISTRAR (ACADEMIC)

UJAT

20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50
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62
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66

Bread blow in

CAPE TOWN.—Why, in South Africa's biggest yet bonanza budget, with R1,56 billion worth of tax concessions and other handouts across the board, is the price of bread being increased?

Financial Minister, Owen Horwood went into the economic intricacies of the bread price in his budget speech, but those who argue that this was a rich man's budget insist that the black labourer with a family to clothe,

school and feed, is going to have some difficulty following the Minister's reasoning.

"Should we wish to keep the bread price fixed for a further 12 months," the Minister said, "a total subsidy of as much as R220 million will be required for bread alone. Not only would this amount be disproportionate, but it would make any necessary adjustments subsequently so much more drastic."

the budget bonanza taxes workers' brains

The black labourer, it is argued, is also not likely to be mollified by the argument of Mr Hendrik Schoeman, Minister of Agriculture, that the bread price in South Africa is the lowest in the world.

The Institute for Planning Research at the University of Port Elizabeth, produced facts showing:

- Brown bread compares 6 300 gm in the minimum monthly diet of the average black man,

- The average black family of six consumes 34 200 kgs of bread (the equivalent of 36 loaves) a month, at a cost of R5,81. With the increase of 4c a brown loaf, announced by Sen Horwood, it means that from April 1 such a family will have to pay R7,26 a month.

Dr Margaret Ellisworth, a specialist in the diseases of children, said one of the most effective dietary methods of countering malnutrition

was the use of brown bread, which had a good protein content.

It was therefore regrettable that the Minister had seen fit to increase the brown-bread price. The pegging of this price would have been one way of helping the poor.

In East London yesterday social and welfare workers also confirmed the difficulties to be experienced by lower income groups as a result of the increase.

A social worker with Nicro, Mr C Kwatsha, said the rise would also affect Nicro's budget for the supply of food parcels to ex-prisoners as part of their rehabilitation.

The Medical Officer of Health, Dr J R. van Heerden, said bread is the staple food of blacks and Coloureds and the rise would add to the hardships of many of them.

The chairman of the Mayor's School-feeding

Fund, Mr A Adleson, said the bread price hike would not hit his fund immediately because they did not use bread.

"We use biscuits and what would hit us is an increase in the price of wheat," he said.

He deplored the rise in bread price after a budget prepared for the benefit of the man in the street.

A social worker at the home economics section of the Ciskei Department

of Agriculture, Miss Songqayi, said the increase would mean bread would become a luxury in the rural areas.

"Our programmes will have to concentrate on the use of maize," she said.

A check on bakeries here yesterday showed that bakeries in East London sold three brown loaves to one white while one in Mdantsane baked 16 brown to one white. — DDC

12 Friday, March 28, 1980

The Cape Times

A cruel blow 244

THE increase in the price of bread, as we noted in this column yesterday, is a cruel blow to the poorest section of the community which is largely if not exclusively black in the townships, where incomes are very often small and hence little is gained from tax concessions, the budget does not bring much direct and tangible benefit. The poor will benefit in due course, as will other sections of the community, when the hoped-for economic boom comes to pass. For the moment, there is little immediate relief for the poor — in a give-away budget which is one big hand-out for the more privileged section of the population. Against this background, and in the light of the corrosive effect of inflation on living standards, Senator Horwood's decision to put up the price of bread is a national calamity.

It is true, as he says, that bread is already heavily subsidized and that a

further massive subsidy would have been necessary if the price were to be held at pre-budget levels. The fact remains that a rising bread price in the present socio-political circumstances of South Africa is something to be avoided at all costs. It is not only that the increase will cause bitter hardship among the poorest section, where bread is the staple food, sometimes the only food on the table. It is not only that children will go hungry. There is also the political import of the increase, which is most unfortunate. No one is suggesting that Senator Horwood is indifferent to the problems of the poor. But how could he have allowed this to happen? Is there no way that the price can be held down? Is there no way that this increase can be cancelled? The Treasury coffers are bulging. It is not a question of money. And once again it is the poor, disfranchised section of the community which gets the worst deal.

UGCT

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	PAGE
12010	ELIERS	CHARLES PETER	118101	CULTURAL HISTORY OF W.A.F. I UP	(50)	1
1409AOP	MURRING-JULF	HAZEL	118101	CULTURAL HISTORY OF W.A.F. I UP	(50)	3
* TOTAL NUMBER OF STUDENTS						2
DEAN						
REGISTRAR (ACADEMIC)						

EXAMINATION RESULTS IN FACULTY ARTS
YEAR : 1

AS AT 29 02 80

PAGE 1

12010

With a bonanza Budget, why increase the price of bread?

By ROGER WILLIAMS
Chief Reporter

WHY, in South Africa's biggest yet bonanza Budget, with R1,56-billion worth of tax concessions and other handouts across the board, is the price of bread — a staple and essential component in the diet of the broad mass of South Africans — being increased?

This was the question being asked all over the Republic yesterday, amid the resounding plaudits for Senator Owen Horwood and for what is widely regarded as a highly stimulatory Budget, and as a scene-setter for boom conditions in this country.

Of particular interest is the fact that, while the masses pay more for their daily bread, the 1980/81 estimates provide for a total of R2 074 540 000 — over R217-million more than last year — for defence.

One of the arguments propounded in Cape Town yesterday was that if it is accepted that a major cause of riots down the ages has been hunger, then would it not have been wiser to use some of that massive defence allocation in an even more effective "defensive" move, by keeping the bread price down?

An angry pensioner who telephoned the Cape Times said that although she was herself living "pretty near the breadline" she had been so horrified by the bread-price announcement that she was sending the R30 extra she would be getting out of the Budget to the Cape Flats Distress Association (Cafda) to help a few poor families offset the higher price they would have to pay for their staple food.

Senator Horwood went into the economic intricacies of the bread price in

his Budget speech on Wednesday — but those who argue that this was a rich man's Budget insist that the black labourer living at Guguletu, with a family to clothe, school and feed, is going to have some difficulty following the minister's reasoning.

"Should we wish to keep the bread price fixed for a further 12 months," the minister said, "a total subsidy of as much as R220-million will be required for bread alone. Not only would this amount be disproportionate, but it would make any necessary adjustments subsequently so much more drastic."

The black labourer at Guguletu, it is argued, is also not likely to be mollified by the argument of Mr Hendrik Schoeman, Minister of Agriculture, that the bread price in South Africa is the lowest in the world.

To what extent is bread still the staff of life in South Africa — and in what proportion is it part of the dietary pattern of the lower-income groups in this country?

A telephone call to the Institute for Planning Research at the University of Port Elizabeth, which periodically publishes statistics on household subsistence levels in major urban centres, produced these facts yesterday:

- Brown bread comprises 6 300 g in the minimum monthly diet of the average black man.

- The average black family of six persons consumes 34 200 g of bread (the equivalent of 36 loaves) a month, at a cost of R5,81.

With the increase of 4c a brown loaf announced by Senator Horwood, it means that from April 1 such a family will have to pay R7,26 a month if it maintains the bread component of its

diet at the present level. Mr Norman Freeman, director of the Peninsula School Feeding Association, said there was no questioning the fact that bread was still a staple part of the diet of lower-income families.

He added that the bread-price increase announced by Senator Horwood could "finish" the school feeding scheme, which received no government or other subsidy and which was entirely dependent on the support of the public.

"We are determined of course not to be finished off because we are providing what we consider an essential service. But it is going to be more of an up-hill battle than ever to maintain the service we are now providing for 125 000 primary and preparatory school children in the Cape Peninsula and the near-country areas."

Mr Freeman said the association tried to provide one-third of the daily calory intake of these children. It used 5 000 loaves of brown bread a day, or 100 000 loaves a year at a total cost of R145 000, at the present price.

When the brown-bread price went up by 4c from next month, the association's annual bill would rise by R40 000, to a total of R185 000.

"In trying to raise that additional R40 000 we'll be entirely in the hands of the public," Mr Freeman added.

Dr Margaret Elsworth, a specialist in the diseases of children, said the incidence of malnutrition among children appeared to be as high and as severe as ever, and that among children from country areas who were brought to Cape Town for treatment it appeared to be on the increase.

One of the most effective dietary

methods of countering malnutrition was the use of brown bread, which had a good protein content. It was therefore most regrettable that the minister had seen fit to increase the brown-bread price. The pegging of this price would have been one way of helping the poor.

How is the bread-price increase seen in the cold light of economics?

Generally speaking, says a Cape Town economist, a subsidy represents a flaw in the free enterprise system which often leads to further distortions in the economy.

"On purely economic grounds it would be far more desirable to reduce subsidies rather than increase them, and concentrate on measures to ensure that all sections of the population can afford the basic necessities of life."

"When it comes to the subsidy on bread, for example, it could be argued that white farmers are in fact the real recipients of the subsidy. Increasing the subsidy would involve committing even more taxpayers' funds to the support of a product which is already in surplus and being exported at a loss."

"A preferable alternative, and one that has more chance of success in view of the Budget's strong stimulatory features, is to put more money in the pocket of the man in the street in order to increase real consumer spending, creating a need for more goods, new investment, greater employment opportunities and higher real income."

Bread-eaters of Bonteheuwel and Guguletu, please note!

And employers, in the light of this sort of reasoning, please recall the biblical dictum "for the labourer — worthy of his hire."

● Leading article, page 12

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Dairy products back up to old price

PRICES of choice butter and cheddar cheese are back up again today

The general manager of the Dairy Control Board, Mr P E Roux, announced in Pretoria yesterday that the price reduction promotion campaign had ended

He said there was no longer

any need to continue the campaign as it had proved more successful than was originally anticipated

This means that from today the maximum controlled price of R2,24 a kg for choice butter and R2,48 a kg for cheddar cheese will again apply instead

of the special price of 170c a kg and R2 a kg for butter and cheese respectively

"Already the butter and cheese sales exceed the target figures set by the board for the promotion campaign," Mr Roux said

He pointed out these sales related only to wholesale trans-

actions and he doubted whether consumers had managed to take up the full quantities acquired by retailers

Mr Roux appealed to retail traders to continue selling butter and cheese at reduced prices until their stocks reached the same level as before the reduction — Sapa

68

More food price shocks on the way

ADM 242
28/3/80

By GERALD REILLY
Pretoria Bureau

THE higher bread prices announced in the Budget are the first in a series of food price shocks which will hit the country in the next few months.

These will largely neutralise any benefits the lower-income groups received from Wednesday's Budget.

Expected next is a rise in the price of maize and maize products.

This week the South African Maize Specialist Organisation (Samsa) met the Meale Board and submitted its price recommendations for the 10.2-million-ton crop expected to be reaped this year.

Samsa's spokesman has indicated that in some areas production costs including huge fuel and fertilizer price hikes have risen by 30%.

It is reasonable therefore according to agricultural authorities in Pretoria to expect a price rise of about 25%.

Then, in June at the latest, the prices of dairy products, including fresh milk, are expected to rise again.

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STAR

28/3/80

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GENE

Coal price up again April 1

Fair Deal Reporter

The price of coal will rise by 26c a 90 kg bag on April 1 to R2,80 a bag.

This will be the second price rise in two months.

Mr Stanley Amols, managing director of a major coal retailer, said there had been substantial wage raises for black labourers.

"This, coupled with the new rail tariffs, meant the price had to go up. We're a labour-intensive industry and our company's wages were below those for the industry."

"Labourers' minimum wages have increased from R22 a week to R28."

Coal producers were granted a 9c increase a 90 kg bag on February 1.

Govt pays for two slices in every white loaf

CAPE TIMES 3/13/80 *244*
BREAD-EATERS should get two government-subsidized slices of bread out of every white loaf — or three if they are cut thin — according to the government's proposed bread subsidies from tomorrow

This is the Cape Times' estimate based on figures obtained from the Department of Agricultural Economics and Marketing

The Cape Times was referred to the department after approaching the Minister of Finance's office for figures relating to the amount the government would be subsidizing each white and brown loaf of bread from tomorrow

If the proposed subsidy for white bread gives little to chew on, the brown bread subsidy provides somewhat more. It was said that wholewheat bread would be subsidized to the same extent as brown bread

Measurements on a loaf of wholewheat bread showed that one would get about seven one-centimetre thick slices of subsidized bread from the loaf. Up to 13 slices of the same thickness would have to be paid for

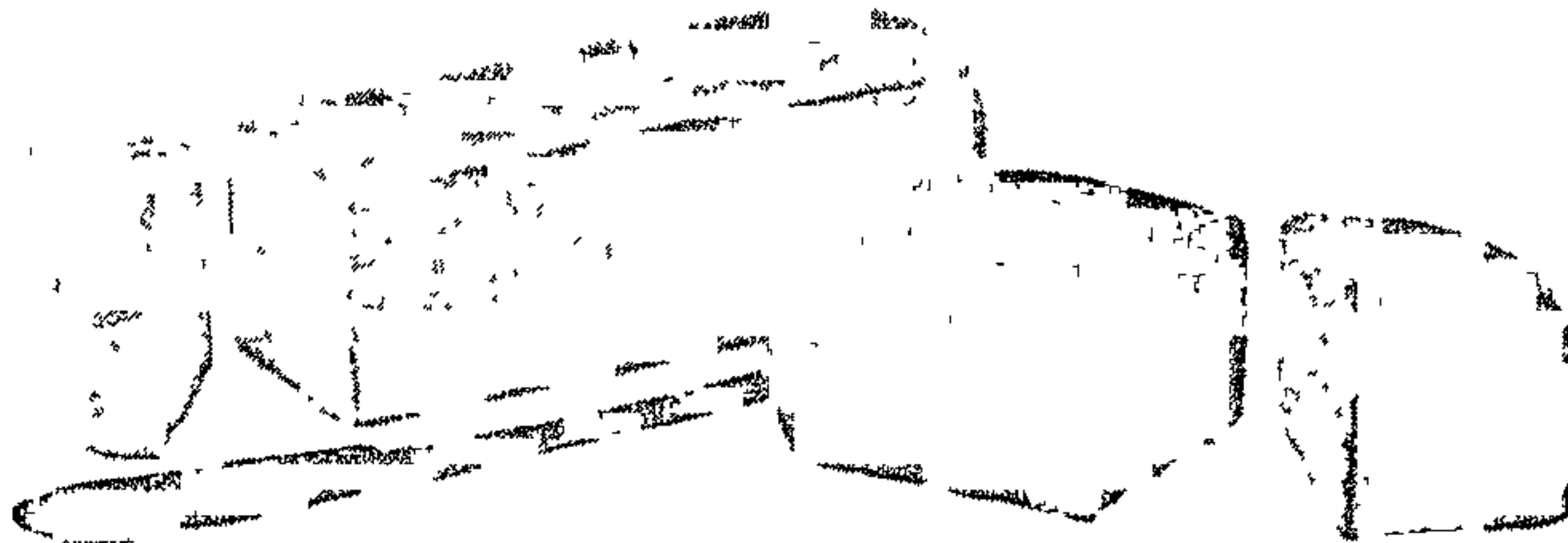
A spokesman for the department said that from tomorrow the government would subsidize every loaf of white bread by four cents. The public would then pay 30 c for a loaf of bread that should actually cost 34 c

Brown bread would receive an 11 c subsidy a loaf, which meant that the public would pay 20 c for a loaf that should cost 31 c were it not for the subsidy

The Minister of Finance, Senator Owen Horwood, said in his Budget speech that at present brown bread was being subsidized "by as much as 14 c and white bread by 9 c a loaf"

A total of R90 million had been provided for bread subsidies. The government had succeeded in keeping the price of bread constant since January 1978, but it would cost R220 million to keep the price fixed for another 12 months

This would not only be disproportionate, but would make any necessary adjustments subsequently much more drastic. He recommended however, an additional R51 million to keep necessary increases as low as possible



Every white loaf of bread will receive a government subsidy of four cents and every brown or wholewheat loaf 11 c from April 1, according to figures obtained from the Department of Agricultural Economics and Marketing. The piece of bread sliced off to the left of the white loaf is the proportion subsidized by the government. The subsidized piece of wholewheat bread is shown on the right of the wholewheat loaf. Figures show that the government subsidy will bring the price of brown bread down from 31 c to 20 c and the price of white bread down from 34 c to 30 c

244 D.D. 1/4/80

Flour and meal prices up today

PRETORIA — Consumers staggered by a series of price increases in the past week will have to absorb another shock — the prices of flour and meal have been increased from today.

The increases according to the manager of the Wheat Board, Mr J. van Aarde, range between 2,5 per cent and 5,5 per cent.

It was announced last week that the prices of coal, sugar, cement and bricks would also be increased from today.

Again it is the lower income group which will be hardest hit. The mass of the black population have had a nil benefit from the so-called golden budget.

Only a small proportion of taxpayers will benefit from tax cuts.

The increases of flour and meal prices are mainly due to a levy on bran and the high rail rates an-

nounced in last month's railway budget.

Brown bread meal had gone up by 2,3 per cent, white bread flour by 4,2 per cent and cake flour by 5,7 per cent.

The smaller package of brown bread meal has risen marginally by 1c for a 1 kg pack, 2c for a 2,5 kg pack, and by 4c for a 5 kg pack.

Mr Van Aarde said brown bread meal in small packs was subsidised by R125 a ton or by 53 per cent.

This would compensate that section of the population which baked its own bread as an alternative to buying bread at the higher prices which come into operation today.

Mr Van Aarde said the levy on bran had been imposed to defray losses on exports. It would give the board an additional income of R750 000 a month.

— DDC

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They aren't fooling with those April 1 price rises

244
Star
1/4/80

Fair Deal Reporter

It's All Fools Day, but there isn't a consumer in the country laughing as the wave of price increases hits him.

Anyone who wants to build a R30 000 dream house will have to find an extra R1 200 — thanks to increases of 20 percent for glass, 15 to 16 percent for cement and 13 percent for bricks.

The increase in the price of glass will not affect bottled foodstuffs as bottles have not gone up.

The dream house will become more of a nightmare when the consumer realises he also has to pay more to furnish his home.

Furniture has increased by an average of five to seven percent. Manufacturers attribute this to a 32 percent price rise for foam, an 11 percent increase in timber and price rises for imported fabrics.

Stocking-up grocery cupboards will become more of a Mother Hubbard reality with many foodstuffs increasing in price today:

- Flour — up three to five percent

- Bread — white loaves will cost 5c more and brown four cents more.

- Sugar — up in all centres except Durban by an average of 2c for a 2,5 kg pack.

- Coal — a 26c price increase on a 90 kg bag

- Eggs — large will cost two cents a dozen more and medium three cents more.

- A wide range of toiletries, household cleaners and canned vegetables will cost about 10 percent more.

Travelling costs will rise because of increased tariffs announced in the Railways budget.

- Jetsetters will pay 20 percent more for air fares

- Rail tickets will cost first and second class passengers 15 percent more and third class travellers will pay 10 percent more

- Freight tariffs have risen 12,2 percent

- The motorist will pay fractionally more to fill his vehicle's tank as petrol has increased by 0,2c. Super petrol will now cost 54,4c a litre.

Butter and cheese have gone back to their pre-surplus prices of R2,48 kg for cheddar and R2,14 kg for butter.

What can consumers look forward to in the future?

A maize price increase within the next fortnight, a dairy price rise in June, a further furniture price increase shortly after that, an expected 6c a dozen egg price rise and small increases in sugar products.

- Black women leaders have blamed the Government for the increased prices of consumer goods.

Mrs Sally Motlana, president of the Black Housewives League, said "The Government is to be

blamed for its policy that has caused inflation. A demand for higher pay by all sections of the community is now unavoidable."

Mrs Winnie Serobe, chairwoman of the Diepkloof Ikageng Women's Organisation, said. "You have only to think of all the unemployed people and the pensioners and wonder how they will cope now."

"This Government does not pretend to consider blacks. Maybe we should commit suicide before we die of starvation."

Mrs Elizabeth Makhubu, complaints officer for the South African Council of Churches Ombudsman, said there would be more undernourished children.

"Children need all the basics for growth. They are going to die and the hospital will reap the results of the increased prices in the form of kwashiorkor and undernourished cases."

Another community leader, Mrs Sarah Chitja, said the Government should have told employers to increase wages so people could cope with the rising cost of living.

Bread profits are sliced

Cafe owners are now losing slightly more than a cent on each loaf they sell.

Mr D Michos, of the Tearoom, Restaurant Proprietors and Caterers Association, said for the last 10 years they had been allowed a profit margin of 1,5c a loaf of bread.

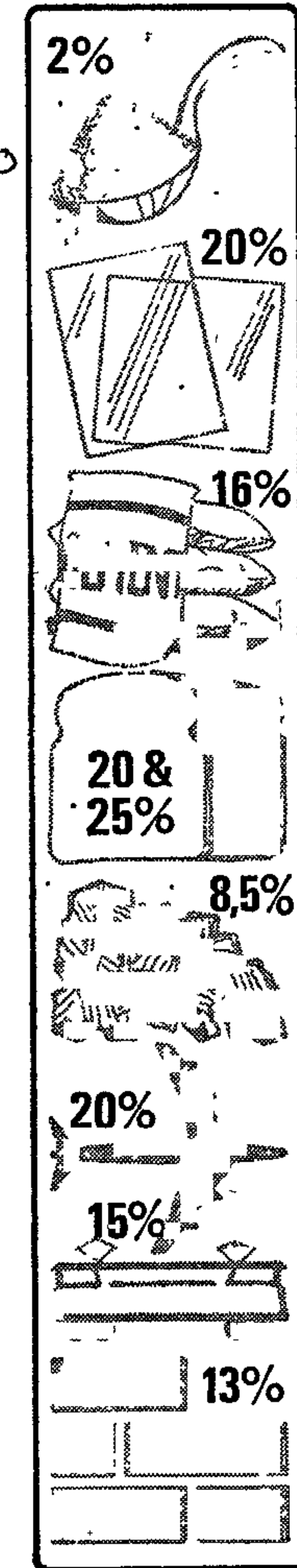
"The cafe owner used to pay R1,74 for a dozen loaves of bread and was allowed a profit margin of 18c on that."

"Today, he must pay R3,42 for a dozen loaves but is still allowed only

18c profit. It's the cafe owner who is subsidising the price of bread, and we're the people consumers complain at about the high price."

Mr Michos pointed out that cafe owners had to pay for plastic to wrap the bread in — "the bags cost 0,75c each, then included in the costs is rental and wages for the people who wrap and sell the bread."

"If bread is kept for more than 36 hours it cannot be sold except at a lower price. The bakery



The above graph shows a few of the more than 18 consumer lines increasing in price today.

cannot take it back either. That is why cafes often run out of bread at the weekend, each old loaf is a loss to them," Mr Michos said.

Cafe owners rely heavily on sales of bread, soft drinks and cigarettes to draw custom. They fear an angry consumer reaction to the increased bread prices.

A loaf of white bread will now cost 31c including general sales tax; brown bread will cost 21c a loaf including GST.

French loaves won't go up in price

EAST LONDON — Consumers who prefer special bread to ordinary white and brown bread which went up on Tuesday, will not feel the price rise that has hit the average South African

The price of special bread, French loaves, rye bread and rolls will remain the same, most confectioners said here yesterday

And it appears this will be the same in the major cities

But smaller confectioners may have to increase their prices soon because not all will be able to absorb the extra cost of flour R1.65 on a 65 kg bag

Mr John Weare, of the Premier Bakery here said he would not be raising the prices of French bread, rye bread and rolls. "We shall absorb the ex-

tra cost," he said

Mr Weare said there was hardly any profit on bread but special loaves gave confectioners a little extra profit and that was why he thought the bigger ones would absorb the increases

Wolfies in Amalinda here will also not increase the prices of their special loaves.

Rogano in East London would also sell at the old prices but a spokesman warned they would have to reconsider their position if another increase in cake flour was announced

A counter assistant at one confectionery said they had increased the price of a special loaf from 38 cents to 40 cents excluding tax. The same applied to bread rolls a half dozen.

Heather confectionery also of East London have not increased their prices but will do so as soon as their present stocks of flour are used up

"We shall not be able to absorb the new increases," a spokesman said

General increases, where applicable, would range from 35 to 38 cents for an average size special loaf and 72 cents (retail) for a dozen bread rolls

Meanwhile, there is confusion regarding the price of bread in Transkei

Transkei's price controller, Mr T M Nkungu, has denied knowledge of a similar rise as in South Africa and said an announcement would be made when bread was to go up.

He was reacting to a Radio Transkei report that prices of brown bread had gone up by 3c a loaf and white by 5c — DDR-SAPA.

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suggests quite the contrary.

3. SUMMARY

Shocks to follow power price rise

244 NM 9/4/80

Mercury Reporter
A 5,26 PERCENT increase in electricity charges announced by Escom yesterday will almost certainly be passed on to consumers in Durban.

And some experts fear that the increase will have a ripple effect on many other prices.

Mr Dennis Fraser, Durban's City Electrical Engineer, said 'Costs are going up and it is unlikely that the council will be able to avoid passing the increase on to the consumer'.

Mr Jan Smith, chairman of Escom, said yesterday that the increase, which was the first for 18 months, had become necessary to ensure the financial stability of Escom, to keep pace with rising costs and to contribute to Escom's capital development fund.

Mr Smith said that Escom had ended its last financial year with a surplus of R80 million but, because of rising costs, it expected to end the current year with a deficit.

Escom had kept its promise not to introduce tariff increases which exceeded the rate of inflation. If the increase had been left to next year, it would have been 'double digit'.

Mr John McCarthy, acting president of the Durban Chamber of Commerce, said that the increase had to be seen against its proper background in Natal.

Vereniging van Nuwe Journaliste

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NM 9/4/80

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244

NIM

9/4/80

Over-charged

The ... had been over-charged for electricity in the past, and that was why there had not been an increase for 18 months.

The Chamber had not seen figures but would like assurances that the transfers to the capital development fund were reasonable.

The final cost to the consumer could be more than the Escom increase.

In addition, electricity is an input to so many costs and it will have to work its way through.

Inflation will be the great issue this year. In this connection the Minister of Finance gave an assurance in his Budget speech that there would not be any further increases this year.

Mr Roland Freekes, the executive director of the Natal Chamber of Industries, said that Natal was getting the lowest tariff increase.

However, although 5,26 percent did not sound excessive, it would come at a time when the economy was moving into top gear.

It will be an aggravating factor.

Production costs will be affected but it is better to have an adjustment of this kind now than a bigger one later.

The Housewives' League and the National Council of Women slated the increase yesterday.

An indignant Mrs Mercia Watkins, chairman of the Pietermaritzburg branch of the league, asked last night why Escom was spending more than R5 million on improving recreational facilities at 26 of its

● TURN TO PAGE 2

Maize price rise set to hit consumers

By GERALD REILLY
Pretoria Bureau

THE consumer prices of maize products are expected to go up by between 20% and 25% from the beginning of May

The Maize Board meets the Minister of Agriculture Mr Hendrik Schoeman, next Monday and the Cabinet is expected to approve the new price at Tuesday's routine meeting.

The higher maize price will generate a new wave of food price rises and coming on top of last month's big bread price rise, will impose further hardships on the lower income groups

Among the wide range of food prices which will be directly affected are meat, pork, poultry and dairy products.

A Meat Board spokesman said the higher maize price would obviously be taken

into account when a new floor price for beef was fixed in June

Maize was a major factor in production costs of beef, as well as in the pork, dairy and poultry industries

Dairy farmers are already clamouring for higher prices because of rocketing costs and substantial increases in the prices of milk, butter and cheese are expected to be imposed from June 1

One source said yesterday if dairy farmers were to be compensated for increased costs, the price rises would have to be at least 20%

It is understood that maize farmers' net increase is likely to be about 15%

The current crop is expected to be slightly in excess of 10 000 000 tons

This will leave a surplus of about 3 500 000 tons for export

Under existing overseas market conditions, taking

into account the coming maize price rise, losses on each ton could exceed R35 which would involve a total loss for the season of about R140 000 000

The Maize Board does not have the resources to meet the loss. Its stabilisation fund is already in the red to the extent of R5 000 000

A big levy is, therefore, expected to be imposed on producers, which will cut deeply into the increased price

Economists pointed out yesterday that the big maize price rise, taken with the higher bread and wheat product prices last month, would have a strong inflationary influence

They pointed out too, that the increase of R10 000 000 to R50 000 000 in the maize subsidy announced by the Minister of Finance in last's months Budget would have only a marginal effect on prices

Senior Lecturer in Accounting : Mr P. Smith
Lecturers in Accounting : Mr M. Eccles
Mrs J. Hume
Mr K. Huxham
Mr D. Schapiro
Mr A. Wilson
Librarian, Leslie Library : Miss C. Laburn
Senior Lecturer at the G.S.B. : Mr R. Mackintosh
G.S.B. Director of Selection & Placement : Mr P. Gordon
Alternate to Professor K.J. MacGregor : Assoc. Prof. S.R. Schach

I have acted on behalf of Faculty by recommending the appointment of the following as members of the Faculty Board :

NEW MEMBERS OF THE FACULTY BOARD

Commerce the advisers are :
- Department of Accounting : Mrs A. Robinson
- Department of Business Science : Mr L. McCaigney
Board members are asked to watch out for any problems experienced by ex-service students, and should, if appropriate, refer such problems to the special advisers, or the Dean, if necessary.

Milk to ^{be} cost more from next month

18/4/50
Political staff

THE ASSEMBLY — The milk price will be increased next month, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday.

He gave no indication of the likely price rise, but stated emphatically that there would be no Government subsidy to keep the price down.

It would cost R10-million to subsidise 1c on the price, he said, and 1c on a litre currently costing 41c would be meaningless.

Mr Schoeman was replying during the second reading debate on the Budget to Opposition suggestions that the bread price should have been kept down through subsidies.

The Opposition should not simply call for subsidies, but say exactly what subsidies they wanted and how they proposed to take the money from the taxpayer.

Brown bread was already subsidised by 11c a loaf and white bread by 4c. Each cent in subsidy cost the state R15-million.

The milk price rose by 3 5c a litre in June 1978 and 5c a litre in June last year. There has been speculation that the increase could be another 5c or 6c a litre this year if the maize price rises substantially in May.

(3) ~~price~~ (1942)
 Increase in price
 of mealies will
 be known today

10/11/42
 18/11/42

By General Durrheim

The new price of mealies will be announced today, according to a spokesman for the Maize Board.

The increase could be the largest in a series of basic food price shocks authorised by the Government in the past few weeks.

Mealie meal is the staple food of the mass of the country's low wage earners.

Though no official confirmation was available, it is expected the consumer price will rise by 15% to 20%.

The price will not increase because of a substantial loss to replenish the maize production fund — in the order of the extent of nearly P5-million — is expected to be 15% "or even less", one source in Pretoria said last night.

The fund will have to be built up to a level where it can compensate for the big losses expected on export maize in the new season starting in May.

The estimated loss on the 3,500,000 tons expected to be

available for export will be about R150 million, say authorities.

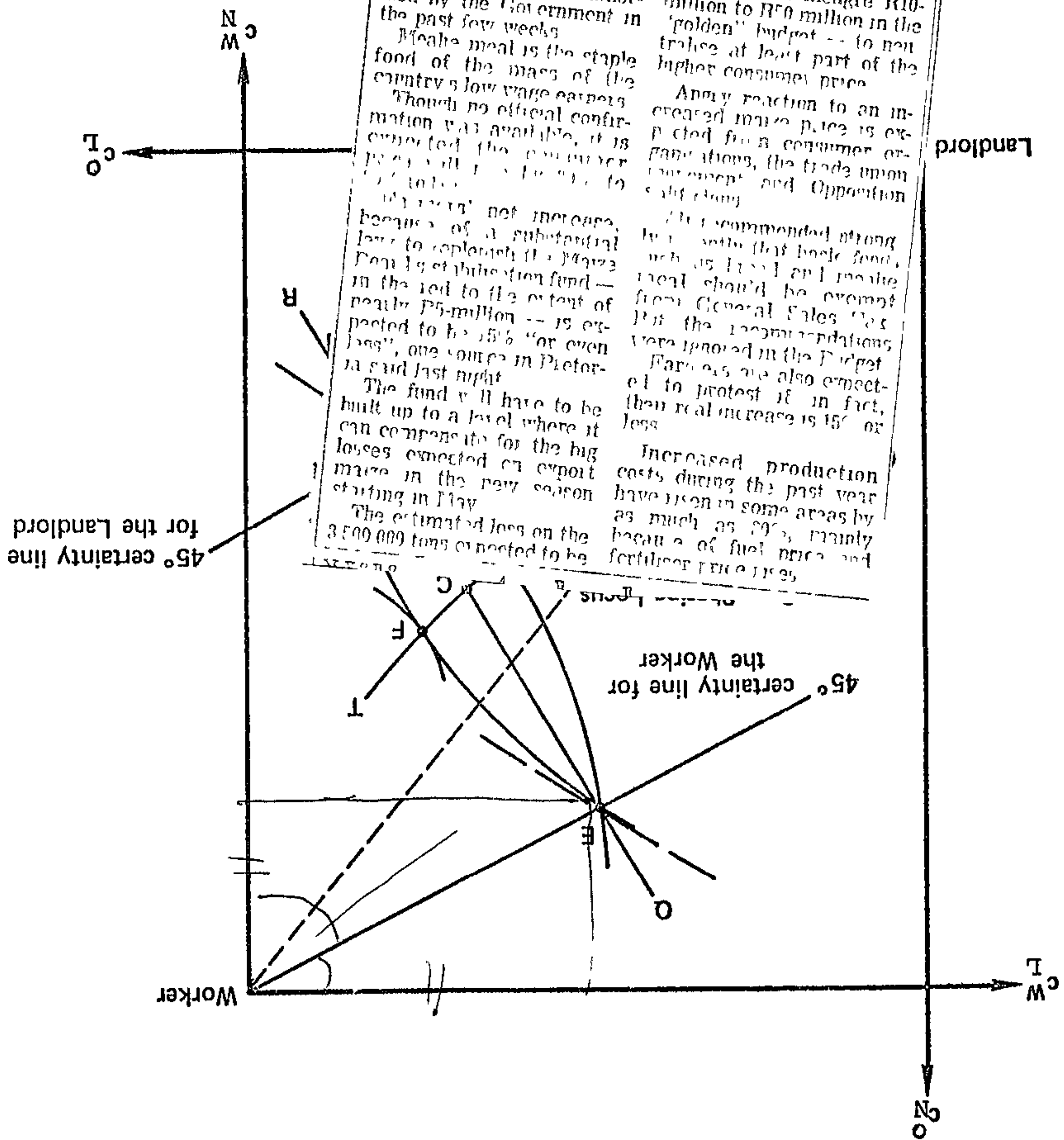
There is no indication at this stage that the Government intends supplementing the subsidy — it was increased by a meagre R10-million to R70 million in the "golden" budget — to non-traders at least part of the higher consumer price.

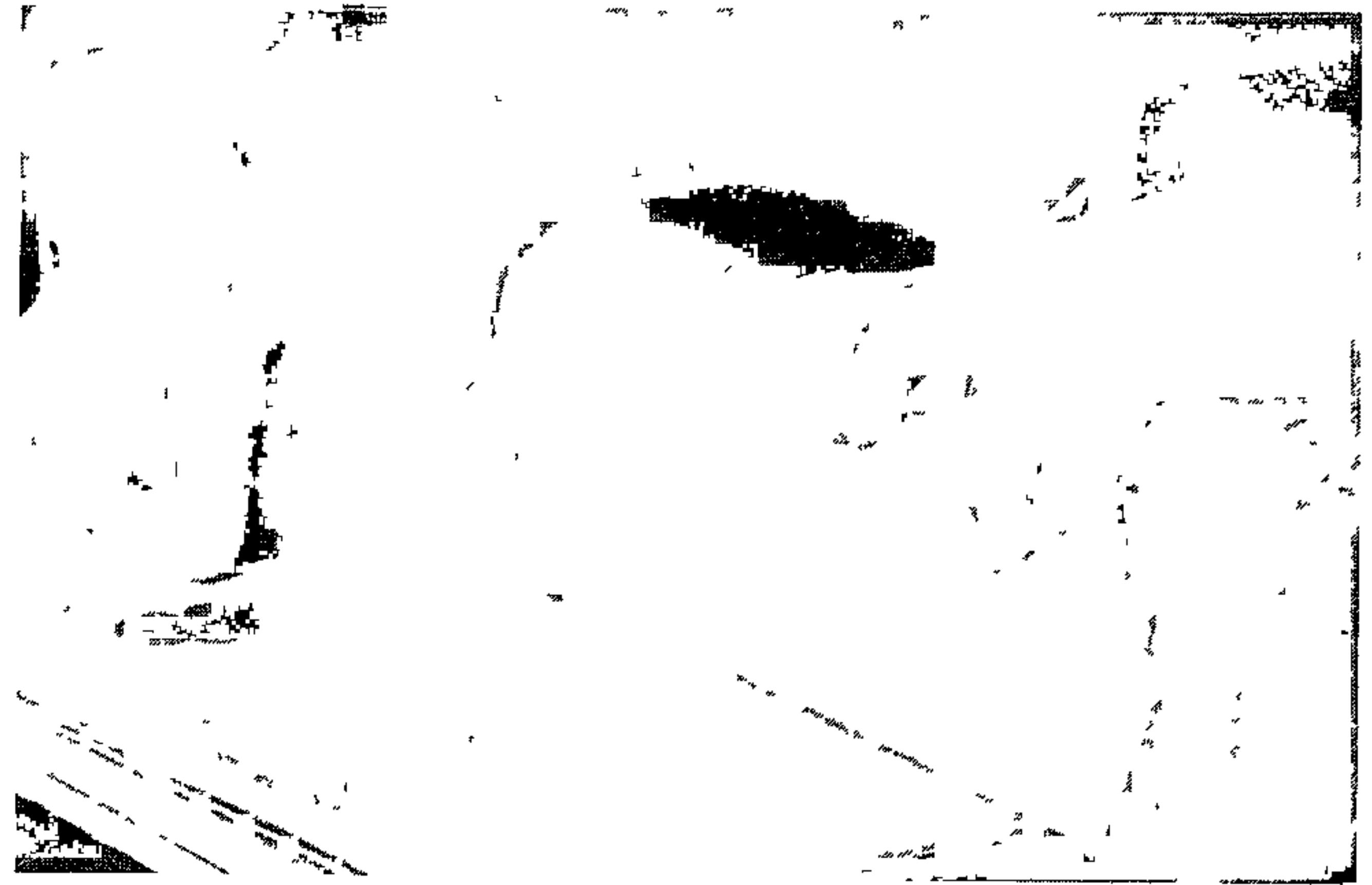
Any reaction to an increased maize price is expected from consumer organisations, the trade union movement and Opposition candidates.

It is recommended strongly that basic food, such as mealie meal and mealie meal should be exempt from General Sales Tax. But the recommendations were ignored in the Budget.

Farmers are also expected to protest if in fact, their real increase is 15% or less.

Increased production costs during the past year have risen in some areas by as much as 50%, mainly because of fuel prices and fertilizer prices.





Bread . . let them eat cake

BREAD PRICE FM (244)
Hunger at school

18/4/80
Finance Minister Owen Horwood's bread price rise really hit the poor. Indeed, for the needy it was the most visible component of the Budget.

Take the case of the Peninsula School

Feeding Association. This Cape Town-based welfare organisation presently provides 126 000 meals a day — including 5 000 loaves — to undernourished Peninsula schoolchildren in 230 schools. It might have to close now.

The 22-year-old association is financed purely by public donations. Norman Freeman, the association's organiser, says

"With the general food price increases, the bread price increase is the last straw. We are now facing a budget of R500 000 a year, and if the money can't be raised we might have to close. Our bread budget alone is R185 000."

In addition to this there is a problem pinpointed by the association's chairman, Dr Bertie Horwitz: "As soon as essential

food prices go up, we get more schools applying for inclusion in our feeding schemes as there is less food at home."

The solution? Gst, he is convinced, should be removed from essential food-stuffs such as bread and milk.

MARGARINE

Spread it thin

Fm 15/4/80
214

Margarine prices are likely to escalate steeply before mid-year SA Margarine Association chairman Jurgen Bols says producers have applied to the Price Controller for a hike based on an expected increase of 20% in raw material prices

Says Bols, "If you look back at the price increases in previous years, these have been well below the rises in raw materials" Cost efficiencies in the industry are responsible for the fact that "we would anticipate the new price to be well below that of production cost increases"

Bols will not reveal what he expects this price to be Crucial will be the increases awarded to producers of sunflower seeds in the next two weeks The Oil Seeds Control Board will not tell what price increase kit has asked of the Price Controller

Production costs

But, a spokesman for the Oil Seed Committee of the SA Agricultural Union tells the FM, producers of sunflower seed were awarded a 29% price increase last year Production costs had, however, increased by 15%

Without revealing what increases producers asked for this year, he said "It could be in the region of about 30%" At the moment sunflower seed sells for R180/t Annual 1980 production is projected at 329 000 t, up from 1979's 312 252 t

The SA Agricultural Union points out. "Crops have been attacked by parasites In some regions, yields are expected to be half that of original targets"

SA production "more or less balances out with demand, which grows 5% to 6% annually in real terms" However, should agricultural ethanol production be given ministerial sanction, the SAAU expects sunflower seed production to increase dramatically In that case, price increases are likely to be substantial

Financial Mail April 18 1980

Margarine consumption is expected to be 82 000 t this year Butter production and demand is expected to trail sadly at 16 000 t Margarine sales growth in the last couple of years has been 7% to 8% But Bols expects this to drop to 5% this year

"I believe white consumption (roughly 70% of total sales), will remain stable Sales to whites are close to saturation point already" He expects sales to remain fairly constant "unless eating habits change substantially and whites decide to eat less meat and more bread"

Should better pay and more job opportunities arise for blacks, "growth of margarine sales to blacks could increase 8% to 10%, but obviously from a lower base than whites," he reckons

Currently, margarine bricks sell from

64c to 72c/500g in supermarkets Soft margarine in plastic tubs sells at "about 10c higher" Butter sells at just over R1

In an attempt to reduce a "temporary seasonal butter surplus," the Dairy Control Board recently (March 21 to 27) sold off in excess of 1 500 t each of butter and cheese at sharply reduced prices

Dairy Control Board GM, Edu Roux says the price was cut 54c per kilo — roughly 24% Yet he does not expect the promotion to have achieved a permanent upturn in sales What tends to happen is that wholesalers and consumers stockpile during the promotion, and a fall-off in sales follows

Roux certainly does not expect butter sales to pick up to 1973 levels of 40 000 t the year yellow margarine was first introduced, let alone the 1971 high, when butter

sales reached 54 000 t

Following "a re-orientation programme, butter production has more or less stabilised down to meet demand with slight seasonal fluctuations Sales are increasing very modestly at an annual 1% to 2% We don't foresee any real change in this"

He says he's "pretty happy about this situation" Nevertheless, Roux expresses some misgivings about the coming summer butter production It could be inadequate because of drought and inadequate maize production

Projections for butter production next season will only be possible in October, the "watershed" month Should there be a demand shortfall, present stocks are unlikely to carry consumers through the lean period

Maize, milk go up ^{Post} 18/4/80 _{For Lulu}

THE price of maize and milk is to go up.

An announcement is expected to be made on the maize hike this afternoon.

POST was yesterday assured of the imminence of the price increase but a spokesman for the Maize Board, Mr D C Rezelman, refused to confirm or deny this.

"The Maize Board has called a Press conference for this afternoon and any question concerning maize can be asked at this conference," was all Mr Rezelman was prepared to say.

But according to our information, consumers can brace themselves up for a hefty price increase in the price of maize. This means that very soon consumers will pay increased prices for mealie meal, the staple diet for blacks.

The increase in the price of maize may also be followed by an increase in the price of chicken, meat and pork as their feed consists mainly of maize.

And in the House of Assembly yesterday, Agriculture Minister Hendrik Schoeman said the price of milk would

go up next month.

There could be no question of any subsidy, he said while answering criticisms against the increased price of bread during the second reading of the Budget Debate.

"I might as well tell you now that the price of milk is going to go up in May and there is no question of this increase being subsidised. A subsidy of even one cent would cost the government R10-million," he said.

Details of the maize price hike will be carried in Saturday POST.

of fund

Mealie rise will hit the blacks hardest

WDM 19/4/80. (3) Maize (244)

sets

By GERALD REILLY
Pretoria Bureau

THE 20% rise in the price of maize announced by the Minister of Agriculture yesterday could have a disastrous effect on the living standards of thousands of black families and push up the cost of many other foods

Consumers can brace themselves for ripple increases in the price of red meat, pork, poultry, eggs and dairy products, as well as canned and processed foods

Leading economists said the inflation outlook had seldom been bleaker. Food was a major item in the

consumer price index, and a swift escalation was feared.

The head of the Graduate School of Business Administration at the University of the Witwatersrand, Professor Gideon Jacobs, said the maize increase and other price rises in the past month would push the inflation rate well beyond 14%

Also of serious concern was the further hardships higher-priced basic foods would impose on the lower income groups, and the effect this would have on the major urban areas

The chief economist of Barclays Bank, Dr Johan Cloete, said the inflation outlook was bleak.

"If you add to the food price rises the inflationary impact of the big wage increases in the public and private sectors, and the severe shortage of skilled workers, then the rate can only accelerate," he said

The secretary of the National Union of Clothing Workers, Mrs Lucy Mvubela, said: "It's wicked. Don't they realise hunger is spreading in the townships, and that unemployment is virtually unreheved"

She appealed to employers to compensate black workers with increases for the recent food price rises

"The so-called 'Golden Budget' has meant nothing

to us. In fact, we are far worse off now than before"

The SA Council of Churches' ombudsman, Mr Eugene Roelofse, said the Government had callously ignored the plight of the country's poor when it authorised the maize price rise.

He claimed that the disgracefully cheap labour used on farms should have made a decrease in the price possible.

"The black man cannot make his stomach smaller. And hunger is the result if he is unable to afford — as thousands won't be able to afford — adequate supplies of mealie meal at the new price"

● In announcing the maize price increase, the Minister said that to avoid a special contribution from consumers, the Government would grant another R10-million to support the stabilisation fund, in addition to the R50-million subsidy

● See Page 3

his model treats the problem essentially as one of liquidity
ant, under the assumption of exogenous (but stochastic,
controlable) deposits and a less than perfectly ela-
an demand function facing the bank. The bank can obtain
nal funds, however, in the form of equity capital, at a
as well as service production cost C, which were stressed above.
Pringle (1974) has also discussed the bank's capital decision,
but in a different model which disregards insolvency cost S
basic than the one outlined above.
although important in a context with deposit insurance, is less
Wolkowitz (1977), Santomero and Watson (1977). Such an approach,
work relying exclusively on regulation. See, e.g. Mingo and
cuss the bank's deposit/capital decision in terms of a frame-
tion of regulations and legal restrictions. Some authors dis-
Milde (1976). Another possibility is the explicit incorpora-
their returns. See Baltenasperger (1972 b), Baltenasperger and
ly, the costs of these activities have to be balanced against
they will affect the optimal deposit/capital decision. Obvious-

By Lucille Bell

THE maize increase announced yesterday will have a ripple effect that will result in costlier eggs, chicken, meat, milk, butter, cheese, dog food and many other commodities

The increase is an 'invitation to starvation' according to alarmed consumer organisations

The latest shock for the already battered buying public came yesterday when the Minister of Agriculture Mr Hendrik Schoeman, announced that the price of maize would be increased by R20,40 a ton

The disheartening news came on top of other recently announced in-

'INVITATION TO STARVATION'

21/4
3 Nov 80
9/4/80
A/10

creases in the cost of staple foods. Bread prices have risen by 20 percent for white loaves and 25 percent for brown, eggs are up 2c a dozen; meat is rising towards its projected increase of 15 percent by June; sugar has risen by two percent; wheat by between three and five

percent, and the price of coal by eight percent.

The aspect of the maize price increase causing the most concern is the fact that it will lead to an immediate increase in the price of balanced animal feeds

Feeds will rise by between six and 10 percent,

according to the chairman of the Association of Balanced Feed Manufacturers, Mr Gerhard Scholtemeyer.

Mr Harold Greenstein, marketing director of Checkers, said the tax relief granted in the recent budget would be 'more than negated by these increases'

HARDEST HIT

He said the poor would be the hardest hit. 'The underprivileged, especially those in rural areas, could face starvation,' he said.

'The Minister of Health should be very concerned about the consequences of the price increases of basic commodities on the health of the nation,' Mr Greenstein said.

Already, according to the Department of Statistics, food sales had declined at an average rate of 5,7 percent a year since 1977, he said.

Mrs Joy Hurwitz, president of the Housewife's League, said of the increases. 'This has proved that the Minister of Agriculture does not care about South African consumers. The increase is well above anything we anticipated.'

A less harsh line was taken by the Coordinating Consumer Council, whose liaison officer, Mr Mike Hawkins, said the increase was 'an expected blow to the consumer, quite moderate in terms of what we are expecting'.

Price rise dangers

(244)

Argu
2/14/60

THE steep increase in the price of maize, coming on the heels of a price hike for bread, milk, sugar and eggs, will hit the consumer hard. It will send costs of other basic foodstuffs soaring, as maize is a major stockfeed.

A persistent spiral of rising prices could put a brake on the predicted economic boom. It

could dissipate the benefits of Senator Horwood's stimulatory Budget and make life more difficult than ever for the poorer sections of the population.

Price controls are not welcome in a free market system but discipline can be practised by everybody, not least by those responsible for the 'administered prices of controlled commodities'.

Price rises warning to Botha

Argus
23/4/80
244

Political Staff

THE Government was warned today of serious consequences if rocketing prices were allowed to swallow people's increased incomes from salary and pension concessions and tax deductions.

Opposition spokesmen pointed out the possibility of new rounds of salary demands preventing the expected economic boom getting off the ground.

But in the face of these warnings, the Prime Minister, Mr P W Botha, claimed today that South Africa still produced the cheapest food in the world.

His statement was contained in his reply to the South African Consumer Council's request for an urgent interview about the disturbing price increases in consumer goods, especially food over the past few months.

IMPATIENCE

Mr Botha reacted with some impatience to the fact that he heard about the Consumer Council's request over the radio before he received their telegram which, he said, was sent from Pretoria at about 6 pm yesterday.

In his letter to the chairman of the council, Professor Leon Weyers, which was released to the Press today, Mr Botha said he found his action on behalf of the Consumer Council strange.

He added that any meaningful discussion with his council about food prices should 'please take place with the responsible Cabinet Ministers and their departments.'

INTERVIEW

Mr Harry Schwarz, official Opposition spokesman on finance, said today the fact that the Consumer Council had requested an interview with the Prime Minister was an indication of the frustration they suffered and the importance they attached to the whole question of price increases.

He said the price increases affected not only people's living standards but could also prevent the economic boom from get-

Minister 'did not consider consumer'

Municipal Reporter

MAIZE will be exported at a loss because a bumper crop has coincided with a drop in world prices and food prices in South Africa will rise to subsidise this, the Housewives' League has said.

In a statement the league — which asked the Minister of Agriculture, Mr Hendrik Schoeman, to limit any rise in price of maize to 10 percent says that by granting a 20 percent increase, he has shown he is 'not at all concerned about the plight of consumers.'

The rise in the price of maize will hit the black population, which uses mealie-meal as an important part of its staple diet.

It will also have a ripple effect on the price of other foods, including chicken, eggs, pork and bacon, because maize is used to feed livestock.

NO BENEFIT

The league's statement says it is apparent Mr Schoeman has not considered the effect the 20 percent rise will have on all basic foods.

'We are the only consumers in the world who do not benefit from surpluses in agricultural products. A bumper crop this year will in fact burden the consumer, particularly the poor, as our surplus maize, if exported, could

the same amount of goods. Such a situation would not encourage increased production.

The league is alarmed maize farmers 'can expect to retain all profits made in most years on exports and then, in this exceptional year because world prices are down, go against all business practice in a free enterprise economy and expect the consumer to cover their so-called losses.'

'SETBACK'

In real terms, he said, the level of sales was not yet back where it was in 1974, which meant the boom was not taking off.

Mr Bill Sutton, the New Republic Party's finance spokesman, said the price increases were a setback to growth and could trip.

ger off more wage demands.

He believed the only way of keeping down food costs would be to reduce the input costs of farmers by exempting them from levies on their production means.

Maize

causes

~~the~~
new

price
24/4/80

spiral'

Argus Political
Correspondent

A MASSIVE new price spiral had been started by the increase in the maize price and urgent Government action was needed. Mr Philip Myburgh, MP, the Opposition's chief spokesman on agricultural matters said today.

Mr Myburgh called on the Minister of Agriculture, Mr H Schoeman, to justify in detail the basis of the increase in the price of unprocessed maize.

He said the recent increase in the price of maize had come as no surprise. The extent of the increase had, however, come as a tremendous shock to all consumers of maize and maize products.

'A vast part of our community for whom maize is the staple food just cannot afford to pay more for food. The 1980 Budget has certainly done very little to ease their lot.

SUBSIDIES

The Government will have to take action by way of bigger consumer subsidies or by ensuring that the increase in the price to the consumer is no greater than the increase received by the prime producer. Should this mean that profit margins on essential food-stuffs have to be reduced then this must be enforced.

It must be borne in mind that a substantial percentage of maize is consumed in agriculture in the production of food and milk. Therefore when an increase is sanctioned by the Minister of Agriculture he must accept that there will be an instant chain reaction leading to further increases.

ANIMAL FEED

The first of these has been an increase in the price of animal feed. This will be followed by increases in the price of eggs, milk, poultry products and stall-fed red meat.

The Government will have to realise that when it deems it necessary to create a semi-monopolistic situation in one industry it creates problems in related industries for which it has to take the responsibility.

The South African consumer can expect eggs, milk, meat and pork products to go up by leaps and bounds during the next few weeks as producers of these products are in no position to absorb the newly announced animal feed price increases,' Mr Myburgh said.

Maize price hike slated

FOOD PRICES in this country will rise to subsidise the export of maize at a loss, because a bumper crop has coincided with a drop in world prices, the Housewives' League of South Africa point out.

In a statement to the Press the League — which asked the Minister of Agriculture, Mr Hendrik Schoeman, to limit any rise in the price of maize to 10 per cent, says that by granting a 20 percent increase he has shown he is "not at all concerned about consumers' plight."

The rise in the price of maize will hit the black population, which uses meal as an important part of its staple diet. It will also have a ripple effect on the price of other foods, including chicken, eggs, pork and bacon, because maize is used to feed the birds and pigs.

The League's statement says it is apparent that Mr Schoeman has not considered the effect the 20 percent rise will have on all basic foods.

"We are the only consumers in the world who do not benefit from surpluses in agricultural products," the statement continues.

"A bumper crop this year will in fact burden the consumer, particularly the poor, as our surplus maize, if exported, could lose R35 on every ton for which we are expected to pay over and above the local price."

The statement says the League is alarmed that the maize farmers "can expect to retain all profits made in most years on exports and then, in this exceptional year, because world prices are down, go against all business practice in a free-enterprise economy and expect the consumer to cover their so-called losses."

Quarter	1977*	1976	1975	1974
I	518	867	711	525
II	505	798	711	525
III	1 229	1 013	1 151	614
IV	1 109	1 215	1 198	614
Total	3 272	3 683	1 532	831
	562	391	701	701
	1 336	1 252	1 248	1 248
	599	582	592	592
	737	670	656	656
	1 439	1 547	1 536	1 536
	503	598	638	638
	439	472	424	424
	378	380	367	367
	119	97	107	107
	1 09	8 384	8 886	8 886

SEASONALLY ADJUSTED
GROSS DOMESTIC FIXED INVESTMENT
BY KIND OF ECONOMIC ACTIVITY
Quarterly figures at an annual rate
R millions

Category	1977*	1976	1975	1974
Landbou boshou en visserij	44	84	84	44
Mynbou en steengroewery	44	84	84	44
Mining and quarrying	84	84	84	84
Fabriekswese	84	84	84	84
Manufacturing	1 58	1 58	1 58	1 58
Private sake ondernemings	1 58	1 58	1 58	1 58
Private business enterprises	1 15	1 15	1 15	1 15
Other	426	426	426	426
Elektrisiteit gas en water	426	426	426	426
Electricity gas and water	848	848	848	848
Konstruksie (kontrakteurs)	848	848	848	848
Construction (contractors)	83	83	83	83
Groot en kleinhandel verversing en akkommodasie	83	83	83	83
Wholesale and retail trade catering and accommodation	322	322	322	322
Vervoer, opberging en kommunikasie	322	322	322	322
Transport storage and communication	1 593	1 593	1 593	1 593
S A Spoorwe	1 593	1 593	1 593	1 593
S A Railways	982	982	982	982
Other	611	611	611	611
Finansies verskeuring vaste eiendom en besighedsdiens	611	611	611	611
Finance, insurance real estate and business services	1 416	1 416	1 416	1 416
Private woongeboue	1 416	1 416	1 416	1 416
Private residential buildings	622	622	622	622
Other	794	794	794	794
Gemeenskaps maatskaplike en persoonlike dienste	794	794	794	794
Community social and personal services	1 417	1 417	1 417	1 417
State regering	1 417	1 417	1 417	1 417
Central government	480	480	480	480
Provinciale administrasies	480	480	480	480
Provincial administrations	440	440	440	440
Plaaslike owerhede	440	440	440	440
Local authorities	375	375	375	375
Other	122	122	122	122
Total vaste investering	8 549	8 549	8 549	8 549

BRUTO BINNELANDSE VASTE INVESTERING
VOLGENS TIEPE EKONOMIESE BEDRYWIGHEID
NA UITSKAKELING VAN SEISOENSWAARDE
Kwartstaalsyfers teen 'n jaarlikse koers
R miljoene

* Insluitende oordragkoste

Despair at egg price

By BELEDE MAZWAI

HOUSEWIVES and community workers acted angrily to the egg price rise reported earlier this week and further appealed that something be done.

Mrs Maggie Nkwe, matron at the Orlando Home, said that it made her wonder how blacks are expected to survive with the cost of living going higher and unemployment rife as it is.

"My biggest worry is the children who need milk, eggs, not to mention meat which has gone beyond us, for proteins to prevent Kwashiorkor.

"Where are they driving us? Are we destined to be a retarded nation?" asked Mrs Nkwe.

"I have run short of words because all that has been said in the past fell on deaf ears," said Mrs Leah Tutu, director of the Domestic Workers and Employers Project.

She further said people were being pushed to sickness that could be avoided.

"And this will obviously mean more increases," he said

Miss Amanda Kwadi, a social worker at the

Mrs Tutu . . . we have run short of words.

Cripple Care Association, said it was time black women stood up and did something

"We can never carry on like this. A nation that is deprived of healthy food cannot survive," she said.

The egg price rise also means people should expect a rise in cake prices.

Mr Peter Ellis, manager of Quinn's Bakery, said they also expected the traditional annual increase on flour and sugar which usually comes in June

SA 'spoilt' by food prices

CT 25/4/80
Staff Reporter

WHITE South Africans had little cause to complain and had been spoilt as far as food prices were concerned, Mr Chris Cilliers, director of the South African Agricultural Union, said yesterday.

This was his reaction to attempts by the South African Consumer Council to interview the Prime Minister, Mr P W Botha, in connection with escalating prices of consumer goods.

Mr Botha refused the interview and has told the Consumer Council to address itself to the cabinet ministers concerned.

In an interview yesterday, Mr Cilliers said he was unhappy that the Consumer Council had singled out food prices, thereby placing blame for the high cost of living on farmers, whose real net income had decreased by 36 percent over the past five years.

He said a scientific study by the Union Bank of Switzerland had shown that in only seven cities of the world was a comparable grocery basket cheaper than in Johannesburg.

The same survey demonstrated that in only 18 cities — and they were in the highly-industrialized regions of North America and Europe — did people in

comparable professions work shorter hours than in Johannesburg to earn the money to buy similar "grocery baskets".

South Africans should therefore not complain about food prices, but rather about wage structures.

Mr Cilliers said. "The Agricultural Union agrees with the Consumer Council that inflation is an evil which should be seriously combated, but we object to the council's singling out food prices and the producers, the farmers, for causing the high cost of living."

Farmers, whose real net income had decreased over the past five years,

were greater victims of inflation than ordinary wage-earners.

Sight had been lost of the fact that consumer prices were inflated by manufacturers and "middle men". Meanwhile the farmers' "input" expenditure on producing food, for instance on fuel and fertilizers, had risen far more rapidly than the price they could obtain for their products in the market place.

"We are prepared to place (before the government) a detailed memorandum to show how spoilt South Africa's population is as regards food prices," Mr Cilliers said.

Paraffin (244) (75) price down again today RDM 25/4/80.

CONSUMER MAIL

THE retail price of illuminating paraffin will drop today from 54c a litre to about 50c a litre (including GST), offering relief to the hard hit lower income groups, particularly blacks.

This is the second reduction this year. Paraffin, which is a major source of energy in black homes, was reduced by 5c a litre in February.

Announcing yesterday's decrease, Dr Schall, under Merwe, Minister of Commerce and Consumer Affairs said:

"It has been decided to decrease the maximum retail profit margin on illuminating paraffin to 33 1/3%. However, sufficient justification also exists to allow the oil companies to increase their wholesale list price by 1,4c a litre in order to compensate them for the increased import parity costs which they have experienced since June, 1979."

Dr Van der Merwe said he did not think the reduction on the retail mark-up would decrease the profits of retailers to such an extent that they would no longer sell paraffin.

Until now, retailers have

been allowed a maximum mark-up of 50% on the oil companies' wholesale list price.

The welcome announcement coincides with major increases in basic food stuffs.

An investigation published by Consumer Mail last month showed the estimated monthly consumption of an average township household was 80 litres.

This represented a hefty R13,20 a month, with GST - more than many white households pay for electricity.

The estimated cost will now be approximately R40 - a saving of about R3,20.

Consumer spokesmen have in the past slammed the 50% maximum mark-up as excessive and have described the pricing structure of paraffin as "a mess."

Although price control was introduced on paraffin five years ago to protect lower income groups - the people it was meant to protect were unlikely to be any the wiser whether they had been overcharged or not, because the retail pricing structure of paraffin is complex and confusing.

NOT relevant

New egg price increase will be fourth this year

Argus

29/4/50

3-299

244

A RISE in the wholesale price of eggs on Monday to compensate for the higher price of maize used as chicken feed will be the fourth this year, supermarket spokesmen point out.

A spokesman for Checkers supermarket chain said: 'In December the wholesale price of large eggs was 44c a dozen.

In January it went up to 55c a dozen, in February to 63c and in March to 66c.

On Monday it will go up to 70c a dozen. We will

try to cushion the public against this rise by selling large eggs at cost for an indefinite period, so the retail price will go up from 68c a dozen to 70c.

'But we shall charge a mark-up of 2c a dozen on extra large so the retail price will go up from 74c a dozen to 76c a dozen.'

Prices for eggs were unusually low in December because there was a price war between the National Egg Producers' Co-operative (Nepco) and independent producers, and

the rise in January returned them to their previous levels.

Producers said the rises in February and March resulted from increased costs including that of packaging.

A spokesman for Pick'n Pay said: 'The new rise is because the price of maize has gone up 20 percent. We are paying 66c a dozen for large eggs now and the price to us will go up to 70c a dozen on Monday.'

Inflation hits Rich Hardest

BY VITA PALESTRANT
M 30/4/80

THE Consumer Price Index rose by 0,6% last month and by 13,1% during the 12-month period ending March.

Hardest hit last month were the lower and middle income groups with the CPI rising by 0,7%. For higher income groups the increase was 0,5%.

However during the past year the inflation rate has been hardest on the higher income groups.

The March to March increases show the CPI rose by 12,5% for lower income groups, 13,3% for middle income groups, and 14,4% for higher income groups.

These figures were released by the Department of Statistics in Pretoria last week.

A major increase in the CPI last month was education, which leapt up by 14%.

Furniture and equipment also rose substantially — by 2,2% last month. Furniture rose by 2,1% and appliances by 2,5%.

Food — which is running ahead of the CPI — rose by 14,4% over the past year and by 0,3% last month.

Major increases in the food sector last month were

fruit and vegetables by 9,4% and 5,1% respectively, coffee and tea by 1% and fish by 0,8% and 0,6% respectively and milk and dairy products by

0,5%

These items have increased by 21,5%, 16,3%, and 12,1% for meat, fish and milk and milk products respectively over the past year.

The cost of clothing leapt up by 1,1% last month and footwear rose by 1,5%. Over the past year they have risen by 8,5%.

Although fuel and power rose originally last month — by 0,3% — the index shows that over the past year it has leapt up by a hefty 18%.

The cost of household operations continued to rise increasing by 0,6% and 19,5% over the 12 month period.

In that sector cleaning materials shot up last month by 1,3% and by a massive 24,8% over the past year.

Domestic servants were paid slightly more in March — 0,4% and 17,7% over the year.

Other increases in the CPI last month were medical care up by 0,8%, recreation and entertainment by 1,1%, and personal care up by 1,5%.

Every month the Department of Statistics gleans masses of information about the costs of goods and services in 11 major urban areas.

These are processed to make up the CPI.

Consumer Mail publishes the CPI on a monthly basis as a service to its readers.

	Mar 1980	Feb 1980	Mar 1979
ALL ITEMS	1680	1670	1486
Lower income group	1637	1626	1455
Middle income group	1676	1665	1479
Higher income group	1693	1684	1499
FOOD	1677	1672	1466
EL1			
Grain products	1650	1658	1511
Meat	1560	1568	1300
Fish	1901	1889	1635
Milk milk products & eggs	1581	1573	1410
Fats & oils	1843	1844	1616
Fruit	1698	1858	1673
Vegetables	1558	1482	1306
Sugar	2387	2389	2150
Coffee & tea	2359	2336	2280
Other	1688	1674	1545
COLD DRINKS	1734	1738	1616
ALCOHOLIC DRINKS	1523	1523	1411
CIGARETTES CIGARS & TOBACCO	1506	1506	1442
CLOTHING & FOOTWEAR			
Clothing	1509	1491	1391
Footwear	1425	1409	1349
HOUSING	1949	1920	1626
Other	1446	1448	1324
L & POWER	2207	2201	1871
FURNITURE & EQUIPMENT	1548	1514	1442
Furniture	1374	1346	1296
Appliances	1516	1479	1407
Other	1653	1616	1513
HOUSEHOLD OPERATION	2038	2026	1701
Cleaning materials etc	1873	1849	1501
Domestic servants	2109	2100	1792
Other services	1861	1861	1591
MEDICAL CARE	1610	1598	1395
TRANSPORT	2010	2010	1702
Vehicles	1772	1772	1610
Running costs	2434	2434	1883
Public transport	1564	1564	1490
COMMUNICATION	1186	1186	1013
RECREATION & ENTERTAINMENT	1607	1590	1506
READING MATTER	1675	1675	1560
EDUCATION	2019	1769	1769
PERSONAL CARE	1638	1614	1523
OTHER	1710	1638	1415

~~3~~ Tobacco

244

Argus 30/4/80

Smokes up 2c for 20

CIGARETTES will go up by 2c for a packet of 20 tomorrow, but at least one supermarket chain will reduce the price of its existing stock by between seven and eight percent.

A spokesman for Pick 'n Pay said today 'We have enough cigarettes in stock to last at least this week and perhaps into next week and we are reducing the price to give the customer a break.

'We'll ration them so a few people cannot buy all the cartons.'

'After that, we shall have to pass on the full increase because the profit margin on cigarettes is small. The price of cigarettes was decontrolled last year but we and other supermarkets sell them at below cafe prices.'

He said he could not give the new prices of popular brands because the manufacturers had not yet sent new wholesale price lists.

He said he was expecting to hear that sugar would be up in price at

the end of this week or next, probably by 15 percent.

'We have not been notified officially of this yet,' he said, 'but we have laid in large stocks and should be able to hold our prices at the present level for some time.'

'Unfortunately, any rise in the price of sugar is sure to be followed about a week later by rises in the price of sweets, chocolate and cakes.'

'Cool drinks will go up too, although, since the

price of cool drinks is controlled, the manufacturers will first have to obtain permission to raise it.

'The price of jam should not go up until next year, because it is all made during the summer when the fruit is in season.'

A spokesman for Checkers said 'We have not yet been notified officially of any rise in the price of cigarettes or sugar. But we will certainly sell off existing stocks at the "old" prices.'

Smokes up 2c⁽²⁴⁴⁾ today,^{NDM 1/5/80} sugar soon

Staff Reporter

THE price of cigarettes is go up by about 2c for twenty today — and within the next few days, the sugar price is expected to rise by about 12%.

A 12% rise in the price of sugar will push a 2,5kg packet, costing 99c, up to about R1,10.

Rembrandt Tobacco and United Tobacco Company announced the cigarette increases yesterday but most large retailers will maintain the old prices on current stocks.

The 4% increase is attributed to the rise in the cost of tobacco, filters, paper and packaging as well transport and operating costs.

A spokesman for Rembrandt said: "The increase only provides for actual rises in these costs which have already occurred and which applies to the whole industry."

This is the first increase since June last year and the spokesman said it was "very low" considering an inflation rate of some 14%.

The cigarette increases will vary depending on the brand but will level out at 2 cents for 20 and 3 cents for 30.

A spokesman for the SA Sugar Association said yesterday the policy was to keep the price of sugar in line with production costs.

The spokesman said prices were normally adjusted each May.

And by the beginning of June, according to the Minister of Agriculture, Mr Hendrik Schoeman, the prices of fresh milk, butter, cheese and industrial milk — will all be increased.

Milk price to rise — probably 20%

By GERALD REILLY
Pretoria Bureau

THE milk price will rise by about 20% at the end of the month, according to agricultural authorities in Pretoria

The South African Agricultural Union submitted its price recommendation to the marketing council this week, based on an estimate that dairy farmers' costs

had risen by between 25% and 30% during the past 12 months

If the Cabinet Food Committee does authorise a 20% increase, the price of a litre of home-delivered milk will rise to about 42c with GST added

The price in cafes would rise to about 51c a litre

The spokesman for the SAAU said that official De-

partment of Agriculture figures showed that farmers' real incomes had shrunk by 7% a year over the past five years

This means they are absorbing part of their production costs and that their operations are becoming progressively less comfortable

However, when the price was fixed, the demand and

the ability of the consumer to pay were factors which had to be taken into account

The Minister of Agriculture has stated it would be impossible to subsidise milk

© The retail price of sugar will rise about 10% today, South African Sugar Association chairman, Ian Smeaton, said this week

Price of sugar is up

1/20

no from page 1

is very disheartening. By the time the pensioners get the meagre increase in October it will have been eaten up by all these increases.

"Just about everything is going up. Unemployed

people can hardly go to town to look for work since rail fares have also gone up. This will inevitably cause the rate of crime to go up. Socio-economic problems lead to a high crime rate," she said.

Mr Smeaton said the sugar industry was commencing a new season and the cost of produc-

tion had risen as a result of higher costs of goods and services.

He said the industry was continuing to maintain the price to the consumer at as low level as was economically possible, and despite the fact that the consumer price index was expected to rise by approximately 14 percent.

Post 1/20

Price of sugar is up

1/20

no from page 1

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tion had risen as a result of higher costs of goods and services.

He said the industry was continuing to maintain the price to the consumer at as low level as was economically possible, and despite the fact that the consumer price index was expected to rise by approximately 14 percent.

Post 1/20

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2/5/80

Sugar price up from today

244

DURBAN — The retail price of sugar goes up by 10 per cent today.

This was announced by the chairman of the South African Sugar Association, Mr I. G. B. Smeaton.

He said about three per cent of the increase will go to improve the margins for wholesalers and retailers and the approximate seven per cent will go to the sugar industry.

Mr Smeaton said this followed an adjustment at the beginning of April when rillage rates were raised and which resulted in the retail price outside

Durban increasing.

The sugar industry was commencing a new season and the cost of production had risen because of higher costs of goods and services, he said.

It was reported from Pretoria that the milk price will rise at the end of the month by about 20 per cent.

If the Cabinet Food Committee authorises a 20 per cent increase, the price of a litre of milk will rise to about 42c, with GST added.

The price in cafes will rise to about 51c a litre. — DDC-SAPA.

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INFLATION Aiming for accuracy

In July 1979 the Department of Statistics changed its working base for the consumer price index (CPI) from the April 1970 index to the average for 1973.

This is the only change made in the method of compilation of the index since January 1973 when the Department introduced a weighting system based on a 1975 expenditure survey to replace that based on a 1966 survey. At the same time it took account of black spending patterns for the first time and divided its sub-industry system into lower, middle and upper income groups.

The present system makes a primary distinction between commodities and services for each income group with commodities given the heavier weighting, roughly twice as much as services. And the lower the income group the proportionately higher will be the commodities. For example, white bread is weighted 1.1 in the higher group and 2.2 in the lower group.

The three groups, each with their own overall weighting and spread over 12 separately weighted urban areas, are then combined to produce that magic figure known to most people as the rate of inflation. About half the two are not strictly synonymous. The index for the higher income group, for example, contributes about half the final figure. What this ultimately monitors is not so much the absolute rise in prices as its effect on average disposable income.

The different categories of commodities and services (there are over 250), the

income group breakdown and the geographical weightings are all calculated to reflect differentiations in the pattern of total national spending.

Is the system perfect? Asking this question according to economists is far from asking for a definition of the word "perfect" or at least for a better spending profile and no answer would be entirely satisfactory.

For instance, a weighting is given for each group for expenditure on housing which obviously does not apply to those whose houses are fully paid off and attempts to reckon in terms of averages across a highly heterogeneous group a problem conceivably in SA than in most countries. It can probably produce anomalies.

Another problem is that different products have different elasticities of demand and supply and price movements alter pattern of consumption in varying ways. For example, the higher oil price has undoubtedly resulted in less oil being used, which is not accurately reflected in the basket of goods used to measure CPI changes. In the very short term little can be done to reflect this in the indexing system though it can be revised over a longer period.

Says Professor Goert de Wet of RAI: "No index formula can be completely efficient and the method used now given the 1973 changes is as efficient as any. The CPI is reliable as a rough indication of price movements but isn't and cannot be perfect."

However, other economists believe that a regular three-monthly updating of the index is not only feasible but a necessity.

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Wholesale rises slacken

244
RDM
2/5/80

By HOWARD PREECE
Financial Editor

THE rate of increase in wholesale prices slowed in March, but the 12-month rise was still an alarming 18,1%. In March alone the rise was kept to 0,68% — an annual rate of just over 8%.

That, however, followed a 1,25% jump in February.

In March the index, base April 1970, stood at 325,5 against 323,3 in February and 275,6 in March 1979.

For the 12 months to February this year wholesale prices were up by 18,64%, so the March figures offer some tentative comfort.

The slight slowing of inflation was also reflected in the consumer-price index for March, which showed the 12-month rate coming down from over 14% to 13,1%.

But, as has always to be pointed out, any single month's figures should be treated with considerable care and should not be taken as a clear indication of any trend.

What is noteworthy, however, is the movement in wholesale prices in the six months from the end of September last year to the end of this March. The rise was 7,56% — an annual rate of 15,1%.

That is in line, although nowhere near as pronounced, with the pattern in consumer prices. The CPI increased at an annual rate of only 7,3% for March to September.

Wholesale prices have also been running below the 12-month rate in the past half-year.

There is, therefore, some ground for hope on the inflation front, but that hope should not be overstated.

The fact that wholesale prices are still running at 18% annually implies further pressures on the CPI since the wholesale figures tend to give advance warning of the outlook on the consumer price side.

Although the CPI will not approach 18% this year, it is going to be a battle even to keep it at its present 13% level.

There are those who put much faith in upvaluing the rand to curb import prices and restrain general inflationary pressures.

A similar strategy is central to Mrs Thatcher's Conservative Government's economic approach in Britain.

But there are many in Britain who doubt whether any benefits on the inflation side will outweigh the damage done to manufacturing industry through loss of competitiveness in export markets and against

imports coming into Britain.

This is something South Africa also cannot afford to ignore.

While the Reserve Bank's exchange rate policy has attracted what seems to me some deserving criticism — it really has not yet accepted the ethos of the De Kock report — some of its critics do seem to be blandly ignoring the competitive problem of South African manufactured exports.

Whatever the merits of that dispute, however, it certainly seems unwise to assume that the rand will sharply appreciate this year and that it will provide substantial relief on the inflation side.

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244

Beef hike suggested

THE ASSEMBLY — Beef would be priced out of the reach of most housewives if the Meat Board adopted a suggestion that the floor price should be increased by 41,5 per cent, the head of a butchery chain and the Cape chairman of the Housewives League said yesterday

The suggestion was made by Mr R F van Heerden, MP for De Aar

Mr van Heerden suggested the increase was necessary as an incentive to producers, because the demand for red meat would exceed the supply

Mr Mike Hawthorne of the chain, said "It is absolutely idiotic to expect the trade or the public to pay that price." — SAPA

BREADLINE

The breadline crept up surprisingly slowly in the last six months. The only apparent explanation is the drop in the price of seasonal items, which offset increases such as rents and transport costs (FM May 2). This table shows the household subsistence level for last month.

FM 9/5/80 (244)

	Africans*	Coloureds*
	R	
Benoni	168,73	—
Bloemfontein	175,83	182,02
Boksburg	167,85	—
Brakpan	180,78	—
Brits	168,66	—
Cape Town	179,60	184,04
Durban	180,33	193,09
East London	179,32	172,49
Germiston	172,36	—
Johannesburg	179,94	192,49
Kimberley	172,96	177,82
King William's Town	172,09	166,05
Krugersdorp	175,71	—
Peddie	153,16	—
Port Elizabeth	168,85	171,44
Pretoria	177,37	181,54
Queenstown	178,42	163,34
Springs	168,87	—
Uitenhage	169,72	150,58
Umtata	167,31	—
Vaal Triangle	177,67	—
Windhoek	201,04	238,32

* The household subsistence level as at April 1980 calculated by Port Elizabeth University's Institute of Planning Research. The HSL is the bare minimum needed by an African family of six and a Coloured family of five.

BEEF will be priced out of reach of most housewives if the Meat Board adopts a suggestion that the floor price should be increased by 41,5 percent, say butchers and the chairman of the Cape branch of the Housewives' League

The suggestion was made by Mr R F van Heerden, MP for De Aar, in the agriculture debate in the House of Assembly

Mr van Heerden said the increase was necessary as an incentive to producers because this year the demand for red meat would exceed the supply

LAST INCREASE

Since then rumours have been growing in the meat trade that the floor price is likely to be increased soon sending actual prices up by at least 25 percent. The last increase was in March

Mr Mike Hawthorne, head of Blue Riband, the butchery chain for Pick 'n Pay, said prices paid by butchers when meat is auctioned at the abattoirs were well above the floor price and increased in times of shortage

'It is absolute nonsense that anyone should suggest an increase in the floor price of the magnitude of 41,5 percent,' he said

'IDIOTIC'

'The Meat Board increased the floor price in March. It now ranges from R1,19 a kg to R1,45 for the six grades of super beef

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MP starts

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'Perhaps there could be another increase, but nothing like 41,5 percent, which would bring the floor price up to R1,74 a kg for super beef and would mean butchers were actually paying about R1,90

'It is absolutely idiotic to expect the trade or the public to pay that price'

Mr Hawthorne said he had suggested to the general manager of the Meat Board Mr Jan Lombard, that there should be a ceiling price as well as a floor price — to protect the housewife

FARMERS

In the past few weeks his firm had paid an average of 11c a kg

above the floor price for super beef. 'We have paid more, but that was the average, he said

'The floor price for the best super lamb is R1,24 a kg, but we have been paying an average of more than R2. So you can see the farmers are well covered'

Mrs Peggy Borchenhagen, Cape chairman of the Housewives' League, said 'Further big increases would put beef out of reach of most families'

The league had been battling for changes in the system of selling meat at the abattoir by the Dutch auction method, 'which tends to push the price up'

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Wide effects of steel price rise predicted

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Pretoria Bureau
THE steel price rise expected to be authorised by the Government next month will create a price pressure wave throughout industry, Government sources warned in Pretoria yesterday.

Last July the price was raised by 12 2/3%. This year, because of unpredicted increases in the prices of coal, power fuel and railway rates the new rise could be higher.

To be taken into account, too, are the pay increases for Iscor's 65 000 workers which will come into effect next month.

To illustrate the steep rise in costs, an Iscor official said that to transport raw materials to Iscor works and from one works to another cost R36-million more this financial year than during the last financial year.

Although the chairman of the

corporation, Mr Tom Muller, expects Iscor to end the financial year next month with a R90-million surplus this will not decrease the need for an upward adjustment in the price.

Following the 14% increase award negotiated between the metal industry employers and registered trade unions this week negotiations between Iscor management and the seven unions representing more than 20 000 white skilled Iscor workers will start at the end of the month. Also involved are about 30 000 black workers.

In July last year increases averaged 8%, with blacks getting more, in keeping with the corporation's policy of narrowing the wage gap.

The estimated total wage and salary bill for the current financial year is about R361-million.

The chairman of the Union

Steel Corporation and a director of Iscor, Dr M D Marais, said higher railway rates, coal, power and fuel prices had caused a steep escalation in production costs, amounting to tens of millions of rands.

A higher steel price he said, would have a multiplier effect and increase pressure on prices over a wide field.

Dr Marais said because of the continued upward surge of costs, South Africa was losing its competitive advantage on world markets.

The president of the Motor Industries Federation, Mr Theo Swart, said there would be no dramatic increase in the prices of cars because of a higher steel price.

"Our projection is that car prices will rise on an average by 2,5% this year — and this takes into account the likelihood of a steel price rise."

country world (Portugal and England)
Portugal has absolute advantage in Wine (80 to 120) and absolute advantage in Cloth (90 to 100) ~~So~~ therefore should not trade by Smith's assumptions
But Portugal has only an comparative advantage in Wine and England has an absolute advantage in cloth. So therefore they trade

PTO

Steel price set to rise

By GERALD REILLY

THE INCREASE in the steel price — expected to be authorised by the Government next month — will cause a price pressure wave throughout industry

Last July the price was raised by 12,2%. This year, because of unpredicted increases in the prices of coal, power, liquid fuel and railway rates the new rise could be higher

To be taken into account, too, are the pay increases for Iscor's 65 000 workers which will come into effect next month

To illustrate the steep rise in costs, an Iscor official said that to transport raw materials to Iscor works, and from one works to another, cost R36-million more this financial year

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Although the chairman of the corporation, Mr Tom Muller, expects Iscor to end the financial year next month with a R90-million surplus, this will not decrease the need for a higher steel price

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Also involved are about 30 000 black workers

In July last year increases for whites averaged 8%, with blacks getting more in keeping with the corporation's policy of narrowing the wage gap

The estimated total wage and salary bill for the current financial year is R361-million

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A higher steel price would have a multiplier effect and would increase pressure on prices over a wide field

Dr Marais said because of the continued upward surge of costs, South Africa was losing its competitive advantage on world markets

"We must face it — South Africa is no longer a low-cost country," he said

The president of the Motor Industries Federation, Mr Theo Swart, said there would be no dramatic increase in the prices of cars because of a higher steel price.

Bus fare increase hits the poor

C. Thirrell (July)

FROM Monday May 19 commuters, already hard-hit by the spiralling cost of living, will have to fork out up to 60 percent more for their bus fares

Translated into hard cash, that means a jump from 25c to 38c if you travel the Wetton-Claremont route, and an even bigger one from 20c to 38c if you're unlucky enough to ride the Manenberg-Athlone bus

The drawn out fight between City Tramways and their passengers — who went to the Supreme Court to prevent the bus company from raising their fares — swung in favour of Tramways when the National Transport Commission approved an average increase of 60 percent

So all that battling for reduced fares (which re-

sulted in massive court bills for the men who stuck their necks out, community worker Rommel Roberts and Mitchell's Plain Residents' Association official Paul Patience) was in vain

A despondent Mr Roberts said this week that life was becoming more and more of a burden for the man in the street. He said that he would like to take the matter further but was already faced with a huge debt

The man who took on the Mitchell's Plain bus company, part-owned by City Tramways, Mr Paul Patience, commented 'It's disgusting that people who earn so little have to use most of their limited resources just to travel to and from work'

THE following are examples of City Tramway's new fare structure showing how the National Transport Commission cut the amounts requested

Route	Old fare	Fare applied for	Fare granted
Cape Town — Factreton	30c	45c	40c
Cape Town — Kensington	30c	45c	40c
Cape Town — Acie Road	30c	45c	40c
Cape Town — Maitland	30c	45c	40c
Claremont — Hanover Park	25c	40c	38c
Claremont — Wetton	25c	40c	38c
Claremont — Nvanga	25c	45c	40c
Claremont — Guguletu	25c	45c	40c
Claremont — Heideveld	25c	45c	40c
Mowbray — Bonteheuvel	20c	40c	38c
Mowbray — Bridgetown	20c	40c	38c
Mowbray — Heideveld	20c	40c	38c
Mowbray — Hanover Park	30c	40c	38c
Mowbray — Manenberg	20c	40c	38c
Mowbray — Guguletu	25c	45c	40c
Athlone — Manenberg	20c	40c	38c

17/5/80

WEEK OF THE INNOCENT - FROM 26TH MAY

The Civil Rights League announces a week of solidarity to show that we have suffered injustice they suffer.

The League suggests as the "WEEK OF MEETINGS", editor suffering of the

A group has decided to spend the week, as an act of defiance, to comply with the f

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* You may not belong to any organisation or attend its meetings.

* From 6 p.m. on Friday 30th May to 6 a.m. on Monday 2nd June you are under house arrest and may not leave your home.

BEAR IN MIND THAT YOU HAVE BROKEN NO LAW ...

Please remember that the Banned live under these conditions year in and year out. Many of them are people who used to play a full and valuable role in their communities, which they are now prevented from doing.

Remember too the families of the innocent Banned and Detained who share their suffering.

NO PUNISHMENT EXCEPT THROUGH THE COURTS - JUST LAWS JUSTLY APPLIED

Issued on behalf of the Civil Rights League, 527 CTC Building, Plein St., Cape Town 8001 by Dr. K. Hughes (Chairman).

Bus fare hearing

THE date for the hearing of PUTCO's application for higher fares for the Witwatersrand and Pretoria has at last been set, it is May 29 next week.

Spokesmen for both PUTCO and the Legal Resources Centre, representing a group of organisations and individuals opposing the bus increases, confirmed yesterday that the local Road Transportation Board has notified them of the meeting at the board's offices next Thursday.

However, a spokesman for the Transportation Board said he was not aware the issue was to be discussed at their next week meeting.

The row between PUTCO and objectors to its increases kicked off last year when a lone passenger, Ms Kathleen Mulheggan, brought a court order against the company to force it to withdraw recently increased fares.

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Big rise in price of beef is on the cards

Pretoria Bureau

THE price of beef is likely to rise soon — to help stave off a meat shortage in South Africa

At a Press conference yesterday, the general manager of the Meat Board, Dr Jan Lombard, announced that the Meat Board would meet the Minister of Agriculture, Mr Hendrik Schoeman, in Cape Town today to discuss a new floor price for beef

Dr Lombard warned that unless beef producers' prices were raised to a more profitable level, the country would face a serious meat shortage

A significant increase is expected

Dr Lombard said projections of reduced production for 1980/81 made increases in market prices inevitable, and floor prices would have to be adjust-

ed accordingly

His warning of shortages was reinforced by the chairman of the board, Mr R P du Toit, who stressed that a "very serious" situation was inevitable unless farmers were given incentives to produce

Dr Lombard stressed the threat to already shrinking breeding herds, unless producers were given a better deal

During 1979 the national beef herd had decreased by 400 000 head to 9 000 000

South African meat was among the cheapest in the world, Dr Lombard said. He said a sober look at the background of general price increases and the cost-of-living index showed the "utter absurdity" of the spate of reports of so-called expensive meat

Dr Lombard said in Brussels

a consumer had to work for one hour and 56 minutes to buy one kilogram of boned loin, in Canberra one hour 44 minutes, in London three hours and five minutes, and in Paris two hours and 10 minutes

Whites in Johannesburg had to work one hour, coloureds two-and-a-half hours, Indians one hour and 47 minutes, and blacks six hours

With the same percentage of their monthly incomes, South Africans could now buy more meat than five years ago. In real terms meat had become cheaper, he said

Dr Lombard said meat was singled out by pressure groups, including the Housewives' League, unfortunately with the support of some newspapers, as having become so costly that nobody could afford it

He pointed out that the price index from 1975 to the end of last year had risen by 54.1 points. The index increase for beef was 17 points

The income of whites had increased by 34%, and that of blacks by 46% from the second quarter of 1976 to the second quarter of 1979, he said

"As a result, all South Africans, and particularly blacks, can now buy much more beef and mutton with the same percentage of their incomes than five years ago"

In sharp contrast, the producer had been steadily losing ground

Beef production costs had risen by 70% since 1975 whereas the price farmers were paid had risen by only 31%

During recent years most farmers had been producing at a loss, he said

It was vital that the meat producers' confidence should be restored and this could only be achieved by ensuring "lucrative prices for farmers"

Dr Lombard said the current cost of producing a kilogram of beef, off the veld, was R1.20. Producing high grade beef in feedlots cost the farmer R1.53/kg

The weighted costs of all grades for the industry in 1980/81 was estimated at R1.30/kg. The average market price now was R1.30/kg, he said

Strike stalemate

CAPE TOWN — A meeting between traders' organisations and representatives of the Table Bay Cold Storage company adjourned inconclusively yesterday after the managing director of the firm, Mr R L Selzer, failed to turn up

Table Bay Cold Storage is the firm where the present dispute in the Cape Town meat industry originated two weeks ago. About 80 workers walked out in protest at management's alleged refusal to recognise an unregistered workers' committee

Mr Dawood Khan, chairman of the Western Cape Traders' Association, said he was hopeful the meeting would be reconvened soon, with Mr Selzer present

Yesterday's meeting was attended by Mr Khan and Mr Cassiem Allie of the Traders' Association, Mr Thomas Mandla of the Western Province African Chamber of Commerce, and a director of Table Bay, Mr E Bettsworth — Sapa

~~Meat~~ 244

Minister asked to approve higher meat price

MEAT BOARD officials asked the Minister of Agriculture, Mr Hendrik Schoeman, for 'a substantial increase' in the floor price of meat when they met him in Cape Town yesterday.

They were told that the Minister would announce his decision within ten days

A spokesman for the board refused to say how big an increase had been asked for but, admitting that it was substantial, said production costs for farmers had risen 70 percent in the past five years

He said during that time the floor price, which would not cover farmers' expenses, had risen only 25 percent and the actual market price paid by butchers had risen by only 31 percent

'Farmers have been selling at a terrible loss,' he said, 'and that cannot continue'

EXORBITANT

'Some are selling their breeding stock now and if that continues, there will be a shortage of meat in a few years' time and consumers will really have to pay exorbitant prices'

But Cape Town butchers said the actual prices paid for meat at abattoir auctions are governed by supply and demand and are well above the floor price, which is a guaranteed minimum for the farmer

Several butchers said an increase in the floor price always pushed up the actual price and they feared if the floor price rose too high, it would send real prices up to a level which would spark off consumer resistance

'We know there must be an increase in the floor price but we are definitely going to object to any increase we feel is unreasonable,' said Sea Point butcher, Mr Chris Joubert

Inflation at 13.4% as food prices leap

15/5
249
RDM
23/5/80

By HOWARD PREECE
Financial Editor

A BIG surge in food prices last month helped cause an acceleration again in the consumer price index with the inflation rate for the 12 months to April rising to 13.4% against 13.1% for the year to March.

There was a 1.19% increase in April in the overall CPI — over 14% annually — with the index up from 168 to 170

It was 149.9 in April 1979 with a 100 base in 1975

Food price rises played a major role in the CPI increase and the food only index rose to 171.5 in April, reflecting a 2.27% rise for the month and giving a 15.18% year-on-year increase

Although the general trend of price increases tends to balance out evenly in proportion to income, the impact on different groups seems to vary from month to month.

In April the lower income group index rose to 166.7, reflecting a 1.83% increase for the month and a 13.09% rise for

the year, while the middle income group index rose to 169.8 giving a 1.31% increase over the month and 13.58% over the year

The higher income group index increased to 171.0, giving a 1% monthly rise and 13.25% yearly

There was a considerable jump last month in the running six-month inflation rate, on an annual basis, from 7.3% to 8.7%

But that is, of course, still way below the annual rate and still offers some comfort about the outlook for 1980 as a whole

There is, however, little reason to suppose that the inflation rate for the year will end up below the 13.6% rate for the 12 months to April

A whole range of price increases are still in the pipeline

There is no doubt, too, that as the economy continues on its upward growth momentum there will be increasing inflationary pressures on the wages front

The pressures will be accentuated by general supply bottle-

necks
On the official count the supply of money and near-money is back in harness after the explosion in the third quarter of last year, and certainly there is little risk of inflation going way beyond present levels

But although it was the brief conventional wisdom that it did not really matter how money supply was defined so long as it was consistent, there is much greater scepticism internationally about that view now

There is also a much greater appreciation of the difficulties in controlling money supply. Ask Mrs Thatcher, among others

Thus it is at least arguable that the South African money supply figures are open to large error in the short term and that inflationary pressure can cause an accommodating rise in money supply

In other words, those who were explaining in 1977-78 how it would be "impossible" for inflation to be running at 14% in 1980 can now see the nonsense that view was

HOUSEWIVES' WARNING TO MEAT BOARD ON PRICE

23/5/82

Staff Reporter

THE Housewives League of South Africa yesterday issued an open statement to Dr Jan Lombard, general manager of the Meat Board on the expected rise of at least 15% in the floor price of red meat.

Mrs Joy Hurwitz, president of the league said: "Housewives have almost without exception cut back on both the cuts and quantity of meat purchased and many families have two meatless days a week."

"We understand from the Meat Board that their figures do not reflect this cutback and can only conclude that any increased consumption of meat

must be because of increased black purchases resulting from increased wages.

"The meat industry should not be deceived by its own statistics and think that meat prices in South Africa have not affected the purchasing and eating habits of our consumers."

"The league is astounded that the board is spending R150,000 on advertising meat when we know that no housewife needs encouragement to buy meat — she needs cash."

"She is generally angry at what she considers a waste of money and we wonder how the meat producer can afford this extravagance."

The statement asked Dr Lombard to note the following:

- It is not the league's habit to make stupid statements such as he accused us of, namely 'that meat is so costly that nobody can afford it. Obviously consumers must buy meat regardless of cost — they have to feed their families. If there is an increase in price they cut back as previously stated.'
- The League supports free enterprise and at all times has insisted that prices should be based on justified costs of production plus a fair profit. Meat is a controlled item in the privileged position of a near-monopoly and it is essential that this privilege is not

abused.

- If meat production costs have gone up obviously the farmer must be compensated for them, and we would under no circumstances object to an increase in the floor price to cover this.
- To be sure the production cost prices are fair.

The statement repeats the league's view that there is a need for an official investigation into the meat industry farmer production costs marketing the system of agents and fees, wholesale methods and costs abattoir costs, retail buying and selling — the whole spectrum of meat production.

and selling.

"If Dr Lombard confronted any group of housewives with the statement that 'meat prices have not effectively gone up, they would laugh."

"The housewife pays the end price and where these increases have taken place should be known by the Meat Board and Dr Lombard."

"Under existing legislation, the Meat Board has control not only of the marketing of meat from farmers to the market place but right through to the retail level."

"Finally we would ask Dr Lombard and the Minister of Agriculture Mr Hendrik Schoeman not to compare our food prices with those of other countries."

In comparing prices account must be taken of the total budget allocation for all items including for instance, provision for old age medical, transport and education costs.

"If all other factors are not comparable neither are food prices."

Consumer disaster year and it may get worse

(244) DM 23/5/80.

Pretoria Bureau

FOR consumers, 1980 is the most disastrous year they have ever known

No food item, no service will escape a price rise this year

So far there has been a small adjustment in the petrol price, and higher sugar, bread, mealie meal and egg prices

Railway tariffs, including passenger fares, have gone up, so has coal

And soon — from the beginning of July — revenue prob-

lems will force most local authorities to increase their rates and service charges

Electricity tariffs are also to be increased soon

And next week the Minister of Agriculture, Mr Hendrik Schoeman, will announce a big rise in the floor price of beef

Although the floor price has no direct impact on the prices at meat auctions, the Meat Board claims that because of uneconomic prices, the numbers of slaughter stock will decline and prices will rise

Then from the beginning of next month, the prices of fresh milk, butter and cheese, and powdered and condensed milk are certain to go up

And economists say the vicious price spiral will continue

Bigger take home pay will bring consumers temporary relief, but ultimately these benefits will be eroded away and living standards will have to be adjusted downwards

This is the bleak view of economists

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RDM 28/5/80.
Floor price of
~~beef~~ **meat set to jump**
(244)

Pretoria Bureau

THE Cabinet is expected to approve a substantial increase in the floor price of beef at next Tuesday's meeting

A Meat Board delegation held discussions with the Minister of Agriculture, Mr Hendrik Schoeman, in Cape Town on Thursday

The Minister has indicated that before the announcement is made, there must be Cabinet approval

Producers expect an increase of more than 15%

Both the Minister and the board emphasised that a higher floor price did not necessarily mean a higher meat price

Red meat is sold by auction and the price is normally above the floor price, except when there is a glut

The Meat Board has stressed that unless producers are given adequate prices the industry

will land up in a long-term crisis

An indication of the lack of profitability in the industry, it claimed is the decrease by 400 000 in the numbers of stock last year and the increasing numbers of breeding stock being slaughtered

The South African Agricultural Union's meat expert, Mr Jan van der Walt, said there was a complete misunderstanding about the effect of the floor price

More than 90% of the meat sold at auctions was sold above the floor price. The floor price was merely a long-term guarantee to beef farmers of a subsistence price

Mr Van der Walt warned that because of declining supplies and a growing demand for meat, the price trend was likely to be upwards for the rest of the year

~~37 Head~~
Cabinet ⁽²⁴⁴⁾
discusses
price rises
today ^{ND 7} 27/5/80

By GERALD REILLY
Pretria Bureau

THE Cabinet is expected to approve a substantial rise in the floor price of red meat and the price of dairy products in Cape Town today

An announcement is expected later in the week

It is feared the price of fresh milk will rise by at least 20% and the floor price of some grades of beef by as much as 25%. Butter, cheese, condensed and powdered milk are also likely to be increased

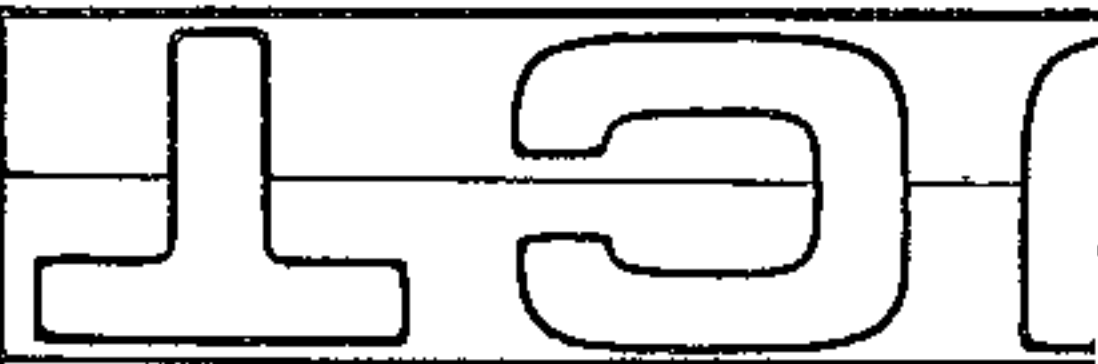
The Meat Board has warned that because of a lack of profitability in beef production, herds are shrinking — they decreased by more than 400 000 head last year — and that auction prices could be expected to rise this year, with demand running ahead of supply

The Minister of Agriculture, Mr Hendrik Schoeman, and the board have stressed that a higher floor price need not necessarily mean that beef prices would be forced up

The floor price, the Minister says, is simply a guaranteed low level price for farmers. The free market price is normally at a high level

The Meat Board claims South Africans can today buy more meat with the same percentage of their incomes than they could five years ago

The general manager, Dr Jan Lombard, said the Consumer Price Index rose by 50 points from 1975 to the end of last year. In the same period, beef rose by only 17 points.



Walkout—

Meat

Argus 28/5/80

244

price soars

THERE was a 'tremendous rise in wholesale meat prices in Cape Town today — a direct result of the decision of meat industry employers to turn their workers away after a one-day walkout last week, according to butchers.

'The abnormal situation created at the abattoir has sent the price of meat up beyond all reason, one butcher said.

Another said the sacking of workers had cost consumers millions of rands' in the last week.

NONSENSE

'Anyone who says the price of meat hasn't gone up is talking absolute nonsense. It has risen about 30 percent in two weeks.'

He said a super side of ox which had cost the butcher R1,35 a kg was now more than R1,80 a kg.

The crisis in the meat industry led to the formation last night of the Cape Butchers' Association.

Interim chairman Mr Adam Jaffer said he hoped a meeting would be held today with the meat wholesalers.

Last week's walkout by about 800 workers was in support of demands by workers at Table Bay Cold Storage and National Meat Suppliers for recognition of their unregistered representative committees.

ASTONISHED

Sea Point butcher Mr Chris Joubert said he had been astonished by the tremendous rise in whole sale meat prices today.

'I never expected anything like this,' he said. 'Super sides of beef sent from Port Elizabeth by the Meat Board cost R1,42 a kg on Monday but today I was asked to pay R1,82 a kg.'

Mr Joubert said he thought the bigger butchers, who were in the habit of hanging meat for 10 days, probably had enough stocks to wait until prices came down.

But smaller butchers with less storage space would have to pass the increase on to consumers almost at once.

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15 pc increase in prices of milk, butter and cheese

STAR 28/5/80

244

Fair Deal Reporter

The prices of milk, butter and cheese will rise 15 percent on Friday

This has been confirmed by the Dairy Board, retailers and distributors

Mrs Joy Hurwitz, national president of the Housewives' League said she was absolutely appalled at such a high increase

"This won't increase consumption Butter sales dropped an additional six percent last year This won't encourage more people to eat it

"Cheddar cheese and milk provide protein for growing children — how can the price be put up so much more, when we're hearing reports of starvation?"

A spokesman for the Dairy Board said the price increase for butter might not be permanent if sales dropped too drastically — however, this would be left to the discretion of the Minister

Dairy farmers asked for a six percent increase to help them cover costs, and an additional amount

had been requested by distributors

The price of delivered milk will rise by 6c to 43c Sold over the counter it will now cost 46c

First grade Cheddar cheese will soar to R2,85 a kg, and 500 g of choice butter will cost R1,29

Pick 'n Pay hypermarkets have said they will maintain the price of butter at 79c for 500 g and cheese at R1,82 a kg of first grade Cheddar until the end of June

● Page 2. Now bacon joins the upward march.

CONFERENCE

OF THE DIA

23	861:P	NADA 12 : 30-5.
25	862:L	SHONA
	863:S	PHONETICS.
27	864:A	BORLAND, C.H.
	865:D	1972
29	866:T	SOME TONE PATTERNS OF SHONA.
	867:C	DISSERTATION PRESENTED IN PART SATISFACTION OF THE RE
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33	870:S	PHONETICS
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39	876:C	REVIEW
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	879:A	CRIPWELL, H.A.
43	880:D	1928
	881:I	SINTU SOUNDS AND SYMBOLS.
45	882:P	NADA 6 : 51-3
	883:L	SHONA
47	884:S	PHONETICS
	885:A	DOKE, C.M.
49	886:D	1929
	887:T	THE PROBLEM OF WORD-DIVISION IN BANTU WITH SPECIAL RE
51	888:	ES OF MASHONALAND.
	889:P	S. RHODLSIA, DEPT. OF NATIVE DEVELOPMENT OCC. PAPER 1
53	890:C	REVIEW BY G.P. LESTRADE IN BANTU STUDIES 4/1930 68-7
	891:L	SHONA
55	892:S	PHONETICS ORTHOGRAPHY
	893:A	DOKE, C.M.
57	894:D	1931
	895:T	A COMPARATIVE STUDY IN SHONA PHONETICS.
59	896:C	REVIEW BY G.P. LESTRADE BS 6/1932 95-8 : CONTAINS CH
	897:	ES IN BANTU; THE PHONESIS OF CENTRAL SHONA, EASTERN
61	898:	THE GENERAL PHONETIC PHENOMENA OF SHONA.
	899:L	SHONA
63	900:S	PHONETICS

You'll pay more for food from Monday

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RDM

28/5/80

Consumer Mail

DAIRY products, cold meats, margarine and vegetable oils are all expected to go up on Monday

Manufacturers of cold meats and allied products, such as bacon and sausages, have notified supermarkets that their products will go up from June 2 by an aver-

age of 15%

Mr H Lator, of Prima Meats, said their bacon would go up by 15%, and their polonies and viennas by about 12,5%

Mr P Harbridge, of Estcourt, said their bacon would only go up 5%, but that their sausages would go up 15%, and processed meats by about 12,5%

Mr Richard Cohen, director of Pick 'n Pay, said

"It is remarkable that all the major producers are putting up their prices by the same amounts on the same day"

Mr A Fabig, of OK Bazaars, and Miss P Lomborg, of Checkers, also confirmed their stores had been notified of a simultaneous in-

crease in cold meat prices.

Meanwhile, the Price Controller is expected to announce a 15% increase in the price of yellow margarine today, and the price of vegetable oils will rise by about 10% from Monday

This means 250g of margarine will cost about 44c, and oil will go up from about 87c for 750ml to about R1

Peanut butter is also expected to cost more

The price of oil to margarine manufacturers went up at the beginning of the month.

The price of eggs rose by 13% shortly after the maize price increase, and the Minister of Agriculture, Mr Hendrik Schoeman, said a milk price rise would be announced at the end of this month. Price increases for dairy products such as cheese, butter and condensed milk are likely to follow.

Agricultural authorities in Pretoria expect the milk price rise to be about 20% — which means the price of a litre of home-delivered milk will cost about 42c (with GST) and the price of a litre in cafes would rise to about 51c.

The meat price rise follows the increase last month in the price of maize, which experts predicted would cause ripple increases in the prices of eggs, red meat, pork, poultry, canned and processed goods and dairy products, especially milk.

Miss Lombard said coffee had already gone up by 5% this month and that frozen vegetables and fish, including canned fish, would go up in July.

PRINT-LIN
NG PAGE

Now bacon joins upward march of meat prices

STAR 28/5/80

244

Fair Deal Staff

If you cut out eggs for breakfast because of their three price increases this year, prepare to weep, bacon will become expensive for your platter (along with other processed meats) when it rises 15 percent in price on June 1.

Mr Hans Leyor of Nations Cold Storage said all other processed

meats such as polony, gammon and ham would cost 12.5 percent more. 'The reasons are that pork and beef have gone up tremendously in price and we have no other choice. Raw material and labour costs have also increased.'

'In fact, this price increase is not enough we are going to have another one soon. Our last price increase was in December

when processed meats went up 10 percent,' he said.

Supermarket executives and consumer organisations angrily attacked meat processors.

'They're all putting up their prices at the same time, it smells of price fixing to me,' a supermarket spokesman said.

Processed meats are becoming a luxury — they're going to encounter a lot of consumer resistance with these high prices,' Mrs Joy Hurwitz, national president of the Housewives' League said.

REVIEWING

'I know they will ask for another increase when the meat floor price goes up (it is expected to rise at least 15 percent within the next few days).

'The consumer can't fight inflation if no one else is. The whole food price system needs reviewing.'

'Meat processing factories get meat much cheaper from the Meat Board, so why do they need such a high price increase and two within five months?' Mrs Hurwitz asked.

'Most housewives have at least two meatless days a week now, but what protein can they substitute when cheese, eggs and fish have all gone up so much and are so expensive now,' she added.

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ME-TARGET-COGNATE.

JK

Rising prices hit poorer hardest

RDM 29/5/80 249

By VITA PALESTRANT

THE Consumer Price Index rose substantially by 1,2% last month, and by 13,4% during the year ended April

Inflation hit lower income groups hardest last month — 1,8%. Increases were smaller for middle and higher-income groups — they rose by 1,3% and 1% respectively

However, the CPI over the 12-month period for middle-income groups rose the highest — by 13,6%, while higher income groups rose by 13,2% and lower income groups rose by 13,1%

These figures were released by the Department of Statistics in Pretoria last week

Major increases in the April CPI showed that food rose by a whopping 2,3% — resulting in a 15,2% increase over the year

Lower income groups are likely to be hardest hit by this increase because they spend proportionately more of their earnings on food than do middle and higher income groups

In the food sector, grain products increased by a massive 8,2% and meat by 2,2%. Meat has risen by nearly 22% over the past year

Alcoholic drinks increased by 5,4% last month, and tea and coffee by almost 1%

Fats and oils decreased by 1,8% and

fruit dropped by 4,9%

The clothing sector went up again last month — by 1,7% (and 8,6% over the past year), with clothing up by 1,8% and footwear up by 1,4%. Footwear has leapt up by 19,8% during the last 12 months while clothing has increased by 5,8%

Fuel and power went up by 1% last month, and furniture and equipment rose marginally by 0,1%

Household operations — which has been increasing steadily — rose by 1,6% last month and by 20,1% over the past year

Cleaning materials alone increased by a substantial 2,1% last month and

27% over the 12-month period

Domestic servants were paid 0,4% more last month

The transport sector rose by 0,9% with public transport increasing by a hefty 5,4% — and 10,7% over the year

Avid readers are likely to be affected by last month's CPI — as reading materials went up by 0,8%

Every month the Department of Statistics gleams masses of information about the cost of goods and services in 11 major urban areas. These are processed to make up the CPI

Consumer Mail publishes the CPI on a monthly basis as a service to its readers

	Mar 1980	Feb 1980	Mar 1979
ALL ITEMS	168.0	167.0	148.6
Lower income group	163.7	162.6	145.5
Middle income group	167.6	166.5	147.9
Higher income group	169.3	168.4	149.9
FOOD	167.7	167.2	146.6
Grain products	165.0	165.8	151.1
Meat	158.0	156.8	130.0
Fish	190.1	188.9	163.5
Milk, milk products & eggs	158.1	157.3	141.0
Fats & oils	184.3	184.4	161.6
Fruit	169.8	185.8	167.3
Vegetables	155.8	148.2	130.6
Sugar	238.7	238.9	215.0
Coffee & tea	235.9	233.6	228.0
Other	168.8	167.4	154.5
COLD DRINKS	173.4	173.8	161.6
ALCOHOLIC DRINKS	152.3	152.3	141.1
CIGARETTES, CIGARS & TOBACCO	150.6	150.6	144.2
CLOTHING & FOOTWEAR	150.9	149.1	139.1
Clothing	142.5	140.9	134.9
Footwear	194.9	192.0	162.6
HOUSING	144.6	144.8	132.4
L & POWER	220.7	220.1	187.1
FURNITURE & EQUIPMENT	154.8	151.4	144.2
Furniture	137.4	134.6	129.6
Appliances	151.6	147.9	140.7
Other	165.3	161.6	151.3
HOUSEHOLD OPERATION	203.8	202.6	170.1
Cleaning materials, etc	187.3	184.9	150.1
Domestic servants	210.9	210.0	179.2
Other services	186.1	186.1	59.1
MEDICAL CARE	161.0	159.8	139.5
TRANSPORT	201.0	201.0	170.2
Vehicles	177.2	177.2	161.0
Running costs	243.4	243.4	188.3
Public transport	156.4	156.4	149.0
COMMUNICATION	118.6	118.6	101.3
RECREATION & ENTERTAINMENT	160.7	159.0	150.6
READING MATTER	167.5	167.5	156.0
EDUCATION	201.9	178.9	73.9
PERSONAL CARE	163.8	161.4	152.3
OTHER	171.0	163.8	141.5

INFLATION FM 30/5/80

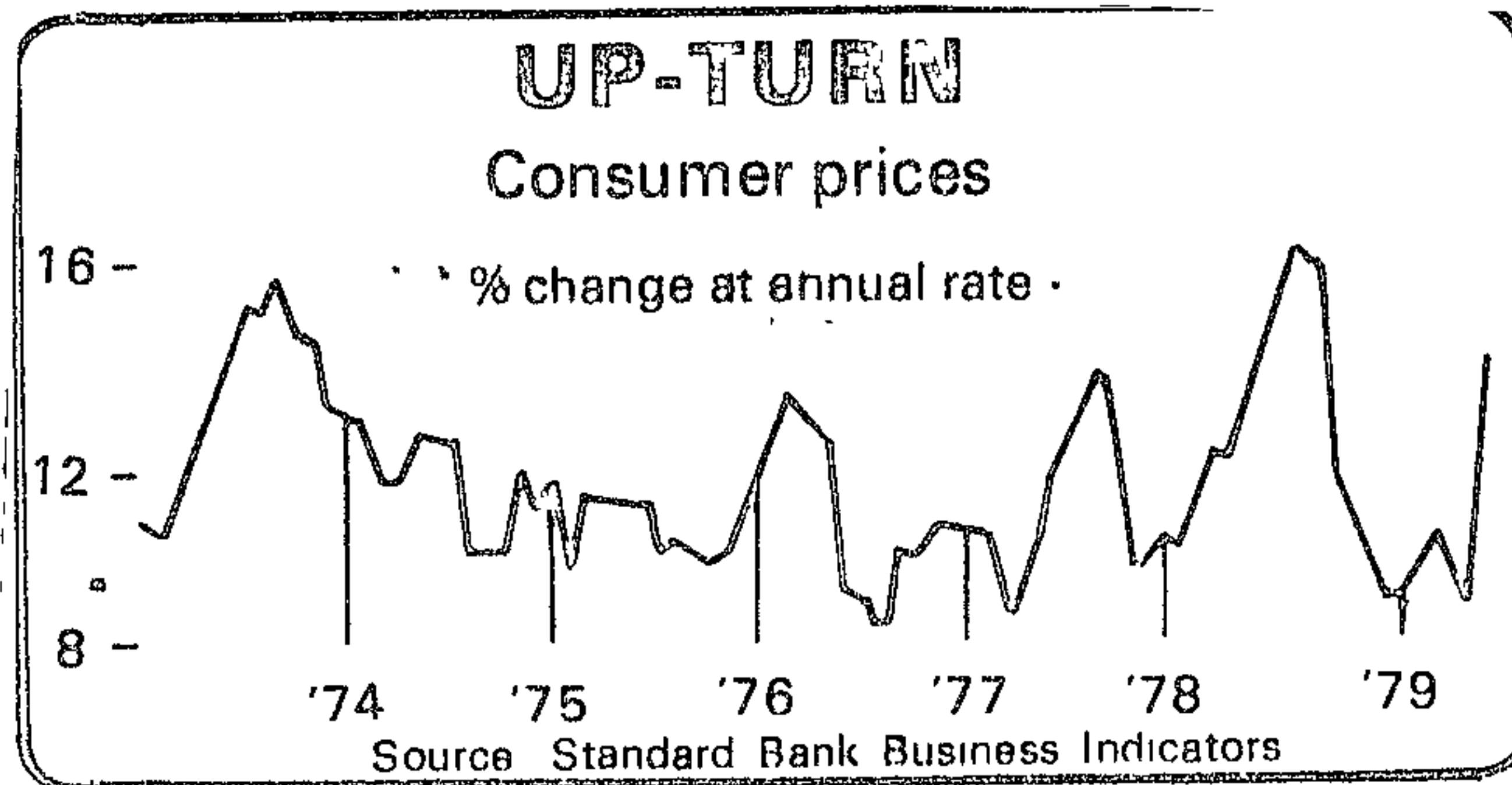
April gloom

244

The consumer price index rose by 1.2% in April, almost twice the increase registered in the previous month, giving grist again to the inflationary pessimists' mill.

The April increase gives a year-on-year rise of 13.4% - exactly what it was at the same time last year. On a flat annualised basis, the monthly rise indicates an average inflation rate of over 14%, which is the minimum rate the pessimists have been predicting for 1980.

Food prices carry a substantial weight-



ing in the CPI and much of the increase is attributable to this sector. According to Statistics Department figures, the largest individual contributions were made by bread and meat. Public transport was another significant factor. Hence administered prices were responsible for much of April's inflationary pressures.

Delayed impact

Barclays' chief economist Johan Cloete believes the increases reflect the delayed impact of the oil price rises in June last year, the main effect in the agricultural sector being on fertiliser and transport costs. And there is worse to come. Adjustment to the oil price cost push factor will be greater this time than it was allowed to be in 1974 and 1975, he claims. Food price increases also tend to set up an inflationary push in wages and salaries as cost of living adjustments are made, which in turn provides the means to finance further price rises.

Although most administered price increases occur in the first half of the year, we are unlikely to witness a dwindling of inflationary pressures, he continues. As the current economic upswing develops, excess demand will entail further rises, primarily through the effect of wage increases on production costs.

Rising food prices bring hardships

By MEG BRITS

FOOD prices have been escalating at an alarming rate this year and reports of malnutrition and hardship among the lower income groups are on the increase

A Consumer Mail survey of price rises of basic foods over five years shows that they have

in some instances doubled and even almost tripled in price

Consumerists have expressed concern at this

As food prices soar, food consumption in South Africa has been dropping, despite a population growth of 3% a year

Mrs Joy Hurwitz, of the Housewives League, recently

warned that the recent spate of increases was forcing blacks to cut back on basic protein levels to the detriment of their health

While the average white family spends about 25% of its income on food, blacks spend between 50% to 75% of their earnings on it

Increases in fuel, fertilizer

and maize prices and railway tariffs have contributed substantially to soaring food costs — fertilizer went up 17,3% in December and railway tariffs for commodity transport went up between 10% and 13% in March

Retailers say feed prices will go up 5% in the next two weeks and, because this affects the costs of production, meat, poultry and dairy products are likely to go into another price spiral

The Consumer Price Index for last month rose by 1,2%, with food, which comprises 30% of the index, rising by a massive 2,3%

While the CPI has risen by 13,4% during the past year, food has run ahead of the index, increasing by 15,2%.

Economists predict that the overall inflation rate for this year will be at least 15%

Consumer Mail selected 12 basic items to show how they have increased in the past five years

Prices in the survey were obtained from supermarkets and control boards. Those for bread and milk, the two essentials, include GST

Here are the items and the percentage increases over this period

- Bread has increased 61% for brown and 94% for white since 1975, taking GST into account. It went up 4c and 5c a loaf in April

- Milk increased by 60% a litre in the last five years, taking GST into account from 1978, as well as the 15% rise announced on Wednesday. Condensed milk is expected to rise by about 5c for a large can from June

- The maximum price of 2,5kg of white sugar has risen by a 203% since 1975

- The price of 5kg of mealie meal has risen 135% in five years. The maize price per ton went up at the beginning of May and this has had a ripple effect on the prices of eggs, dairy products, meat, poultry,

and canned and processed foods

- Topside mincemeat has gone up 48% since 1975 and will probably go up more when the expected 15% Meat Board floor price increase comes into effect. The price of processed meats will go up by an average of 15% from Monday

- The price of fresh chicken has increased 89% in the last five years. During the survey, it was found more expensive to buy chicken pieces than a whole chicken

- A dozen extra large eggs now cost 72% more than in 1975. The controversial National Egg Producers Co-operative ceases operations as of June 1, but regional co-operatives are reportedly being set up to take its place. (The Natal Egg Producers Co-operative has already announced an increase of 3c per dozen.)

- The price of 500g of filleted hake has dropped since last year, but is still 60% higher than in 1975. Supermarkets expect a rise in the price of frozen and canned fish in July

- The price of 750ml of cooking oil is also less than it was last year, but is 43% higher than in 1975. The price will rise from Monday, which means that 750ml will cost about R1. Peanut butter is also expected to cost more.

- 250g of yellow margarine now costs 58% more than in 1975. A 10% increase is expected to be gazetted today

- A 250g packet of tea costs 93% more than it did five years ago

- 500g of instant coffee costs a 211% more than it did in 1975

- The cost of fuel has also increased dramatically — the price of a litre of premium petrol has gone up by 157% in the past five years, from 21c in 1975 to 54c on the Reef at present

- Coal, the main source of energy in black homes, has gone up from R1,38 a 90kg bag in 1975 to R2,82 — 104%

	1975	1976	1977	1978	1979	1980
BREAD						
Brown	13c	16c	16c	17c	17c	21c
White	16c	20c	20c	26c	26c	31c
MILK						
1 litre	30c	32c	32c	37c	43c	48c
SUGAR						
2,5kg	39c	43c	65c	92c	1.03	1.18
MEALIE MEAL						
5kg	57c	67c	77c	90c	1.05	1.34
TOPSIDE MINCE						
per kg	1.80	1.84	1.90	1.89	1.77	2.68
FRESH CHICKEN						
per kg	94c	99c	1.01	1.23	1.37	1.78
EGGS X-LARGE						
per doz	43c	45c	52c	62c	67c	74c
FILLETED HAKE						
500g	58c	63c	65c	87c	1.15	93c
COOKING OIL						
750ml	62c	72c	81c	88c	94c	1.00*
MARGARINE						
250g	24c	28c	29c	33c	36c	38c
TEA TIPS						
250g	57c	64c	96c	1.24	1.29	1.10
COFFEE						
500g	82c	1.08	1.93	2.19	2.07	2.55
MAIZE						
per ton	50	59	71.50	86.42	110.50	122.40
PETROL						
per litre	21c	24c	29c	30c	54c	54c
COAL						
per 90 kg bag	1.38	1.51	1.94	2.02	2.33	2.82

*New prices as from Monday

ABLE = SPACES

C.T.
31/5/80

Meat floor prices up

2.44

BLE-IS-BLANK

PRETORIA — The floor price of beef is to be increased on Monday by 18% to R1.18 per kg, the floor price of mutton by 25% to R1.50 per kg while the floor price of pork will be increased by 15% the general manager of the Meat Board, Dr Ian Lombard announced here yesterday.

The new floor prices would not affect the consumer price of mutton and would effect the consumer price of beef only slightly if at all he said.

The average auction price of mutton is currently R1.66 per kg, thus still 16c per kg above the new floor price. The average auction price for beef during the past five weeks was R1.23 per kg which is 5c per kg above the new floor price. Dr Lombard said.

At certain markets such as Port Elizabeth where auction prices are exceptionally low and out of line with prices at the major markets, the increase in the floor price will influence both market and retail prices, he said. — Sapa

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Meat enters luxury lists

START
31/5/80

244

Fair Deal Reporter

Meat enters the ranks of luxury foodstuffs next week, when the floor price for beef goes up 18 percent, mutton by 25 percent and pork by 15 percent

Despite Meat Board assurances that this would not affect the consumer price, butchers have said it undoubtedly will.

Monday will be a bad day for consumer budgets

Bacon goes up by 15 percent and other processed meats including ham and polonies, by 12.5 percent

Processed meat manufacturers have already warned their prices will probably go up by another 7.5 percent next month.

Margarine will cost 15.3 percent more from Monday

Dairy products are also expected to cost more next month. The price of delivered milk is expected to rise by 6c to 43c. The over the counter price is expected to be 46c GST excluded

First grade cheddar is expected to soar to R2.85 a kilo and 500 g of choice butter to R1.29

A spokesman for the Dairy Board said although the price of dairy products could rise sharply next month the date for the increases was not set for Monday

Butchers scoffed at a statement by Dr Jan Lombard, general manager of the Meat Board, that the

effect on the beef retail price

AVERAGE

Dr Lombard said the average market price of mutton was R1.60 — "still 16c above the new floor price"

Butchers pointed out that the support price would push up the market price

"The average (nation-wide) floor price during the last two weeks was R1.23 a kg for beef — 5c a kilo above the new floor price

"At certain markets such as Port Elizabeth, where prices are exceptionally low and out of line, the increased floor price will influence both retail and market prices"

Dr Lombard said the new floor price for beef was on average still 12c a kilo below production cost

He said it was not possible to adjust the floor price to match the production cost as the margin was too large

Consumer groups have reacted with shock and indignation to the steep price increases

The Housewives League said it was considering asking the anti-monopolistic Competition Board to investigate the meat industry

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~~Meat~~
Meat
floor (244)
prices
 from 30/5/80
to rise

DEPT OF AGRIC
 17TH MARCH
 CHINA INTENSIVE
 TEST
 MEAN SCORE
 CUMULATIVE MEAN

THE floor price of beef is to go up by 18% to 118c/kg and the floor price of mutton by 25% to 150c/kg on Monday, the general manager of the Meat Board, Dr Jan Lombard, said this week.

The floor price of pork will increase by 15%.

The new floor price would not affect the consumer price of mutton and would effect the consumer price of beef only slightly, if at all, he said.

"At certain markets such as Port Elizabeth, where auction prices are exceptionally low and out of line with prices at the major markets, the increase in the floor price will influence both market and retail prices"

FOOTNOTE: Although the price of butter, cheese, milk and other dairy products may rise sharply next month, the Minister of Agriculture, Mr Hendrik Schoeman, had not yet agreed to increases and they would not come into effect on Monday, a Dairy Board spokesman said yesterday.
 — Sapa.

● See Page 2

HOTEL
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 CAH
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MINIMUM

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Margarine

(244) Dairy
price up
from 31/5/80
by 15%

Pretoria Bureau

MARGARINE prices have been increased by more than 15%, according to a notice in yesterday's Government Gazette

The price controller, Mr Duggie De Beer, said the increases were caused mainly by the steep rise in the price of oil seeds, an increase in wages and the cost of packaging materials

The price of 250g of margarine in a tub goes up by 6,5c or 15,3%, and in other packs by 5,5c or 14,3%, bringing the maximum retail tub price for 250g up to 49c, and other packs of 250g to 44c

The manager of the Dairy Control Board, Mr P E Leroux, said the price rise in dairy products, including milk, would be in the vicinity of 15%

If the price on all dairy products goes up by 15%, the price of a litre of milk in a plastic pack would rise from 43c to just under 50c

A rise in the price of butter would take the maximum price for choice grade from R2,24 a kg to R2,58. A kilogram of cheese could cost R2,85

Premier's case for dearer bread

244 186
RDM 2/6/80

By SIMON WILLSON
Industrial Reporter

APRIL'S bread price increases, which followed the effective subsidy reduction in the Budget, were both justified and reasonable, says Mr Tony Bloom, chairman of Premier Milling, in the company's annual report.

He says the higher bread price will undoubtedly hurt consumers at the bottom end of the wage scale, but looked at objectively, the increase was unavoidable.

"There cannot be many other consumer products where the Government subsidy was practically equal to the consumer price, and where the consumer price had been held firm for over two years despite large increases in the raw material and manufacturing costs applicable to such a product," Mr Bloom says.

The price of a loaf of white bread went up from 25c to 30c and a brown loaf rose from 16c to 20c, including 1c general sales tax for each.

This was the result of the R141-million bread subsidy announced in the Budget, a R51-million increase on the previous year's figures.

But in real terms the subsidy increase meant a 5c drop in the subsidy for each white loaf and a 4c subsidy drop for each brown loaf.

A total of 1 200-million loaves are sold annually in South Africa. The value of brown bread sales is R126-million — 70% of the total — and white bread sales are worth R43 200 000.

"Generally speaking, subsidies are an undesirable part of any economy, but with South Africa's unique socio-economic structure and problems, subsi-

dies form an inevitable and necessary part of our economic planning," Mr Bloom says.

"This is particularly true of food subsidies. It is an extremely difficult task to find the appropriate level for such subsidies and it is against this background that the recent increase in the price of bread must be viewed."

None of the extra revenue from the increase in price will find its way into increased profit margins for millers or bakers. He predicts that bread producers are likely to experience short-term pressures as the higher prices will lead to reduced demand.

"Nevertheless, taking all factors into account, I believe that the increase was both justified and reasonable."

"In future, to reduce the psychological impact of large adjustments in price, consideration could perhaps be given to more frequent, but smaller, adjustments."

Premier Milling's report says both sales and profits reached record levels in the year to March, 1980.

Group sales, at R910-million, were 19% higher than last year and the pre-tax and pre-interest trading surplus totalled R58 800 000 compared with R50 800 000 in fiscal 1978.

After-tax profit attributable to ordinary shareholders reached R28 300 000 — R5 300 000 higher than in the previous year and an increase of 23%.

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TAL-SPACE
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ROR-SPACE *REDEFINES STATISTIC-SPACE
LLER VALUE *AS PERCENTAGE*

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LLER VALUE SPACES
LLER VALUE *SOURCE-SYLLABLE*
URCE-CORR-SYL-SPACE
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2970	03	BLOCK-ID-SPACE,	
2980	05	BLOCK-SEQ-NO	P
2990	05	BLOCK-LABEL	P
3000	03	SOURCE-COGNATE-SPACE,	
3010	05	ORTHOGRAPHY	P
3020	05	QUALIFIER	P
3030	05	PHONETICS,	
3040	07	SYLLABLE OCCURS 9 TIMES	P
3050	03	TARGET-COGNATE-SPACE,	
3060	05	ORTHOGRAPHY	P
3070	05	QUALIFIER	P
3080	05	PHONETICS,	
3090	07	SYLLABLE OCCURS 9 TIMES	P

Proteins put into the luxury class

STAR 3/6/80

244

Fair Deal Reporter

Protein foods are being pushed further out of the reach of the poor by this week's rises in the price of processed meats and the floor price of red meat and next week's higher prices for milk and dairy products.

Processed meats went up 12,5 percent for hams and polonies and 15 percent for bacon. The floor price (the price guaranteed to farmers) went up 18 percent for beef, 25 percent for mutton and 15 percent for pork yesterday.

Next week housewives can expect to pay six cents more for delivered milk — 43c sold over the counter, milk will cost 46c a litre.

First grade cheddar cheese will soar to R2,85 a kilogram and 500g of choice butter will cost R1,29.

Margarine also went up 15 percent this week, making the cost of 500g of margarine well in excess of 70c.

Processed meats have gone up for the second time, having risen by 10 percent at the beginning of the year. Streaky bacon, now costing R1,13 for 500 g, at supermarkets, will go up by 15 percent.

Manufacturers have warned that the price is due to rise at least another 7,5 percent this month.

Despite Meat Board assurances that the floor price won't affect consumer prices, butchers have said they will obviously increase.

The floor price for beef at the Johannesburg abattoir is now R1,44 a kilogram for super grade, for mutton R1,69 for super grade and for pork it is

now R1,32 for super grade.

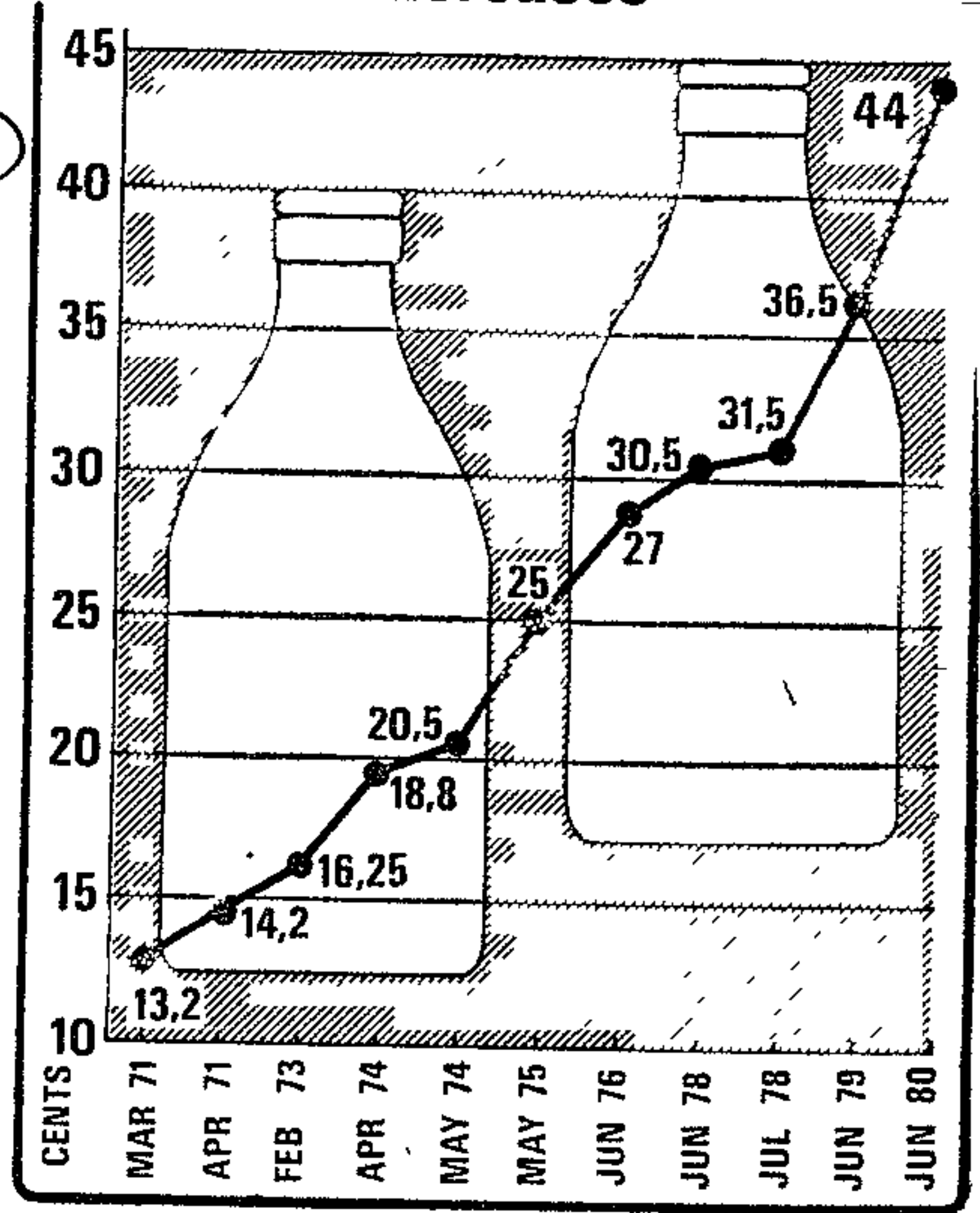
The support price will stop the price reaching consumers for a few weeks, but eventually the revised floor prices will catch up with it, pushing consumer prices even higher.

In a remarkable statement this week, Mr J van Vuuren, chairman of the Dairy Board, said the 15 percent increase for dairy products was not excessive and would not push up the inflation rate.

"The newest price rise will tend to bring down the food price index — which is running at 15 percent — because it is not higher than that," he said.

Butchers have said the wave of price increases has frightened consumers and they are buying less.

Milk Price Increases



How the milk price has climbed since 1971.

~~Dairy~~ Dairy

244

products
DM 3/6/80
to rocket

By Consumer Mail

MILK, butter and cheese will rocket in price by 15% next Monday and could go up again later in the year, the chairman of the Dairy Board, Mr J M van Vuuren, has announced.

Including GST, this means milk sold in cafes on the Witwatersrand will increase by 6c to 49c; delivered milk by 5c to 42,5c; 500g of butter by 17c to R1,35 and 1kg of cheese by 38c. Cheddar will cost R2,65 and gouda R2,78.

Prices may jump higher, says prof

2447 rdm 5/6/80

Pretoria Bureau

THE price explosion over the past three or four years was unprecedented the president of the South African Consumer Council, Professor Leon Weyers, said in Pretoria yesterday

And the grim prospect was that there was little likelihood of a slowdown in the vicious tempo of the price rises, he added

Consumer Council figures showed that during the past three years milk had risen by 45.5%, butter by 51.9%, cheese by 54.9%, wheat by 46.7% maize by 58.9% and the floor price of beef by 33%

Prof Weyers said There is little hope of this process slowing down All indicators point

to a continuing escalation of prices"

He said the only defence consumers had was to get more "mileage" from food purchases by buying cheaper substitutes and relating nutritional values to prices

The president of the Trade Union Council of South Africa Mr Andre Malherbe, said unless wage increases for lowly paid workers kept pace with price increases the potential for industrial and other unrest would be greatly aggravated

Mr Malherbe said 'Ever more serious is the effect of the increases on the more than a million workless blacks'

Urgent attention should be given to the consequences during the next five years if the ability of blacks and other low-

ly paid workers to buy enough food to stave off hunger continued to decline

Meanwhile the Minister of Agriculture Mr Hendrik Schoeman said the dairy product price rises were the last of the series of Government-administered food price rises this year

He gave an assurance to housewives that there would be no further increases in basic foods for the rest of the year

But the cycle of Government-administered food price rises will start again next year Government sources in Pretoria said

The Minister emphasised it was essential that producers be given a fair price for their products

'South Africa cannot afford

to underproduce Farmers must be encouraged to produce to a maximum of their resources if we are to be in a position to feed rising populations, the Minister said

Mr Schoeman also emphasised the importance of South Africa being able to assist other Southern African countries in feeding their populations

According to the Department of Statistics the annual black population growth is conservatively estimated at 2.8%, coloureds at 1.58% and Asians at 1.77%

Whites, a senior official of the department said were heading for a zero population growth in the next 15 or 20 years The white growth rate is 0.9%

ADM 6/6/50

Steel price likely to rise 244

Pretoria Bureau

THE Government is expected to authorise an increase in the price of steel of about 13% from the beginning of July, according to Pretoria sources

A higher steel price will push up prices of a wide range of household goods steeply

Iscor has been bombarded by massive production cost increases during the past twelve months, the sources said. These included coal, fuel, railway

rates and power

The increase, sanctioned by the Government, must also take into account the increased wages which will be paid to the corporation's more than 50 000 workers from the end of July

The sources claim the rises will be "plus or minus 13% "

The corporation's total wage and salary bill for the current financial year is R361 million

The fact that the chairman of Iscor, Mr Tom Muller, is confi-

dent the corporation will end the financial year with a R90 million surplus — the first surplus for a number of years — will have little effect on the extent of the price rise

Iscor spokesmen have said that the steep rise in costs can be measured generally by the fact that merely to transport raw materials to the Iscor works, and from one works to another, cost R36 million more this financial year than in the previous year

FM 6/6/80 244

Lies, damned lies?

There are three kinds of lies — lies, damned lies and statistics (Mark Twain)

Those who count, make mistakes (Latin saying)

A statistic is a very precise thing, yet few people have better than a vague idea of the meaning of the statistics they quote so freely. Ask your neighbour to calculate the percentage increase if the price of petrol rises from 38c per litre to 54c, and he's likely to change the subject.

Yet daily the public is assailed with information (and misinformation) about one of the most important statistics affecting ordinary life — the consumer price index. Major decisions are made on the basis of this figure: how big a pay increase to ask for next Christmas, whether to buy that car now or wait until prices are rising at a slower pace.

In April, the all income groups index rose to 170.0, which represented a 13.4% increase over 12 months. Does that figure represent the current inflation rate, as the newspapers tell us? It does not. It represents the rate of price increases over the past year, which may be very different from the rate over the past month, which in turn may bear no relation to the rate over the next 12 months.

Between March and April, the CPI rose by 1.2%. Annualised on a compound basis, that is equivalent to a rate of 15.4%. But one month is too short a period from which to extrapolate because there may be extraordinary price increases in such a period which will not recur. The rate for the next year may well be less than that.

In the month in which gst was introduced (July 1978), prices rose 4.2%, or 63% compounded at an annual rate. In fact, in the year following gst, the rate turned out to be 13.5%.

In the past two years there have been three large one-off price leaps — gst and two petrol price increases — which have distorted an otherwise declining trend in the CPI. Without such extraordinary increases, in fact, the rate of increase in the CPI has been declining since 1975.

Often, a one-off jump lifts the CPI graph from one level or declining plateau to a higher but still level plateau. Over short periods of, say, 6-8 months, the rate

of increase is stable, but over a year, because of the single big jump, it appears to be rising fairly rapidly.

There is another objection to the CPI that it does not take account of changing consumer buying patterns (except when the household expenditure survey is con-

Secondly, changes in consumer spending patterns don't take place all at once but over a relatively long period of time. For example, the percentage of income spent by whites on food took 20 years to decline from 28% to 20% as living standards rose. Consequently, says a spokesman for the



Shoppers . . . do they really know what the CPI is all about?

ducted, roughly every 10 years.)

Strictly speaking, inflation, defined as too much money chasing too few goods, cannot be measured without reference to the money supply. Theoretically, if one price (for example, petrol) goes up, and there is no increase in the money supply, consumers are forced to reduce their consumption, either of petrol or other items. So their cost of living does not rise, though their standard of living declines.

In practice, of course, there is enough flexibility in the system (with access to credit, other forms of near money, and savings) to allow people to continue spending at their former levels for a while at least.

The Department of Statistics answers these objections in two ways. Firstly, it is mathematically demonstrable that the weight given to an item used in compiling the index has a much smaller influence on the index than the price of the item



department, in general the rate of change of the CPI corresponds closely with the rate reflected by the GDP deflator — the measure of inflation for the economy as a

The foregoing arrangements will be applicable to the following magisterial districts:

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whole, including items not reflected in the CPI (This correlation does not always hold — a fast-rising gold price will widen the gap between the two)

What individuals must realise, however, is that the CPI is an average and is therefore only true for a middle-of-the-road family. Only a household of 3,2 people earning R10 215,60 a year at 1975 prices (ie R17 366,52 at 1980 prices), and spending the exact proportions of its income on food, beverages, tobacco, and so on, shown in the average expenditure pattern, can actually say that its cost of living has increased since 1975 at the rate shown by the CPI.

If you don't smoke, if you eat out once a week, if you read less than average, or if the number of people in the household has changed, your personal inflation rate will be different from the average.

Recently, an added refinement was made to the CPI to accommodate the differences which stem from income level. In terms of Engel's Law, the less well off, for example, spend a bigger share of their income on necessities, the affluent have more discretionary income.

So in January 1978 the Statistics Department started providing separate indexes for lower, middle and upper income groups. The lower income goes up to R2 000 at 1975 prices, middle up to R6 000, and higher above that.

The proportion of income spent on food is 36% for the lower income group, 29% for middle, and 20% for higher.

The problem of changing consumption patterns has no easy solution. The most widely used formula for CPIs is the Laspeyres system, which assumes the base

weighting remains constant.

It is possible to have variable weightings as in the Paasche system, but this would require a new family budget survey every month. This is just not practicable, says the department. It takes time and money to ask 5 000 families for detailed breakdowns of their consumption patterns, and then to process the results. The last budget survey cost R250 000. If the survey was done monthly, the CPI figure would be months out of date when published.

In practice, says the department, it is more productive to improve or expand the other leg of the CPI, namely price collection. Price variations, as we have seen, play a bigger part in the determination of the CPI than do weighting variations.

Certain items of expenditure are excluded from the data. They are income tax, the capital portion of mortgage pay-

Items excluded

ments and life assurance (a form of saving which is paid back to the consumer). Housing costs include an imputed rent which a home owner would have paid had he rented his home.

Statisticians admit there's a measure of inaccuracy inherent in producing the CPI. The choice of formula, as we have seen, leads to error. Other sources of error are the selection of items for pricing and the memory of respondents about their expenditure patterns.

It's a well-known fact that people tend to underestimate their expenditure on items which are socially undesirable, such as alcohol, and over-estimate that on prestige items, says the department spokesman.

But when there is so large a number of items in a survey, errors tend to cancel each other out. One view expressed to the *FM* is that over a five-year period the CPI is no more than 10 points out.

Of course, the CPI also fails to accommodate changes in quality. It's clear, for example, that consumers are getting better value for money with some of their purchases (such as electronic goods) than they did in 1970.

But while it may be reasonably accurate, the CPI is still subject to misinterpretation. One of the associated problems is the inflationary psychosis news about the CPI engenders. A big one-off increase in the price of petrol will affect the index every month in the ensuing year, even if the rate of increase is static for the next 11 months.

Month after month, people are told about the high inflation rate, and they prepare their arguments for pay increases accordingly, with generous reference to fiscal drag, while businessmen adjust their prices in accordance with the perceived inflation rate. With the introduction of gst, indirect taxes are now reflected through prices, but income tax (which has been reduced in the last two Budgets) is not.

Two things are needed some way of presenting the CPI without the distortion of one-off price rises — perhaps an additional index free of non-recurring items, and a combined tax and price index.

But even more important, perhaps, is a better understanding by the public of the strengths and weaknesses of the consumer price index.

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mentioned magisterial districts, will take the necessary steps to ensure that the financial assistance will be passed on to the farmers who qualify for such assistance.

Farmers who are experiencing financial problems as a result of the 1979/80 drought may apply in the customary manner to the Land Bank or to Agricultural Credit and Land Tenure for consolidation of debts and approach the latter for production credit in cases of emergency.

ISSUED BY THE DEPARTMENT OF FOREIGN AFFAIRS AND
INFORMATION AT THE REQUEST OF THE MINISTRIES OF AGRICULTURE
AND FISHERIES AND OF FINANCE

PRETORIA

25 June 1980

Housewives are angry at massive dairy hike

Post
13/6/80
244

THE recent price increases on dairy products are a direct challenge to black housewives to do something soon to prevent their children from malnutrition.

Already taking a further step on this matter, the Black Housewives' League's executive committee intends calling a meeting soon to discuss means of fighting this ever-increasing cost of basic foodstuffs.

The president of the league, Mrs Sally Motlana, told Consumer POST that they hoped to "do something" as blacks are the most hard hit by the high inflation.

"Meat is expensive and very few people can afford to have it in their daily menu. Now that the price of milk has gone up by six cents, we are going to starve," she said

A Soweto trader, Mrs Motlana said the higher prices rise, the more their sales drop

Steel price

RDM 20/6/80

goes up

~~129~~ 244

from today

By GERALD REILLY
Pretoria Bureau

THE price of steel will be increased from today by an average of 14,1%, an Iscor spokesman announced in Pretoria yesterday

And economists and industrialists warned that the increase — which varies from 9% to 17% — will rip through the economy inflating prices of a wide range of products from pins to motor cars

The new price applies to all steel produced in South Africa, not only to Iscor steel

The Iscor spokesman said the effect on the inflation rate would be no greater than 0,4%

For instance, the effect on a small car would be R17, on a medium sized car, R23, and on a large car, R37

Giving other examples, Iscor said the estimated price rise of a refrigerator would be R4, an electric stove R3, a three-roomed house R97 and 100m of fencing R3,40

The spokesman stressed that during the past year costs of raw materials and other basic production input items like power, fuel and transport, had increased greatly

He said that Iscor expected to show a profit of about R100-million for the financial year which closes at the end of the month. This was mainly because of the big 21% increase in local demand for steel products

The increase in the previous year was 5% and the projection for the new financial year was 7%

During the past twelve months Iscor exported 32% of its production, earning R130-million in foreign exchange. Earnings were slightly higher than production costs

The spokesman emphasised that Iscor customers were not made to pay for export losses

Volkskas' chief economist, Mr A S Engelbrecht, said yesterday the higher steel price, together with other inflationary pressures, would send the overall rate up above 15% by the end of the year

He said there was a whole sweep of products and industries affected to a marked extent by the price of steel

These included the motorcar industry, household equipment and the building industry

Group economist of Standard Bank, Mr A Hamersma, said yesterday that in the current economic environment a rise in the steel price was serious

"It will have a widespread effect. It will filter through to virtually every manufacturer in the country in one form or another"

Hopefully some companies would try to absorb the increase but with the current high demand for industrial products, it could only be a hope, he said

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COLLEEN SHEARER'S SIXTH ANNUAL SURVEY AND THE MESSAGE IS:

Keep it tight

22/6/80 SWN TRIB

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HOW is this for the ultimate in euphemisms?

It describes the bogey word "inflation" and originates from the Institute of Chartered Accountants. It is

THE DISCLOSURE OF THE EFFECTS OF HANGING PRICES ON FINANCIAL RESULTS

No matter how you dress it up, it's still hard to swallow. The message at the end of TALKING HOPS, sixth annual inflation survey on 91 items, "Tighten your straps even more"

Prices have risen 15 percent and most quarters seem helpless to do anything about it, blaming mainly transport and packaging. But some companies manage to contain these same increases, and their transport isn't a tragic carpet or their packaging Aladdin's lamp

Which are these clever companies? Let me explain that the ranked lines mentioned today are those originally

chosen in 1974 for our price surveys. In no way do they reflect on other brands

They are, in order of merit: Bovril, Tastic, Marmite and I & J Fish Fingers, Knorr Chicken Stock cubes and Coca-Cola in cans

Since 1974 the average total price rise of all 91 items is 106 percent. For a change comparisons are a pleasure. Note well

In six years Bovril has risen 18 percent, Tastic 22 percent, Marmite 32 percent, I & J Fish Fingers 32 percent, Knorr Chicken Stock cubes 35 percent, and Coke in cans 37 percent

Packaging materials used: Tinplate, glass, plastic, paper and cardboard. Products controlled by agriculture boards have given a very poor account of themselves. Note the following

WHEAT BOARD: Brown bread up 100 percent, white bread up 123 percent
DAIRY BOARD: Fresh milk (with its hapless

dairy product offsprings) — up 113 percent
POTATO BOARD: Frozen potato chips up 123 percent

OIL SEED BOARD: Rama margarine up 117 percent
MEAT BOARD: Pork Sausages up 124 percent

MAIZE BOARD: Mealie Meal up 189 percent
EGG BOARD: Eggs up 109 percent

A happy exception is the Dried Fruit Board, as seedless raisins went up only 58 percent

UNHAPPY news is that the authorities want to inflict a Tomato Board on us despite the fact that tomatoes have kept a fairly reasonable profile under their own steam — up 73 percent. Oh, preserve us from costly administration and let our economy really be a free one

panel was discussing rises in basic food prices and Mr Schoeman attempted to justify price increases given to our farmers

All very well — we must look after our suppliers. But he deflected the various control boards by stating that rice — which mercifully is not under a control board — had risen 200 percent

Since when? Which decade? Since 1974 the 500-gram pack of rice has gone up from 38 cents to 46.5 cents on prices averaged at the six main supermarket chains. News from Tongaat Rice is that shipping and landing is cheaper now than of late. It is also true that since the surcharge was lifted, many goods are landing at lower prices than recently. But this fact seldom sees the light of day

To further incense me, a TV review the following day applauded Mr Schoeman's abilities saying he "always had the figures right at his fingertips". And now to study to-

day's survey. The 15 percent inflation figure is based on the average prices of 91 items taken at the six major chains

A few items have dropped in price since last year, these being Bournville cocoa by a fantastic 27 percent, Rovvo soups by 14.5 percent, Malibella by 10 percent, Hulet's aluminium foil by 7.5 percent, Milo by 5 percent, Purily strained baby foods by 4.5 percent, Cartwright's curry powder by 4.5 percent, Pico tagged tea bags by 4 percent, Lux toilet soap by 1.5 percent. Five Roses tea broke even, as did Bovril and Marmite

Interesting to see most of the beverages down in price, Milo obviously free went up so much in 1977, tea and cocoa were very neat, tea's increase being attributed to higher wages for the pickers in Sri Lanka. Have their wages been dropped back to a healthy supply and demand situation

At the other end of the scale the worst price increases were Sugar beans 60 percent (a poor crop was had by all), frozen potato chips 55 percent, butter beans 44.5 percent (still that had crop), frozen green peas 38 percent, milk 36.5 percent, frozen mixed vegetables 31 percent, Post Toasties 29.5 percent, frozen chickens 28.5 percent, sump and eggs 26 percent, and Fry Bantlos corned beef 24 percent

The worst

The bean story is interesting. At OK Bazaars I found Ungeni undergrade on special offer at 79 cents but rubbing shoulders with it was Crossbow, cleaned 3 times (which is equivalent to Grade 2, the highest packed quality) at 84 cents. Misleading, full stop

OK Bazaars continued on their special offer kick, advertising as such Sasko white flour at R1.18 but meantime Blue Ribbon was also R1.18. Added to this, R1.18 was the highest on the chart

Clover's natural yoghurt price is not as innocuous as at first appears. The contents have been reduced from 500 ml to 350 ml giving it a 42 percent price rise over last year, and higher than milk. And not different, but still new, is Yogi-Sip from Clover, a good, healthy flavoured drink popular with children and this averaged 24 cents for 350 ml

For me total basket figures are irrelevant and

don't vary tremendously. Nevertheless, over the 91 items they are relevant. The average was substituted when a store was out of stock

OK Hyperama, R60.13, Pick 'n Pay Hypermarket R70.58, Pick 'n Pay R73.56, Checkers R74.12, OK Bazaars R74.48, Spar Avonmore R76.85

To sum up, what dismays me about food prices is that despite anomalies by the chains that their negotiating of bulk discounts, food prices regularly outstrip other consumer goods inflation-wise

All mealie meal now appears to be "super" but no details attend the designation. However, there is a new brand on the market from Tongaat Milling and this is A-1 vitaminised maize. It is enriched with riboflavin and nicotinic acid and is aimed mainly at the vast rural areas in an effort to combat pellagra, a vitamin B deficiency which can be fatal

A-1 is not only a portmanteau — it can be used in cakes, bread and puddings. I found this product in OK Bazaars at 81 cents for 2.5 kilograms, and at Checkers for 69 cents

With regard to last week's column on security, and the South African Security Association in particular, please note that the phone number of the secretary, Mr J E Robertson has changed. It is now 255411. And a point of collection is that the chairman is Mr A A McLeodghin — telephone 822080



Mrs Gertrude Mapumulo demonstrates the new Tongaat Milling A-1 vitaminised maize

Poor (244) suffer another price^{RDM} rise^{26/6/80}

CONSUMER MAIL

CONDENSED milk — a staple food of the poor — went up 5% on Monday this week, and will go up by another 5% on July 7. This means that within two weeks, consumers will be paying 10% more for a basic commodity.

Consumer spokesmen have hit out at the increase, saying that it is yet another blow to those who can least afford it.

The cost price of a 397g tin, the most popular size, went from 47,3c to 49,9c on Monday, and a supermarket has been advised that the price is to go up to 52,5c a tin on July 7.

The price of the smaller 225g tins went up 3% on Monday, from 29c to 30c, and will go up 6% in July, to 32c a tin.

The price to the consumer will be higher than the cost price per tin, but will vary from store to store for the next few weeks, because some supermarkets have stock bought before the Monday price increase.

Miss Peta Lomborg of Checkers said yesterday she had been advised by producers that the price rises were the result of the 10% sugar price rise in May, and the 15% milk price rise this month.

Mr Eugene Roelofse, consumer ombudsman, said persistent increases in the prices of commodities essential to the poorest households were becoming ominous.

The bread price rise in April — 4c on a loaf of brown bread and 5c on a loaf of white — hit poor consumers particularly hard. This was followed by a 20% rise in the price of maize, which affected red and processed meats, poultry, eggs and dairy products.

Milk rose 15% on June 9 — another particularly bad blow for those consumers who rely on milk as a cheap source of protein. The increase meant that a litre of milk sold in cafes on the Witwatersrand went up 6c to 49c a litre.

Mrs Joy Hurwitz, national president of the Housewives' League, said consumers could not go on paying loaded retail prices indefinitely, and when they could no longer afford basic commodities, their health would suffer.

Mr Roelofse said "Despite discussions on the inflation problem at academic levels by the Economic Advisory Council to the Prime Minister, no single practical step has been taken by the Government to combat price increases.

"The authorities have al-

The government in association with the industry. It rose 12% in June 1979. According to Iscor's GM designate Floors Kotzee, production costs over which the state steel maker has no control have risen over 15% in the last year. The prices of raw materials, production goods, fuel and transport are all higher. So the steel price increases are barely keeping up with costs.

Iskor is set to show a profit when the current financial year ends in just under a week, the first net profit it will have achieved since 1973. The 1979-80 profit is estimated to be about R100m, and is based on a 21% increase in local sales over the year, an improvement in productivity reckoned to have saved the company about R37m and higher export prices.

Moreover, says Kotzee, Iscor's crippling debt burden is being steadily reduced. Last year, for instance, financing charges converted a net profit of R103m into a R38m loss. This burden is a legacy of the massive expansion programme announced in 1968. In the early Seventies, five years before the completion of the programme, the maximum debt ratio (set at 40% in 1968) fell victim to a drastic decline in the availability and tenure of foreign loans, an increase in domestic interest rates and accelerating inflation. The debt ratio was 65% in 1978, 59% in 1979, and is now around 50%, according to Kotzee. By the end of the 1979-80 year, loan liabilities will have been reduced by a net R234m, compared to a reduction of R205m in 1978.

Towards a dividend

Further evidence of increasing corporate health is that the government did not contribute to the servicing of debt last year, after granting R70m in 1978. And its share capital injection of R105m in 1978 fell to R50m last year. 'There is a good chance,' says Kotzee, 'that we will not have to ask the government for any more assistance. We are in fact working towards a dividend.'

But, he points out, on a total asset base of R3 000m, profits of R300m to R400m would be required to be comparable to private sector targets.

Steel export prices are not taken into account when reviewing the local price, so domestic consumers do not subsidise export losses, adds Kotzee. Sales abroad which absorbed nearly 40% of Iscor's total production in 1978-79 dropped to 32% in 1979-80 as local demand picked up. They are projected to fall to about 26% in 1980-81, which is not too bad, since international demand is weak and export prices are lower than local prices.

'We would have earned R200m more in 1979 if we had sold exported steel locally,' says Kotzee. 'But we do not lose on exports. We have never been in a position where we have not recovered our variable production costs plus an appreciable por-

tion of our fixed costs. In fact, some of the few steel companies that can still compete successfully in export markets.

But there is some concern over the effect on exports of the appreciation of the Rand against the dollar, since most steel sales are made in dollars. So the situation will probably deteriorate.

Other steel manufacturers agree that a straight comparison cannot be made between local production costs and buying prices in countries of sale in an attempt to determine whether steel is being exported at a loss. Argues Kotzee: 'Export prices are lower than domestic prices. But our export operations nonetheless contribute to our profit by pushing up plant capacity utilisation and enabling us to recover fixed costs. We don't dump steel overseas. Or if we do, then everybody does.'

In any event, the increase in the steel price is probably no more inflationary than is inevitable, as it is clearly about the minimum necessary to keep Iscor in the black.

STEEL PRICES

Sanity at last ^{Fm} 27/6/80

Prices across the whole spectrum of the steel manufacturing industry rose last week by an average of 14%, accompanied by widespread portents of inflationary doom. But in terms of return on capital in the state-owned steel maker, Iscor, the rise was modest indeed.

Iskor spokesmen have said the increase will affect the consumer price index by no more than 0.4%. Other economists have argued that its effect throughout the economy on a wide range of production costs will be more severe.

The steel price is reviewed annually by

CPI rises over 14% over the past year

244 RDM 2/7/80

By VITA PALESTRANT
THE Consumer Price Index rose by 1,1% last month, and by 14,1% during the year ending in May

Over the past year the CPI has been steepest for middle income groups, increasing by 14,4%, while high and lower income groups have risen by 14% and 13,8% respectively

Last month the CPI rose by 1,2% for middle income groups and by 1,1% for higher and lower income groups

These figures have been released by the Department of Statistics in Pretoria

A major increase in the May CPI was reading matter —

which increased by a staggering 30% — and by 40,6% over the past year

Food, which is still running ahead of the CPI, now stands at 16,1% over the past year. During May it increased by 1%

In the food sector, major increases during this period were grain — up 2,1%, fish — 1,3%, milk, milk products and eggs — 1,4%, vegetables — 2,6%, Sugar — 2,3%, coffee and tea — 0,9%

Cigarettes increased by 3,5%

On a more optimistic note, household operations — up by 18,3% over the past year — dropped by 0,2% last month and

cleaning materials — up by 24,8% over the year — decreased by 1,5%

Domestic workers were paid 13,9% more over the past year, and 0,4% more in May

Transport rose by 1,6% with vehicles costing 3,6% more

Running costs of vehicles rose by a marginal 0,8%

Every month the Department of Statistics analyses masses of information about the cost of goods and services in 11 major urban areas. These are processed to make up the CPI

Consumer Mail publishes the CPI on a monthly basis as a service to its readers

	May 1980	April 1980	May 1979
ALL ITEMS	171,9	170,0	150,6
Lower income group	168,6	166,7	148,1
Middle income group	171,9	169,8	150,2
Higher income group	172,9	171,0	151,7
FOOD	173,3	171,5	149,2
Grain products	182,4	178,6	153,9
Meat	161,8	161,4	131,8
Fish	192,9	190,5	176,6
Milk, milk products & eggs	161,0	158,8	141,0
Fats & oils	179,6	181,1	161,9
Fruit	161,3	161,8	151,5
Vegetables	165,9	161,7	142,6
Sugar	244,8	239,4	224,6
Coffee & tea	240,3	238,1	226,7
Other	174,4	172,2	157,5
COLD DRINKS	173,6	174,7	161,2
ALCOHOLIC DRINKS	160,5	160,5	147,8
CIGARETTES, CIGARS & TOBACCO	155,8	150,6	144,4
CLOTHING & FOOTWEAR	153,9	153,5	141,9
Clothing	145,6	145,1	137,7
Footwear	197,9	197,6	165,9
HOUSING	146,8	145,2	134,8
L & POWER	223,6	223,0	188,0
FURNITURE & EQUIPMENT	155,1	154,9	144,7
Furniture	137,4	137,4	129,6
Appliances	151,7	151,7	140,7
Other	166,7	165,9	152,7
HOUSEHOLD OPERATION	206,5	207,0	174,6
Cleaning materials, etc	188,5	191,3	151,1
Domestic servants	212,7	211,8	186,8
Other services	193,7	193,7	161,2
MEDICAL CARE	161,0	161,0	139,5
TRANSPORT	208,1	202,9	171,9
Vehicles	183,5	177,2	165,9
Running costs	245,8	243,8	188,1
Public transport	164,9	164,9	149,0
COMMUNICATION	118,6	118,6	101,3
RECREATION & ENTERTAINMENT	161,2	161,1	150,8
READING MATTER	219,4	168,8	156,0
EDUCATION	201,9	201,9	176,9
PERSONAL CARE	165,5	165,5	152,4
OTHER	171,4	171,0	142,5

7/7/80 ARYNS

Retail sales up 25 percent

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RETAIL sales in the Peninsula for the first quarter of this year showed a 25 percent upsurge to R365,6-million over the same period last year, according to the latest Cape Chamber of Commerce bulletin

The improvement is better than in Johannesburg where the sales showed a 20 percent improvement from R397,1-million to R477,5-million.

The national average was also around 20 percent, rising from R2 760,2-million to R3 315,9-million

Cape Town probably started from a lower base during the recession, which lasted longer here than in other centres, so the additional increase may be slightly misleading

The best growth performance was in domestic

furnishing, where national sales increased by 46 percent from R25,4-million to R37,1-million.

Next came domestic appliances from R2 760,2-million to R3 315,9-million

Other sectors with good performances were domestic hardware (34,7 percent), television sets (39,5 percent), jewellery (30,7 percent) and non-edible groceries (30 percent)

+ 3

Prices of 200 items still rising

Staff Reporters

PRICES on a wide range of items are continuing their rise at retail outlets — and butchers say they may have to pass on higher costs to consumers.

Two major supermarket chains confirmed yesterday that prices on nearly 200 items were continuing to rise. The latest round of increases began about a month ago when supplier cost hikes, including those on petrol and packaging, were passed on.

Spokesmen for Pick 'n Pay and Checkers said prices on nearly all items had risen between 5% and 20%.

The chairman of the South African Meat Traders' Association, Mr L Salber, said the floor price of beef had increased by 15c a kilogram and mutton was now 20c to 30c above the usual floor price.

He said this was caused by a seasonal shortage of supplies and adverse climatic conditions. Mr Salber confirmed there was a slump in meat buying, but this is because people have less money in their pockets due to the drastic increases on other consumer goods.

He predicted rising prices would right themselves later in the year and return to normal.

Local butchers say they are absorbing the higher prices, hoping they will drop in the near future.

are holding steady, but we're paying a totally unreasonable price for the lower grades.

"The market fluctuates from day to day and we try to look at prices over a period of time. At this moment we haven't any intention of adjusting prices," he said.

A random selection of basic consumer goods at two leading supermarket chains reflected price increases across the board.

Margarine has risen 15% for bricks and 15% to 22% for tubs over the past month.

Other items are listed below with their percentage rise in brackets: dog food (13%-19%), health drinks (20%), condensed milk (5%-13%), biscuits (5%-13%), breakfast cereals (7%).

Non-food items which are going up include pool chlorine (10%), household antiseptic (8%) and deodorant (10%).

Up, up, up goes South Africa's cost of living

Sow. Times (Bus.7) 13/7/80 (244)

By VERA BELJAKOVA

CONSUMER prices continue to rocket and the average South African now pays 270% more for items than he did ten years ago.

Taking all consumer goods, including food, into account, the Vaal Triangle's prices rose by a staggering 272% during that period and the Witwatersrand's by 275%.

Consumers on the Witwatersrand now pay 75% more for their food than in 1975

Price rises since 1975 have hit Port Elizabeth and Pietermaritzburg worst — 77% and 80% respectively

The Vaal Triangle registered 54% and the Witwatersrand 53%

The Vaal Triangle's food prices leapt a dramatic 20% during the year ending May 1980

But Pietermaritzburg's food prices jumped by 21%,

Food Item	1970 R/c	1975 R/c	1980 R/c
White bread	9	16	31
Brown bread	8	13	21
Mealie meal	18	30	62
Tea 250 g	42	57	1,30
Coffee 250 g	47	81	1,31
Milk, litre	13	25	36
12 large eggs	31	43	73
Butter 500 g	43	66	1,03
Rump steak	1,23	2,53	3,86
Cheese 1 kg	81	1,66	2,61
Tomatoes 1 kg	31	56	90
Potatoes 1 kg	15	23	37
Oranges 1 kg	14	20	43

while on the Witwatersrand they increased by 16% — the average for the whole country

Only Kimberley, Klerksdorp and the Orange Free State goldfields registered smaller increases of 14%, 12% and 14% respectively

Consumer items rose by 14,1% on average during the past year.

Motor vehicle running costs raced ahead by a re-

cord 31%, while household cleaning materials rose by 25%

Grain products rose in price by 23% and meat prices leapt by 18,5% Reading matter, though, went up only a modest 4%

For the year ending May 1980, Pietermaritzburg again broke the record by registering the steepest annual increase of 16,1% for all consumer items, fol-

lowed by Kimberley (14,8%), Durban (14,6%), Witwatersrand (14,5%), Bloemfontein (14,3%), East London (14,3%), Port Elizabeth (14%) and Vaal Triangle (13,9%).

Citizens fared better in the OFS goldfields (13,7%), Pretoria (13,2%), Cape Town (13%) and Klerksdorp (12,7%).

Nevertheless, food prices are lower than in many other Western countries and, therefore, local percentage expenditure on groceries by whites is the lowest of the Western World

Five years ago, whites spent only a paltry 18% of their total household budget on food, compared with Ireland's 31%, Canada's 21% and Denmark's 21%

Britain, Switzerland and Finland spent 20% of their budget on groceries, according to a report by the Bureau of Market Research, which unfortunately only shows figures for 1975

Another June jump in CoL

244

NDM

23/7/80

By HAROLD FRIDJHON

THE CONSUMER price index (CPI) rose by 1,57% in June compared with the numbers for May. Living costs for the mid-lower-income group jumped 2,4% while those for the middle-income group went up 1,8%. The higher-income group index gained 1,2%.

On a year-on-year basis the the June CPI moved up 14,57%, against May's increase of 14,14% compared with May 1979.

The main items which influenced the June CPI were price rises in meat (0,2%), vegetables (0,1%), other foods (0,1%), housing (0,5%), furniture and household requirements (0,2%).

June's increase on May of 1,57% is the highest monthly increase since June 1979 when the CPI leapt 3,6% on May of that year.

Looking at the trend of last year's increases for some discernible pattern it is apparent that the CPI moves up faster in June than in any other month and if there is any consolation

to be drawn from the current figures it is that this year's gain is less than last year's.

After June last year, the month-on-month gain slowed down until October when it rose, slowly at first and then sharply in December and January. After an easing in February it has gained at a steady and regular beat during the three months to May before turning up sharply last month.

There is possibly a seasonal pattern which cannot be overlooked. Prices of food and vegetables move up during the winter months when farming conditions become difficult. It is possible also that prices tend to harden during the Christmas period when full purses result in demand outstripping supply.

The probable reason why the lower-income group index rose faster than those for the other two income groups is that food absorbs more of this group's disposable income than in the other two groups. Thus the increases in food prices which occurred in June gave a spurt to this particular index.

Duduza to fight a bus fare battle

THE Duduza community council in Nigel is flexing its muscles.

It meets next Wednesday afternoon to discuss ways and means of rejecting the proposed bus fare increases in the township by the Nigel Town Council — due to come into effect on August 4.

Mr Johnny Mokote, deputy chairman of the community council, said yesterday. "My council was not approached by the town council before it decided to increase the bus fares and as far as we are concerned, the increases are not official."

NOTICES

The town council, which owns the bus service operating in the township, has issued notices that bus fares will be increased by 5 cents and 10 cents — as from August 4.

A spokesman for the council said this week that the fares for a single trip from the township to town will be increased

from 25 cents to 35 cents and season tickets from R1.85 to R1.90. But residents have come out strongly against this.

Mr Mokote said: "We are going to block the town council from increasing the fares, because in the first place we were not consulted. We were

only informed that bus fares will be going up." He said they also received a letter from the town council stating that it was not for the community council to approve the bus fare increases, as the town council had already decided to increase them.

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Lebowa bus fare hikes stayed off

35

24

By MATHATHA TSEDU

BUS FARES in areas served by Lebowa Transport are definitely not going up next Monday, the company's group manager, Mr H T Brooks, told POST yesterday.

Mr Brooks said the delay was due to an application by the company to the Department of Transport to subsidise casual passengers as well. The department previously subsidised workers' weekly fares only.

The increases were supposed to be effective from Monday, July 28, but the postponement is now indefinite, Mr Brooks said. He could not even speculate on any likely future date on which the fares may be increased, he added.

He said his company was doing all it could to keep the actual increase

for the passenger as low as possible through subsidies and would not increase fares until negotiations with the department are concluded.

He said the department had already agreed on a further 50 percent subsidy for the workers' weekly fares. He appealed to the public to wait for official notification through the news media and pamphlets at local depots. His appeal came as commuters in Seshego were threatening to boycott the buses on Monday and walk the 12 kilometers to Pietersburg, should the increases be implemented on that day.

My inner-consciousness

made its decision.

I am as it were ; seperated

0021/7/50

Council wrangle over bus fares

2/2/50
2/4

EAST LONDON — Election fever seemed to grip the city council here last night, with virtually every councillor determined to have his say

Their main vehicle was the bus service — they took more than 20 minutes to postpone a proposal that bus fares be increased by 22 per cent.

The decision was not an easy one. Councillor after councillor stood up to say a few words, most of them taking an opportunity to hit out at the bus service, until the man responsible could take it no longer.

"Every time we deal with bus fare increases, we get the same old complaints," said Cllr Glen Warner, who holds the transport portfolio.

"But the fact remains we are losing R600 000 a year on our bus service

and this has to be cut."

Cllr De Lange (snr) was not prepared to let things ride.

"We are cutting off our noses to spite our faces," he warned.

"People will realise it's cheaper to use lift clubs than to use public transport."

He was supported — "for once in my life" — by Cllr Fred Stakemire, who said the municipality should encourage people to use buses, not scare them away.

"We should keep the fares low to try and secure mass utilisation," he said.

The deputy mayor, Cllr Errol Spring, backed Cllr Stakemire but said the bus service led them in a vicious circle.

They were putting up prices to cut losses, but

the higher fares meant a cut in passengers.

"Where do we go?" he asked in desperation.

After Cllr Warner had his say, the matter was put to the vote and, after much deliberation, the proposed increase was turned down.

The mayor, Mr Donald Card, apologised for the abnormally long meeting last night after lengthy discussion on a number of minor issues.

"As you've probably noticed, election day is drawing near," Mr Card said. Nominations for the elections must be submitted to the town clerk, Mr J J Human, by noon today.

Nomination day, when the names of candidates will be announced, is August 12. Election day is September 3 — DDR

Motoring costs ⁽²⁴⁴⁾ up 300pc ^{Jan 31, 7/80} since '70

Latest figures released by the Automobile Association reveal that the purchase and ownership costs of a popular medium (1600 cc) car have increased threefold over the last 10 years. While a popular medium car cost R2 000 and 6 cents per kilometre to run in 1970, the price of a similar car in 1980 would

be R6 000 and cost 18 cents per kilometre to run. In its golden jubilee year the Automobile Association has published a new revised ownership cost schedule, based on purchase price and annual distance covered. The association says the cost of owning and operating a car is a major

expense for South Africa's millions of car users and owners. For some, it may be their largest single expense, for many it is second only to food and housing. When a motorist considers which mode of transport would be more economical, only the car running cost should be

compared, as standing costs such as insurance, licence and registration fees are obligatory. The AA urges owners to keep a record of all expenditure to determine costs, but for members who find this a chore, the figures contained in the ownership cost schedule, should prove a ready and useful guide.

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Wholesale index gives CoL hope

By HAROLD FRIDJHON

IF the wholesale-price index is any indication — and it is only an indication — there would appear to be reasonable hope that the rate of increase in the consumer-price index (CPI) might begin to slow down.

In June the wholesale-price index dropped, both on a month-against-month basis and year-on-year

Compared with May 1980, the June index was shaved from a 1.30% increase to 1.29%. And compared with June of last year, the gain was cut down from May's 16.89% rise to 15.88%.

NDM 1/8/80
What is encouraging is that on the year-on-year basis, the wholesale index has come down from 18.4% in November 1979 and from steady 18% pluses which persisted until March. Since then, there has been an easing.

But the drop in the wholesale price index does not automatically indicate that the CPI will start immediately to slide. Some of the lower wholesale prices can take months to work through to the retail end.

And even then there are other factors in the CPI which are not directly related to the wholesale index.

Rocketing red meat ^{meat} price hits ^{Argus} the budgets ^{2.40}

THE rocketing price of red meat in Cape Town is playing havoc with the budgets of embattled housewives and there are increasing calls for an inquiry into South Africa's meat industry.

The price of lamb in Cape Town has doubled since the beginning of the year.

Beef has risen between 30 and 40 cents a kilo since last week.

By December the price could be well over R2 a kilo according to Mr Malcolm Simpson, general manager of Pick 'n Pay butcheries for the Western Cape.

Mr Simpson said by December the price of red meat would be 'frighteningly high' with beef more than R2 a kilo and lamb and mutton as much as R3 a kilo.

FLOOR PRICE

At present the floor price of beef is R1.80 a kilo, including the bones.

'Deboned,' he said 'supermarkets will have to charge 30 to 40 cents more a kilo if they are to get the same return as previously.'

However, prices in Cape Town were still lower than in Johannesburg and Durban, where beef was already more than R2 a kilo.

Lamb prices had risen about 100 percent in eight months, he said.

In January this year, lamb had cost R1.59 a kilo.

At present the super and first grade cuts sell at around R2.63 a kilo.

EXPORTS

Mr Raymond Ackerman, chairman of the Pick 'n Pay organisation said even white meat, in the form of chickens, was rising steadily in price.

Chickens are being exported from South

Africa at under R1 a kilo,' he said.

'A year ago the price of chicken here was R1 a kilo. In January it was R1.10 and now it ranges from R1.10 to R1.50.'

'It is frightening to think what the price will be in December.'

Mr J Mynhardt, branch manager of the Meat Board in Cape Town said the short supply of the high quality beef was normal in Cape Town for this time of the year. But it was doubtful that prices would drop.

PROFITS

Mrs Peggy Borckenhagen, president of the Housewives' League in Cape Town said the situation was appalling.

'It is not the farmers who are getting the money. We want to find out who is,' she said.

Local butchers called meat costs 'outrageously unrealistic' and alleged upcountry wholesalers were buying up much of the Western Cape's meat and transporting it to centres like Johannesburg.

One owner said it would soon become impossible for butchers to make pure sausage and boerewors.

Mr Rupert Forimer, PFP Member of Parliament for Orange Grove, is compiling a dossier of complaints and allegations about irregularities and problems within the meat industry.

15 pc rise in clothing prices seen

By Tom Hood **244**
DEARER clothing is on the way after three years of price rises held below the inflation rate.

Wage increases, higher costs of raw materials, late deliveries of fabric, shortages of skilled workers and higher import duties on textiles will all make an impact over the next 12 months.

A jump in shop prices of between 15 and 30 percent is forecast by Mr Jessel Sundy, group merchandise manager of Frasers, clothing wholesalers and retailers.

Any benefit from the ending of the 7.5 percent import surcharge will be wiped out by higher manu-

facturing and transport costs, he says

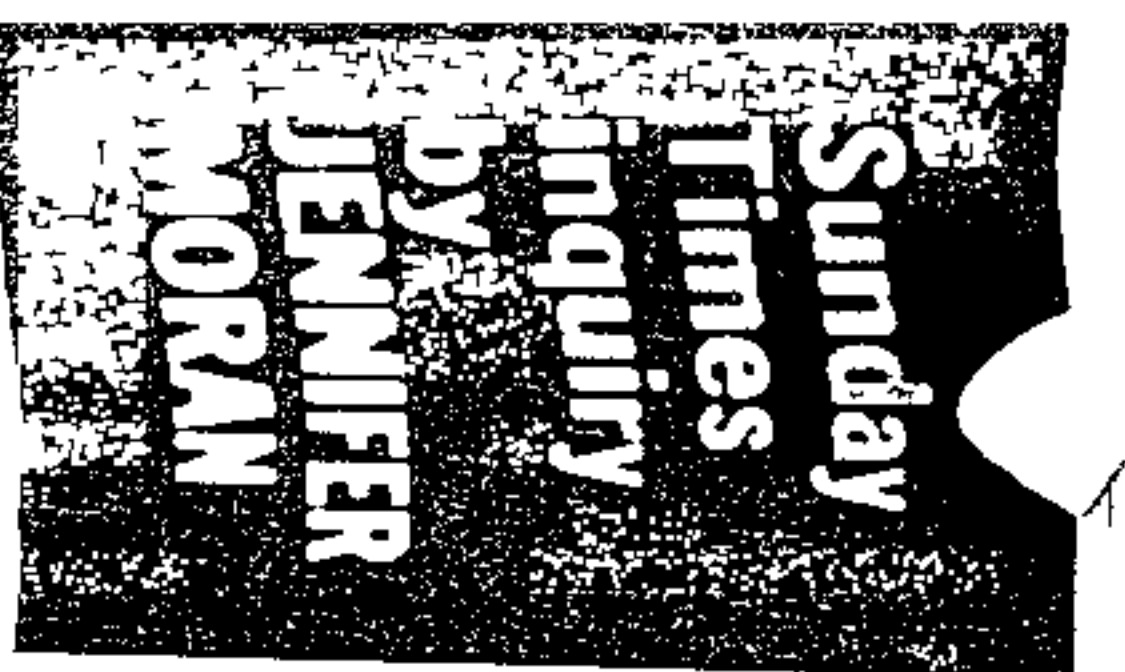
Clothing manufacturers agree that prices must rise, but believe they are unlikely to go up by more than 15 percent

'There is tremendous competition among garment makers and this will prevent anyone raising prices too sharply,' said the National Clothing Federation's president, Mr Simon Jocum

PASS-ON COST

'With the business upturn and shortages of labour and fabric, manufacturers must simply pass on cost increases'

In the past year clothing prices rose by 10 percent and by another 10 percent in the previous year. Prices went up by only 5 percent in the year before that.



Look Now ^{3/8/80 SUN TIM} ²⁴⁴ Your rand has shrunk!

SINCE 1976, SOME ITEMS ON YOUR SHOPPING LIST HAVE NEARLY DOUBLED IN PRICE

1975	1979	1980
16c	23c	31c
35c	67c	1410c
R2c	207	R3 65
4.3c	33c	72c
24c	33c	8c
30c	33c	8c

FOR every 60c you spent on food in 1976 you now have to spend R1 Department of Statistics figures show that from May 1976 to June this year the consumer price index for food rose from 105.2 to 176.0 for buying terms this means that in 1976 rand only buys 59.8c of what you buy today

(Overall the index, which includes such items as clothing, household operations, transport costs, fuel and power for housing as well as food, rose from 109.8 to 174.6 in the same period This means that overall you need R1 to pay for what used to cost 62.9c

In May 1976 A Sunday Times shopping survey taking a general grocery list showed a price increase of 44 per cent since 1976

The shopping basket that cost R11.84 in 1976 now costs R17.05 Some products have nearly doubled in price

Cooking oil rose from 59.5c to 95c Apricot jam rose from 32c to 65c and dropped in weight from 453 g to 450 g

The cost of breakfast has risen sharply

In 1976 six extra large eggs cost 23c Now they cost 36c Middle ba-

con, which cost 58c for 250 g then, will set you back by 94c now A breakfast cereal which cost R1.14 now costs R1.76

Pineapple rings rose from 26c to 39c, dropping 14 g in weight over the same period.

Soap, which remained fairly stable between 1974 and 1976, rose from 18c to 29c

Fresh fruit and vegetables — once the fallback for those who couldn't pay the price of frozen vegetables — are also on the rise. Six Granny Smith apples cost 37c four years ago Today they cost 59c

Two litres of ice-cream has increased from 95c to R1.54

Tinned foods are also up. Butter beans are up from 16c to 23c for a medium size tin and a tin of baked beans is up from 21c to 25c while dropping 19 g in weight

At first glance it looked as though only one item had dropped in price Frozen pastry was down from 43c to 41c, but on closer inspection it was noted that while the packaging was similar, the mass had dropped from 450 g to 400 g

On basics it was obvious that a large portion of the increase in prices had been added in the last year

Coffee which rose most of all from 82 cents to R3.65, is a special

case! There is a worldwide shortage caused by frosts in Brazil

1975	1979	1980	
white bread	16c	26c	31c
1 litre milk	30c	33c	41c
250 g margarine	24c	36c	48c
dozen eggs	43c	67c	72c
500 g coffee	82c	R2.07	R3.65
2.5 g sugar	39c	R1.03	R1.09
total	R2.34	R4.72	R6.62

And meat prices have increased astronomically In 1976 pork chops were R1.20 a kg They now cost R3.74 a kg Mince rose from R1 to R2.79 a kg and porterhouse steak from R2 to R5.22 a kg

Metrication has meant that while prices continue to soar, the weight of many products has dropped — you may be getting less for more money and not noticing

Manufacturers have been changing the weight of many products to comply with the metrication ruling of units of five. This means that tins which weighed 453 g are converted to 450 g

But in the Sunday Times shopping survey it was noticed that some items had dropped by as much as 19 g In several cases the packaging of the products was very similar to the old packaging

National secretary of the Housewives' League, Mrs Toni Frere, said that while it had been common knowledge that manufacturers would be complying with the metrication ruling, few consumers noted the change in the weight of products

"People noticed things like biscuits, where there was an obvious change, but on many products people are inclined to think they are the same size as they were. It is only if they put the article next to an old one on a shelf that they see the difference

"Consumers must watch out for the discrepancy in weight," she

Clothing prices will soar

(244) RDM 5/8/80

Industrial Reporter

CLOTHING prices in South Africa will rise by 15% to 30% in the next six to 12 months, according to Mr Jessel Sundy, merchandise manager of Frasers, the clothing retailers.

In a statement, Mr Sundy said little relief could be expected from the abolition of the 7.5% import surcharge because the increase in costs of many processes in the manufacture, transport and handling of textiles would absorb any price reduction.

"Over the next few months a certain amount of stabilisation will result from the withdrawal of the surcharge, but spiralling overheads will force prices up within three months," he said.

"Although there have been some increases in import duties on certain categories of textiles, several applications for additional duties on other categories have been made.

"This has further aggravated the situation as many manufacturers import textiles to supplement their range. The higher import duties on textiles are expected to result in price hikes of between 20% and 30%.

"The wage and other increases will, in themselves, cause a 10% to 20% increase," Mr Sundy said.

He said certain manufacturers who had quoted prices in March were now requesting an increase in the price of merchandise already booked, to avoid taking the full brunt of wage increases.

It appeared, he added, that local mills could not supply the industry as clothing manufacturers were not able to quote on fabric for delivery within the next three months.

This was because many textile mills were quoting delivery times well into the latter part of this year, and some were quoting delivery in 1981.

"It therefore appears that textile mills, by the size of their order books, are presently rather booked up. As a result, clothing manufacturers are not

likely to be able to satisfy the demands of the months ahead," said Mr Sundy.

"The lead time to import fabric is up to six months and this, together with the very high duties and certain labour problems currently being experienced, will surely retard delivery efficiency.

"Particularly hard hit are the Cape Town clothing manufacturers, who had to grant wage increases in July to offset increases in bus fares. This, coupled with the coming 10% wage increase in December, will certainly inflate prices further," he said.

9

Price fear as wheat cost rises 21pc

8/8/80
C. T. B. K.
2/1/1981
2/4

Farming Correspondent

The cost of wheat production had risen by about 21 percent, a spokesman for the Department of Agriculture said in Pretoria today. This would make a substantial increase in the price of wheat inevitable.

Price recommendations were being considered by the National Marketing Council and the Minister, Mr Schoeman. Production estimates for the crop still to be reaped were around 1.5 million tons which was 300 000 tons less than local consumption. At present prices, a spokesman for the Wheat Board said

There was a carry-over of about 500 000 tons so the extent of wheat exports was a policy decision to be taken with next year's supply in mind.

Production in the Free State would be down by 500 000 tons and would not exceed 700 000 tons.

In the Cape, the estimate was that about the same crop as last year would be harvested, about 600 000 tons. If rains did not fall in the weeks ahead the final figure might be much less.

In the Transvaal the Springboks had done well.

Producer prices for wheat were only one factor in determining the price of bread, the spokesmen said. The subsidy the Cabinet would decide was the other.

Farmers commented that because of the smaller supply of wheat, the case for a shift of Government policy to maize meal would appear to have strengthened.

Wheat

Wheat
may go

244

up 15%

from 8/8/80.

SOON

By GERALD REILLY
Pretoria Bureau

THE Government is expected to approve an increase of at least 15% in the price of wheat from the start of the new season in October, it was learnt in Pretoria yesterday.

The Wheat Board's price recommendation was forwarded to the National Marketing Council at the end of last week.

If the increase is approved it could lead to another rise in the bread price, unless the current Government subsidy of R148-million is increased. An announcement is expected early next month.

The bread price was last raised in April, when the price of a white loaf went up from 26c to 31c, and the price of brown and wholewheat bread from 16c to 20c. The subsidiary on a white loaf is currently 4 32c and on brown bread 11,29c.

However, Government sources in Pretoria believe the Government will raise the subsidy to delay another bread price rise until after next year's budget, at the earliest.

The wheat price was increased last year by 34%, after the price had remained at the same level for two years.

The general manager of the Wheat Board, Mr J van Aarde, declined to comment on the board's recommendation.

He did say, however, that producers' costs had risen steeply during the past 12 months, and that there was ample justification for a price adjustment.

Another factor supporting farmers' demands for compensation is the fact that this year's drought-hit crop is expected to be the smallest in 10 years.

For the first time since the late 1960s it is probable that wheat will have to be imported to meet the local demand.

The shortage could be as much as 300 000 tons.

Duduza bus hikes deferred for a month

By Mzikayise Edom

THE bus fare increase in Duduza, Nigel, has been suspended for a month until all the residents have been informed.

The increases, by 5c and 10c, were supposed to come into effect on Monday, but were stopped by the local community council. They were introduced by the Nigel Town Council, which owns a bus service operating in Duduza, but the local community council stopped the increases, which claiming that it was not con-

sulted when they were introduced

Mr Johnny Mokote, the deputy chairman of the community council said yesterday that a public meeting will be held on August 24 at the church hall, where the community will be informed about the proposed increases

He said, "We cannot allow the town council to increase the fares without consulting us and the community. The community must first be informed and they should be allowed to give their views concerning the increases."

A spokesman for the Nigel Town Council confirmed yesterday that the increases have been suspended for a month.

He said, "The community council asked us to suspend the increases for a month so that they could consult the residents first and come back to us so that we can hold further talks on whether to increase the fares or not."

The fares were supposed to have been increased from 25c to 35c for a single trip from the township to town and from R1,85 to R1,90 for a season tickets

STAR 18/8/50
Fuel hike forced
Putco fare rises

Own Correspondent

The huge hike in the fuel price last year forced Putco to apply for increased bus tariffs

This was said by Mr A P W de Klerk, representing Putco at a National Transport Commission hearing in Pretoria today

The application follows a Supreme Court ruling in November which set aside tariff increases in the Witwatersrand area which were approved by the local Road Transportation Board in Johannesburg in October last year

Mr de Klerk said the average increase being asked for was 22.2 percent. The highest was 28 percent and the lowest nothing

He said last year's increased fuel prices pushed up the cost of Putco's fuel in the Witwatersrand area by R4.3-million. Putco has 1 075 buses operating in the area

Replying to a question by Mr B Slabbert, chairman of the commission, Mr de Klerk said similar increases were approved for the Pretoria area and would be implemented by the end of November

(Proceeding)

WITWATERSRAND (20)

Fare hike case in for gruelling time

BUSFARE increase objectors will argue against Putco's renewed bid to increase their fares when their case is heard before the Road Transportation Commission in Pretoria today.

Black community leaders and organisations opposing the increases held meetings and consultations last week, gearing themselves up for a total opposition against the increases which will affect routes in the Witwatersrand and parts of Pretoria should Putco win the case.

The war against Putco's fare increases started last year when the company increased them by between five percent and 25 percent in areas throughout the Witwatersrand and Pretoria.

The increases were challenged by a black woman, Mrs Kathleen Mull-

gan, who argued that the increases were not properly advertised — maintaining that the notice in the Government Gazette was not properly published and inadequate.

A Supreme Court judge, Mr Justice Melamet, later set the increases aside on procedural grounds, which forced Putco to lower their fares to their previous fares on all routes affected by the increase.

But the bus company shocked commuters when they almost immediately re-applied and re-advertised the same increases on the same routes.

The re-application prompted objections from commuters who are now prepared to argue against the increases saying blacks cannot afford them.

Putco has succeeded in increasing fares in most routes in Pretoria after objectors' case had failed before the Road Transportation Board in that area.

Bloem youths stone buses

VIOLENCE erupted in Bloemfontein yesterday when buses were stoned as an increase in bus fares came into effect.

The service was withdrawn by the bus company and reintroduced later in the day with a police escort

The violence broke out when a bus boycott planned failed to materialise. The boycott had been called after fares had been increased from 15 to 20 cents. This increase came into effect yesterday.

A spokesman for Bloemfontein City Council said four buses had been damaged by noon yesterday and the service withdrawn. This was resumed when police escorted the buses against stone throwers.

Pamphlets of the planned "Azikhwelwa" were

distributed around the township at the weekend

As early as 4.30 yesterday morning many people were seen walking from Lower Phahameng, Bochabela, Malay Camp, Batho, Cape Stands and

Mathomola townships into the city. The only commuters who used buses were people staying in Rocklands which is a little far from the city.

Police vans in great numbers were seen in the township Moshoeshoe

Drive and the Old Dewetsdorp Road which leads into the city

Taximen and pirates made brisk business as most commuters rushed for their cabs in the midst of the boycott.

1974/12/18
332

214 Post 20/2/80

Fare rise is explosive - Tutu

DISSATISFACTION over transport was the classical sort of trigger that could cause an explosion, Bishop Desmond Tutu said in an affidavit at the National Transportation Commission into Putco's application for fare increases held in Pretoria yesterday.

Bishop Tutu was one of the objectors called by Mr A Chaskalson SC of Legal Resources, who represented a group of black leaders and organisations "who object to the fare rises in the Witwatersrand and Vaal complex

The hearing entered its second day and is led by Mr B Slabbert (chairman) assisted by Mr M J van Zyl and Mr E F Niksch. Bishop Tutu said there was a long history of bitterness over the perceived inadequacies of the transport service, and the high proportion on their budget that blacks had to spend on transport. "I am concerned that an increase in bus fares this time will disrupt fa-

...mily life," he said. Another objector, Dr Nthato Motlana said "There is a burning sense of grievance when people ask why they should pay what is a direct cost of apartheid." Dr Motlana said the cost of bus travel was beyond most people, as prices were rising everywhere, while salaries did not keep pace. People also complained that bus drivers were rude and did not give them their proper change

Mr Richard Ismael said Putco did not have a good image with the people and its buses were regarded as dirty and uncomfortable. Earlier the National Transportation Commission turned down an appeal by Mr Chaskalson that Putco should reveal its financial position during the dispute. The financial status of the company was known only by the Commission and the company's legal representatives, he said

Increases for the Pretoria area have already been granted and the hikes will come into effect at the end of September, while applications for the company's Durban routes are still to be presented to the board in that area. Mr Chaskalson said he believed the bus company was making substantial profits out of the community and that enormous sums kept in reserve could be used to carry fuel increases

He appealed that the application for increased fares be dismissed. Mr Chaskalson recommended to the commission that if its conclusion favoured Putco, it should in turn make a recommendation to the Government to increase Putco's subsidy and postpone such increases until the Government had agreed to the recommendations.

and attitudes towards problems and people. The fact that the interviewer is from out of the organization helps the interviewee to express his feelings freely, primarily because he is not afraid of the reactions of the interviewer and of the possible results of this catharsis.

It is not always possible, however, to interview all the members of the organization, and we therefore make use of questionnaires. Personal interviews with several organizational members serve as a basis for the preparation of an "attitudes questionnaire". This attitudes questionnaire is subsequently distributed to all members of the organization. The questionnaire does not serve for probing in depth the feelings of people, but is a more quantitative technique, striving at a much more systematic and wide coverage of the organization. The people, who are requested to respond to the questionnaire, are promised that their personal responses will be kept secret, i.e. that individual answers will not be disclosed to any other member of the organization, or that the identity of the respondents will not be made public. The questions are generally prepared in such a way that a respondent can choose one out of several pre-established answers to a question. Following are two examples of questions which might appear in an attitude questionnaire.

PLEASE CHECK THE CATEGORY WHICH MOST NEARLY APPLIES TO YOUR FEELINGS WITH REGARD TO EACH OF THE FOLLOWING QUESTIONS

- All things considered, how satisfied are you working for the organization?
- Very satisfied
 - Satisfied
 - Dissatisfied
 - Very dissatisfied
- Do you feel that your job responsibilities and what is expected of you are clear?
- Very clear
 - Clear enough
 - Not clear enough
 - Definitely not clear

Bus fares go up 10 percent — but pensioners let off

244
Municipal Reporter
244
Municipal Reporter
244
Municipal Reporter

Municipal Reporter
It's official Johannesburg commuters will have to pay 10 percent more for their bus fares next month.
The Johannesburg City Council announced in its June budget that it wanted to increase bus fares. It has now received the

approval of the Road Transportation Board to introduce the new fares on September 1.
The new fares were advertised in major daily newspapers yesterday and the new tickets and coupons will be available as from Friday. Fares for pensioners will NOT

increase.
The increase is the first in two years and will bring in an extra R1.1-million. But the Transport Department's deficit is still expected to increase by about R2-million to R10-million, mainly because of increased fuel and wage bills.

The department has also applied to increase black bus fares, but has not yet received the necessary approval.
The new fares make provision for a special season ticket for Randburg residents who work in Johannesburg.
A new schedule for the

department's mobile ticket offices has been worked out to make it easier for commuters to buy tickets and to encourage them to buy coupons or season tickets.
Mr Gert Tighy, manager (management services), said the department was continuing its investiga-

tion into the possibility of staggering school hours to reduce peak-period demands on bus services.
It was also still considering restricting the special scholar fares to off-peak periods in 1982.

Moves ^{STAY} to keep ^{20/8/60} Putco fares down

Far-reaching recommendations have been made to prevent increases of black bus fares in the Witwatersrand area.

Mr Arthur Chaskalson, representing 35 people opposing a Putco application yesterday to increase fares, has asked the National Transport Commission in Pretoria to consider:

● Recommending to the Government that Putco be released from certain taxes in order to release its profits and not need to increase tariffs;

③ Asking the Government to increase its subsidy to Putco;

④ Asking the Government to take over commuter services for coloured and black passengers in the area.

Mr Chaskalson also asked the commission to postpone its decision on the application until the Government replied to the recommendations.

"If the Government refused assistance to Putco, the commission should take the unusual step of giving reasons for any decision it made, Mr Chaskalson said.

Replying on behalf of Putco, Mr A T W de Klerk said complaints against transport costs should be referred to another forum.

"It is not Putco's fault that people have been resettled further away from their work due to the Group Areas Act."

The hearing was adjourned.

2/18/50

(R44) SIMR

Meat prices take off

By Charlene Beltramo
Fair Deal Reporter

Prices for lower grade meat have soared — with first grade meat costing as much as super, and third grade costing only 20c less than super.

Butchers have rejected Meat Board claims that the high prices for lower grades are due to increased demand.

"We couldn't sell first grade meat even if we tried," a Johannesburg suburban butcher said.

"The public only want super"

A city centre butcher said he was paying the same price for super and first grade meat from his wholesaler "I'm selling both super and first grade rump at R4,50 a kg"

Mr Eddie Bielovich, chairman of the Master Butchers Association, said butchers' profit margins had "naturally declined with the dramatic meat price increases

"For any butcher to differentiate in selling

prices for grades is almost impossible Of course, we're encountering strong consumer resistance With inflation running at 15 percent and high meat prices, what do you expect?"

Mr Bielovich said that as an example yesterday he paid R1,64 a kg for super beef and for grade two beef he paid R1,55 a kg — a difference of only nine cents for meat two grades lower

Another butcher said he and some friends were

buying direct from the market to achieve slightly better profits.

"As examples my wholesaler today quoted me R2,64 a kg for super lamb. We bought it for R2,38 and it will sell for at least R3,20 a kg

"The wholesaler quoted me R1,78 kg for super beef, we paid R1,72 For first grade pig he quoted R1,98 and we paid R1,84 Half a pig will sell for at least R2,60 a kg"

The butchers again called for an investigation into the meat industry

Fare Hike Despite Millions

105 JUL 5 1980
MSA
Mr

BY NOLAN NGALE

DESPITE Putco's
COMMITMENT TO
OF R15,3-million, it
still plans to raise
bus fares by as
much as 50 percent
if it gets official ap-
proval.

Mr Andries de Klerk,
a Pretoria lawyer re-
presenting Putco, told
the National Transport
Commission yesterday
that the company had
no money to meet
commuters half-way

He was answering a
call by Mr Arthur
Chaskelson SC, for the
objectors, who appeal-
ed either for the Go-
vernment to increase
subsidies for Putco or
else for Putco to meet
commuters half-way in
increasing fares

The commission, chair-

ed by Mr B Shabert who
is assisted by Mr M J
van Zyl and Mr B T
Ntsho, concluded its
three-day hearing of Put-
co's application to in-
crease bus fares for the
Witwatersrand area. The
hearing was held in Pre-
toria

Altogether 35 Shack
leaders and organisations
oppose the proposed fare
increase. They were rep-
resented by Mr Chaskel-
son, assisted by Mrs F N
Kendridge, both of the
Legal Resources Centre,
Johannesburg.

OBJECTORS

Mr Donald Mateman, co-
chairman of the Commu-
ters' Watchdog Association
(Commwa) and Mrs Kath-
leen Mulligan (65), the
principal objectors, travel-
led daily between Johan-
nesburg and Pretoria to
attend the hearing.

The other objectors
were Mr Ismael Richards,
chairman of the Johannes-
burg Coloured Manage-
ment Committee, Mr Mu-
hammad Dargor, chairman

Mr Geoff Eudender, of the Legal Resources, with Mrs Sally Mateman (Mrs), and Mrs Kath-
leen Mulligan in Pretoria yesterday.

of the Commwa, Dr Ntho-
to Matema, chairman of
the Soweto Civic Asso-
ciation, Mrs Ellen Zungu-
yo, a leading social worker,
Mrs Sally Matema, presi-
dent of the Black Town-
wives League and Bishop
Desmond Tutu, general
secretary of the SAOC

Mr De Klerk said that
all allegations of bitter-
ness, resentment and un-
rest were matters of po-
litical nature. He urged
the commission not to
consider them in making
its findings.
He said it was clear

that Putco buses were
made the scapegoat for
other grievances and that
whenever a Putco bus
was stopped during dis-
turbances it was not that
the bus was the prime
target but that it became
vulnerable because it was
readily found at the
scene of unrest.

Mr De Klerk delivered
a detailed argument to
justify the amount of
profits Putco had retain-
ed. A report he said
Putco had to replace
buses which became re-
dundant and it was fore-

ed to respond to meet
public demand.

Earlier in the hearing,
Mr Chaskelson called for
a public inquiry into
Putco's financial affairs
in view of the belief held
by commuters that the
company was making
substantial profits at
their expense.

Advocate's and extracts
from Mr Theron and Ol-
lie commissions indicated
the anger and frustra-
tion felt in black com-
munities because of ris-
ing transport costs which
they could not afford.

The commission also
heard how poor black com-
muters were affected by
the Group Areas Act
which kept them long dis-
tances from their places
of employment, and how
low black wages meant
they could not afford
fare hikes

The commission reserv-
ed its findings, said Mr
Shabert. It needed time
to go through evidence
gathered during the three-
day hearing before it
could announce its find-
ings.

SA Official's are **MINUTE**

20512155

Egg price war unlikely

EAST LONDON — The egg price war which hit Johannesburg and Cape Town, leaving consumers puzzled and uncertain, seems unlikely to affect East London

"Pick 'n Pay have made in-depth inquiries into the matter and information from egg suppliers indicate East London's egg prices will remain stable," said general manager Mr Terry Carroll, from Port Elizabeth yesterday

The perishables' manager of Checkers, Mr Ian Bentley, said O K Bazaars had dropped their prices until the end of the week, but to the best of his knowledge Checkers would maintain normal prices

"Of course as a super market we might retaliate and undercut prices, but as yet I'm not sure," he said

The manager of O K, Mr A Selmour, said he knew nothing about the whole business and had no further comment to make

The news that Johannesburg and Cape Town egg prices which already have been cut by 4c a dozen, may be slashed even further, (in the Cape by up to 11c), has made independent egg producers fearful of their livelihoods

In the opinion of one supermarket, the Housewives League and a major independent egg producer the end result will be the consumer paying more for eggs

President of the Housewives League, Mrs Joy Hurwitz, suggested the Minister of Agriculture fix a minimum price for eggs to protect the farmers and the consumer from

monopolies or cartels. She said the poor who needed the protein in eggs, would be hardest hit if independents were forced out of business or into a cartel — DDR

CPI is ^{STAR}
23/8/80
down (24%)
this year

Pretoria Bureau

The Consumer Price Index for last month rose by 1,5 percent to bring the figure to 12,2 percent for the year ending in July.

The monthly CPI was, however, 0,1 percent lower for July than for June, according to figures released by the Department of Statistics in Pretoria.

The yearly CPI figures dropped from 14,6 percent last year to 12,2 percent this year. The lower income group is still carrying the highest proportion of consumer burden, for this year with a figure of 13,6 percent compared to 11,4 percent for the higher income bracket.

25/8/80
Star
Cafe owners make plea
for bread price rise

Fair Deal Reporter

The bread price may be raised in mid-September if the Government takes heed of a plea by cafe owners to give them a small profit margin on sales of loaves

Since the April increases in bread prices, cafe owners have been losing slightly more than one cent on each loaf they sell

Mr D Michos, chairman of the Tearoom, Restaurant Proprietors and Caterers Association, wrote to the Wheat Board

more than two months ago outlining this problem and appealing for a review of the pricing structure to assist cafe owners. He said the board had not responded

Mr E van Aarde, general manager of the Wheat Board, said the matter had been referred to the Department of Agriculture, "ultimately for the attention of the Minister"

"He will decide whether or not there should be an increase in profit margins. This should be finalised around about the second week of September"

Prices fixed, says transport board

Municipal Reporter

THE Durban Transport Management Board has discovered 'patently obvious' tyre-price maintenance which it will report to the Department of Consumer Affairs

In a letter which will be submitted to the City Council's Management Committee today, DTMB general manager Marshall Cuthbert says a tender inquiry considered by the board on August 13 showed some form of price maintenance was still being applied because prices submitted by various manufacturers were identical

This was in spite of the Government's abolition of tyre-price maintenance in 1978

The contract involved more than R400 000 and the DTMB was in no doubt that the council was being prejudiced

(26M) (244)
mm 20/8/80
'The board felt so strongly about this matter that it decided the situation should be reported to the Department of Commerce and Consumer Affairs for reference to the Competitions Board,' Mr Cuthbert said

The Tender Board adjudicated the inquiry last week and recommended the contract be awarded to Dunlop SA Limited

Of all the tyre manufacturers, Dunlop was in the best position to offer a lower price for bus tyres

Because it was situated in Durban, it incurred little or no transport delivery costs whereas other manufacturers had to make provision for transportation from the Eastern Cape.

'It only for this cost aspect alone, the council is being prejudiced by the price-fixing practice of the tyre manufacturers,' Mr Cuthbert said

Food prices already up 15 pc this year

25/8/80
244

Own Correspondent
CAPE TOWN — Soaring food prices — already up 15 percent this year — are fast eroding the tax concessions and higher pensions which put more money in the man in the street's pocket

The price of food is rising steadily at an average of three percent a month with no sign of a let-up, and drought conditions in many parts of the country are likely to lead to even higher prices in the future

The Government has already announced plans to import grain to make up the expected shortfall. This could also lead to further price increases

For the battered buying public, already reeling from earlier increases in the price of eggs, sugar, bread, milk and cheese, this month has been particularly bad.

A spokesman for a large supermarket chain explained that increases that had been announced earlier in the year for certain foodstuffs were only now

filtering through and taking effect

These foodstuffs include margarine, cooking oil, canned meat, nuts, pet food, breakfast cereals and chickens

The spokesman said frozen vegetables, tea bags and coffee had all just gone up. By the end of

the month housewives will also be paying more for biscuits, canned fruit and vegetables

"You could quite comfortably say everything we buy has gone or will be going up," the spokesman said

Mrs Peggy Borchenhagen, chairlady of the

Cape Town branch of the Housewives League, said the food increases were "appalling," especially when they were added to increased electricity, clothing and other living costs.

"I also deplore the fact that the increases of different commodities take place simultaneously. There is obviously some form of collusion instead of which there should be free competition," said Mrs Borchenhagen.

She said a large section of the population simply could not manage any longer. "Many people too, do not have any hope of an increased income. It's a pretty gloomy thing altogether," she said.

Council to reconsider control measures

25/8/68
5792
244

Pretoria Bureau

The Prime Minister's Economic Advisory Council is considering abolishing some price control measures.

This was announced today by Dr Schalk van der Merwe, Minister of Industries, Commerce and Consumer Affairs, who was opening the meeting of the Continuation Committee on the Implementation of the Action Programme to Combat Inflation.

Dr van der Merwe said the Prime Minister's Economic Advisory Council was considering a comprehensive anti-inflation policy strategy.

This included "a reappraisal of the existing price control measures and the possibility of abolishing such measures in those cases where price formation could be left to the free play of market forces"

Dr van der Merwe added that the Council felt a study should be made of the criteria used for price control.

He said the study should also cover the Government's administration of other prices including agricultural prices.

Dr van der Merwe said certain business and professional groups linked prices and tariffs to costs and price indices.

The Economic Advisory Council also considered measures to ensure that sound competition would not be jeopardised.

He said the Council was convinced that any form of "formal control over wages and prices in general is undesirable"

Many anti-inflation matters already received the attention of the Government including labour productivity, control on public spending and local and overseas trade, he said.

RPM abolished: book prices coming down

26/1/50 STAR. (22) (244)

By Charlene Beltramo,
Fair Deal Reporter
Book prices are being adjusted in book stores around the country and a price war on best-selling ranges is likely

Resale price maintenance on books was abolished in a recent Government Gazette but few people, including the Competition Board who fought for nearly two decades to achieve it, noticed the announcement

Booksellers have for the past few months been

pricing books more competitively in anticipation of such a Government move

Although the abolition will only become operative in terms of the Act at the end of October, prices will start dropping immediately

Mr J P Lowman general manager of the Central News Agency, said prices would immediately fall on bigger titles in hardcover fiction and on paperbacks

"We're trying to work out the price barrier at

which we encounter on our side and will try to drop below that. On hardcover books, R15 seems to be the maximum. Prices should preferably be down around R11

"Paperbacks will probably sell better at a price of about R3.50, so we'll drop prices accordingly. This has meant we will take a cut in profit margins, but we anticipate increased turnover

"We recently brought out a range of inexpensive hardcover books and they have sold exceptionally

well" he said

Mr Raymond Ackerman of Pick 'n Pay said they were investigating cutting prices on educational textbooks

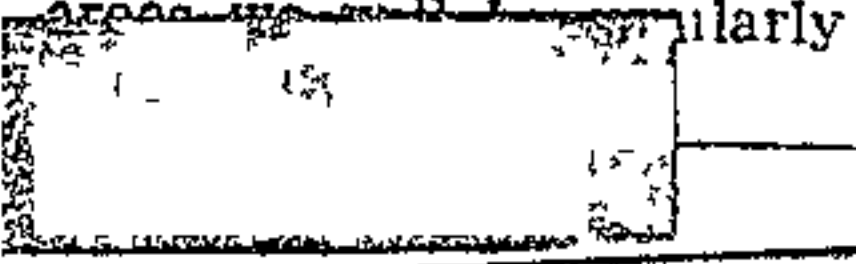
"We will also start stocking a wider range of books at our bookstores. The benefits of RPM being lifted will probably hit the consumer at Christmas," he said

Mr Tony Ashworth, of Howard Timmins a Cape-based publishing firm, said he expected publishing costs to come down with a surge in book sales

"At present we have average print orders of about 10 000 books. They may cost R2 each, but if you could get an order of 25 000 books, the average price per book at cost would be about 80c

"This would make books ultimately cheaper for consumers"

Mr Ben Trisk of Premier Milling, who owns stores such as Campus and Exclusive bookshops, said they would adopt a "wait-and-see attitude. Obviously, if prices do come down in a regular manner, we will regularly



Meat is ^{STAR} 27/8/80
dearest ^{RHH}

MEAT PRICES

the past year of profit margin on meat sold through his restaurants

The Natal Deep-Sea Trawling Industry Association has applied for the duty on imported prawns to be raised from 550c a 100 kg to R350 a 100 kg

Supermarkets and restaurateurs have sharply condemned the move, claiming that Natal prawns are far inferior to Australian or Taiwanese prawns

Industry spokesmen have also said the Natal fishermen do not have the resources available to meet country-wide demand

Mr Tomazos said prawns from Maputo had deteriorated in quality "Australian are the best. The price of prawns has risen astronomically over the last two years, although the Taiwanese prawn influx has caused Australian prawn prices to drop

Meat price soars... and may rise another 30 pc

^{STAR} 27/8/80
^{RHH}

Fair Deal Staff

Meat prices hit their highest level ever at the City Deep abattoir yesterday, and butchers have warned that beef prices will go up another 30 percent before the end of the year at the current price-escalation rate.

And the battered consumer faces another blow — chickens are in extremely short supply and prices are going up

Fresh chickens have just gone up between 5c and 10c a kg and prices for frozen chickens, which cannot be obtained at present, are expected to rise soon

Fish? Forget it Supermarket spokesmen com-

plain that prices are rising rapidly and latest news is that Natal prawn fishermen have asked for a 6 000 percent increase in the duty on imported prawns

BEEF GRADES

The wholesale price for red meat rose by between four and six percent from Monday to Tuesday this week. It has gone up by 22 to 26 percent this month and 72 percent within the last year, according to butchers and restaurateurs

The prices of lower grades have escalated dramatically over the past month and now there is less than 10c a kg difference in price between

grade three and super beef

Super, prime and grade one beef are all selling at the same price

Today's selling price for beef is R1,72 a kg for a full carcass

"I've reliably learnt that by the end of the year it will hit R2 a kg," said Mr Costas Tomazos, who owns a string of Johannesburg restaurants.

PRAWN COSTS

His view has been supported by other butchers and officials at the Department of Agricultural Economics

He said he had had a 60 percent erosion during

To Page 3, Col 7

CONSUMER MAIL

CPI rises 12% in a year

24th Rom 2nd ASD

By VITA PALESTRANT

THE Consumer Price Index rose by 1.5% last month and by 12.2% during the year ending in July.

Hardest hit last month were the lower and middle income groups with a 1.6% increase, while higher income groups rose by 1.3%.

Over the past year they have increased by 13.6%, 13% and 11.4% respectively.

A major hike was food, which rose by as much as 3.1% last month and by 15.7% over the past year.

In the food sector major increases in July were meat — 3.6%, (and by a whopping 23.3% over the past year) milk, milk products and eggs — 5.3%, fats and oils — 3.3%, fruit and vegetables — 5.1% and 5.4% and sugar — 1.5%.

Coffee and tea dropped by 1.2%.

Soft drinks, alcoholic drinks and cigarettes rose marginally by 1.4%, 0.4% and 0.8% respectively.

Housing increased by nearly 2% last month and household

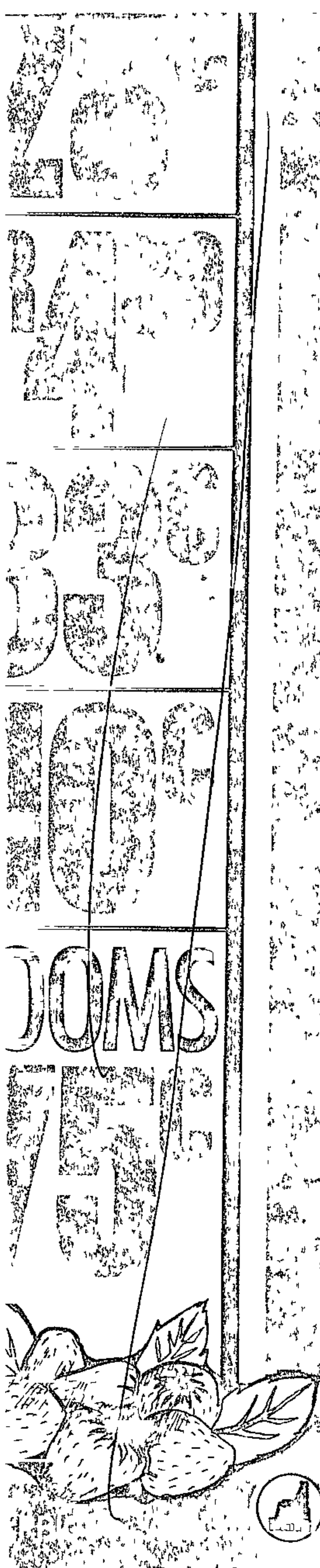
upkeep cost 1% more. Cleaning materials rose by almost 2%.

Bookworms will be in for a shock — reading matter went up by 12.5% last month. Over the past year reading matter has increased by 57%.

Every month the Department of Statistics analyses masses of information about the costs of goods and services in 11 major urban areas. These are processed to make up the CPI.

Consumer Mail publishes the CPI on a monthly basis as a service to its readers.

	July 1980	June 1980	July 1979
ALL ITEMS	177.2	174.6	157.9
Lower income group	175.3	172.6	154.3
Middle income group	177.8	175.0	157.3
Higher income group	177.3	175.0	159.2
FOOD	181.4	176.0	158.8
Grain products	184.8	184.0	156.1
Meat	171.0	165.1	138.7
Fish	195.3	195.4	180.6
Milk, milk products & eggs	171.2	162.6	155.5
Fats & oils	192.0	185.8	176.6
Fruit	164.3	156.4	149.3
Vegetables	179.4	170.2	159.2
Sugar	261.1	257.2	225.2
Coffee & tea	237.4	240.3	227.2
Other	178.9	176.4	159.6
COLD DRINKS	176.6	174.2	161.5
ALCOHOLIC DRINKS	161.2	160.5	148.1
CIGARETTES, CIGARS & TOBACCO	157.0	155.8	149.6
CLOTHING & FOOTWEAR	158.1	155.0	143.1
Clothing	147.6	146.7	137.3
Footwear	200.9	198.5	175.5
HOUSING	154.2	151.3	137.6
L & POWER	224.1	223.7	197.7
FURNITURE & EQUIPMENT	160.5	160.5	146.4
Furniture	142.4	142.4	131.1
Appliances	157.9	158.0	142.0
Other	171.1	171.0	155.0
HOUSEHOLD OPERATION	209.3	207.3	185.5
Cleaning materials, etc.	194.4	190.9	158.6
Domestic servants	213.3	212.7	193.7
Other services	196.6	193.7	185.7
MEDICAL CARE	166.0	166.0	142.6
TRANSPORT	206.7	206.7	194.4
Vehicles	183.6	183.6	165.9
Running costs	245.8	245.8	238.5
Public transport	168.1	168.1	155.3
COMMUNICATION	118.6	118.6	101.3
RECREATION & ENTERTAINMENT	169.0	168.3	151.3
READING MATTER	246.8	219.3	157.3
EDUCATION	201.9	201.9	176.9
PERSONAL CARE	170.2	169.2	157.8
OTHER	177.4	176.2	143.9



Motor oil price rise due

SIN 20/8/80 2000

By Charlene Beltramo,
The price of motor oil is set to rise by between five and 10 percent a litre on Monday, September 1. Industry sources refused to comment on whether or not a petrol price hike was also imminent.

An industry source said retailers had been informed to enable them to stockpile in advance.

Shell refused to comment, but Mr G J F Bond, chief executive of Castrol said additives had gone up

10 percent in the last six months.

He would not confirm the date of the price increase but said one was due soon, as the last increase was six months ago.

"Ever since 1973 the prices of base oil, containers and additives have risen as part of the inflationary spiral.

"Base oil constitutes 60 percent of the price of motor oil, and additives form 40 percent. The base

oil prices has been stable but additives have gone up," Mr Bond said.

He said a price increase in the region of 10 percent could be expected.

Informed speculation has it that a petrol price rise could be announced on Friday to come into effect on Monday too.

The present selling price of motor oil varies from about 98c to R1.04 for 500 ml or about R8 for 5 litres.

'Stop price spiral' call as food hits roof

SPAR
28/8/80
244

Fair Deal Reporters

Food prices are careering upward out of control — and consumer organisations and supermarket chains fear they could rise by more than 25 percent by the end of the year.

The Government has been urged to launch a new anti-inflation campaign immediately

This week's chaotic situation in the meat industry — with top and low grades selling at the same prices and hitting their highest levels — is indicative of current food price trends.

Nobody, including Meat Board officials has any idea what is causing the rapid meat price spiral. Consumer spokesmen and retailers say price cartels are manipulating the industry.

Beef hit R1.72 a kilogram this week, pushing the total meat price rise this year to 72 percent. Mutton prices rose 30 percent in Johannesburg shops today following a brief walkout of meat inspectors at the City Deep abattoir.

The inspectors were protesting a 10 percent increase in sheep slaughtering rates. Sheep slaughtering was 1500 less than normal yesterday and wholesalers were warned no animals would be slaughtered today.

Mutton promise

But after The Star contacted the Abattoir Corporation, rapid steps were taken to resolve the situation.

The corporation promised sufficient sheep would be slaughtered today and tomorrow to meet the long-weekend demand. Abattoir workers would work overtime

Yesterday, Fair Deal reported that chicken prices are increasing as a result of a shortage

"We are worried about the unemployed and those people whose incomes cannot cope," said Mrs Joy Hurwitz, president of the Housewives League

Mr Raymond Ackerman of Pick 'n Pay blamed high food prices on a lack of competition in certain areas. He said at least half of the increases could be avoided if competition was encouraged.

Some suppliers were forming rings of monopolies, creating artificially high prices.

Farm profits

Mr Rupert Lorimer, PFP MP for Orange Grove, supported this view. He said there was no relation between consumer and producer prices

Mrs Betty Hirzel, of the Consumer Union, said: "We don't know why prices have gone up so much"

Another retailer pointed to the fact that farmers have had an increase of 35 percent in their profits this year. "I wish my salary would go up that much a year," he said

Mr J Cronje, director of the Co-ordinating Consumer Council, said the high prices were "unfortunate, but nothing can be done about them"

● Page 2: Farmers lose out.

244 STAR 2918150

CoL has shot up 76 pc in five years

Own Correspondent

The cost of living in South Africa has increased by 76 percent in the five years ending July this year

This means that an item which cost R1 to buy in July, 1975, probably costs R1,76 now

Latest figures from the Department of Statistics show the Consumer Price

Index stood at 177,2 in July this year.

This figure represents an increase in the index of 76 percent since July 1975, when the index stood at 100,7

And it reflects a 12,2 percent increase since July last year

If the index increases by just more than two points a month — and over July it increased by nearly

three — the CPI could hit the 200-point mark in about 10 months.

Then the cost of living will have doubled since 1975.

The CPI is calculated by the Department of Statistics from information about the costs of goods and services in 11 major urban areas. It has a base of 1975 = 100.

Soaring meat prices hit home

24c
Dugun
29/15/60

THE rocketing price of red meat in Cape Town is playing havoc with the budgets of embattled housewives and there are increasing calls for an inquiry into South Africa's meat industry.

The price of lamb, in Cape Town, has doubled since the beginning of the year.

Beef has risen between 30 and 40 cents a kilo since last week.

By December the price could be well over R2 a kilo, according to Mr Malcolm Simpson, general manager of Pick'n Pay

butcheries for the Western Cape.

Mr Simpson said by December the price of red meat would be 'frighteningly high' with beef more than R2 a kilo and lamb and mutton as much as R3 a kilo.

At present the floor price of beef is R1,80 a kilo, including the bones.

'Deboned,' he said, 'supermarkets will have to charge 30 to 40 cents more a kilo if they are to get the same return as previously.'

However, prices in Cape Town were still lower

than in Johannesburg and Durban, where beef was already more than R2 a kilo.

Lamb prices had risen about 100 percent in eight months, he said.

In January this year, lamb had cost R1,39 a kilo. At present the super and first grade cuts sell at around R2,68 a kilo.

Mr Raymond Ackerman, chairman of the Pick'n Pay organisation said even white meat, in the form of chickens, was rising steadily in price.

'Chickens are being exported from South

Africa at under R1 a kilo,' he said.

A year ago the price of chicken here was R1 a kilo. In January it was R1,10 and now it ranges from R1,40 to R1,50.

'It is frightening to think what the price will be in December.'

Mr J Mynhardt, branch manager of the Meat Board in Cape Town said the short supply of the high quality beef was normal in Cape Town for this time of the year. But it was doubtful that prices would drop.

Mrs Peggy Borcken

Hagen, president of the Housewives League in Cape Town said the situation was appalling.

'It is not the farmers who are getting the money. We want to find out who is,' she said.

Local butchers called meat costs 'outrageously unrealistic' and alleged up-country wholesalers were buying up much of the Western Cape's meat and transporting it to centres like Johannesburg.

One owner said it would soon become impossible for butchers to make pure sausage and boerewors.

27
16

on interest rates

no

2

Talks proceed on bus fare increases

20/1/81
21/1/81
22/1/81
23/1/81

Staff Reporter

THE Nigel Town Council is still negotiating for the introduction of its increased bus fares on the service between Duduza and the town — despite a rejection of the increases by township residents

A spokesman for the Town Council told the Rand Daily Mail yesterday that no decision had been taken regarding the introduction of the proposed fare increases

"We are still negotiating and have to confer with works committees at various firms and industries in and around the town. We will also confer with

managements at business centres before making final decision on whether or not to introduce the proposed fare increases," said the spokesman

The Town Council wants to increase the fare for a single ticket by 10c, from 25c to 35c, and weekly tickets by 5c, from R1,85 to R1,90

When Duduza Community Council rejected the proposal, the Town Council sought the feelings of residents in the township. And last Sunday residents also rejected the proposal, saying they could not afford increased fares

No chop in EL meat prices likely

204
3d/8k

EAST LONDON — Meat prices here are expected to remain high but will probably drop elsewhere after the long weekend.

This follows statements by Meat Board officials in East London, Johannesburg and Pretoria to explain the recent meat price increases.

The branch manager here, Mr S Olivier, said there was little hope of prices dropping soon because of the drought. He said prices had been rising since Monday, when top grade beef fetched up to R1,80 a kg.

The meat board's general manager, Mr Jan Lombard, told SABC he

did not expect prices to drop.

Compared with a year ago, the price of beef in July was up 30 per cent.

"Up to now, we have slaughtered the same number of beef cattle as over the same period last year," Mr Lombard said.

"In spite of that, we have seen price increases and this must be ascribed purely to demand — a tremendous economic demand growth."

However, a board spokesman in Pretoria expected prices to go down again after the long weekend.

"Meat prices always increase before a long

weekend and at the end of the month, because the demand increases," he told our Johannesburg correspondent.

"We believe the price will come down once the market has returned to normal, possibly in the second week in September."

He blamed the increases earlier this month on increased production and travelling costs.

Mr Olivier said the spokesman's predictions probably applied to areas outside East London.

"The drought has hit the farmers very hard," Mr Olivier said.

"The spokesman who said prices would drop could only have been talking about other areas — the agents here are battling to fill their quotas and prices are going to go up."

It was difficult to predict how long this situation would carry on as all the farmers were having problems feeding and watering their stock.

Yesterday's prices for super, prime and first grade beef were all more than R2 a kg.

On Tuesday, prime beef (B) went for R1,91. Yesterday it went for R2,05 a kg. Super grade beef was 7c a kg higher

than on Tuesday. Meanwhile, the SA Federation of Meat Traders, alarmed at the rocketing prices, has sent the government a telegram urging that exports be stopped.

An executive member, Mr Dudley Thompson of Durban, said prices were being pushed up by shortages — currently running at about 12,5 per cent.

The federation believed that if exports, which were subsidised and sold at a loss overseas, were stopped now, then this would halt rocketing prices — SAPA.

Butchers beef as exports send Cape prices soaring

By YAZEED FAKIER

ROCKETING meat prices in the Cape have led to an outcry from retail butcheries who claim that wholesalers are sending meat to other centres in the Republic while the local demand is not being met.

Butchers claim that the transportation of meat to other centres is the cause of the local beef-price spiral. It has caused a local price increase of 20-40 cents a kilogram.

Several butchers said that the transportation of beef out of Cape Town would be to the detriment of the local market. There could be a shortage here, they said. They were angry that abattoirs were not slaughtering more than the quota needed for local consumption.

From this quota — an average of 800 oxen and 5 000 lambs are slaughtered daily for local consumption — meat is being sent to other centres which include Johannesburg, Bloemfontein, Pretoria, Durban and Port Elizabeth.

'Just enough'

Mr Ibrahim Kaskar, manager of the Fslay chain of butcheries, said if meat was taken from the quota used up by the local wholesale market, one would imagine that slaughtering would increase but this is not being done.

He differed with the views of meat wholesale representatives that Cape Town had enough meat to enable the transportation of meat elsewhere.

If there was surplus meat we would have known because the Meat Board would have bought it at the floor price. However, the Meat Board has not bought any meat because the present supply is just enough to provide for the local market, he said.

A spokesman for a meat wholesale firm confirmed that the price of meat in the Cape had risen because meat was being sent to other controlled centres.

He initially said in an interview "I suppose the demand is more than the supply, but later added that "meat is more pricey in Johannesburg and other centres."

Meat transportation out of Cape Town was done with the knowledge of the Meat Board, the spokesman said. He added that the shuttling of cattle was "all above board as long it is sent from one controlled area to another controlled area."

According to the spokesman, first-grade beef which sold for between R1 23 and R1 25 a kg on July 16 now cost up to R1 62 a kg.

Second-grade beef which sold for between R1 20 and R1 25 a kg as at July 16 now cost up to R1 50 a kg. Third grade beef cost R1,10 a kg previously and now sold for R1,50 a kg.

Super grade beef previously costing between R1 43 and R1,44 a kg now cost R1 78 a kg — a 34 cent increase.

Prime grade beef which cost R1,35 a kg a month ago now cost R1 75 a kg.

Generally, the increases represented a percentage increase of between 10 and 20 percent, he said.

This increase, he conceded, was "substantial".

'Full supply'

Mr A Heyns, manager of the retail, wholesale and export section of Karoo Meat Exchange, said Cape Town was the only centre with a full supply.

Profits are not the reason why meat is being sent to other centres. It is just that other centres are suffering a shortage. Cape Town is meeting its demand and there is meat available to send away, Mr Heyns said.

Mr Kaskar said less than a month ago first-grade beef cost R1 25 a kg. Now it was costing

R1,65 — an increase of 40 cents.

"The only reason I can see for this is that the wholesalers are taking advantage of the high prices the meat fetches upcountry, especially in Johannesburg where beef prices are higher."

Third grade beef, for example, cost R1 60 a kg in Johannesburg while in Cape Town it cost R1 40 a kg. About a month ago third-grade beef cost R1 10 a kg in Cape Town.

Beef fetching low prices locally are being sold to other centres at higher prices.

This in turn creates a shortage in Cape Town and forces a price increase, Mr Kaskar said.

He added that if the shuttling of beef to other centres were halted, the present prices would drop by between 30 and 40 cents.

Mr Ernesto Garcez, manager of Ken Higgins Butcheries, said the increase was hitting the poorer population "very hard" because third grade beef, the cheapest grade, was now costing about R1,50 a kg.

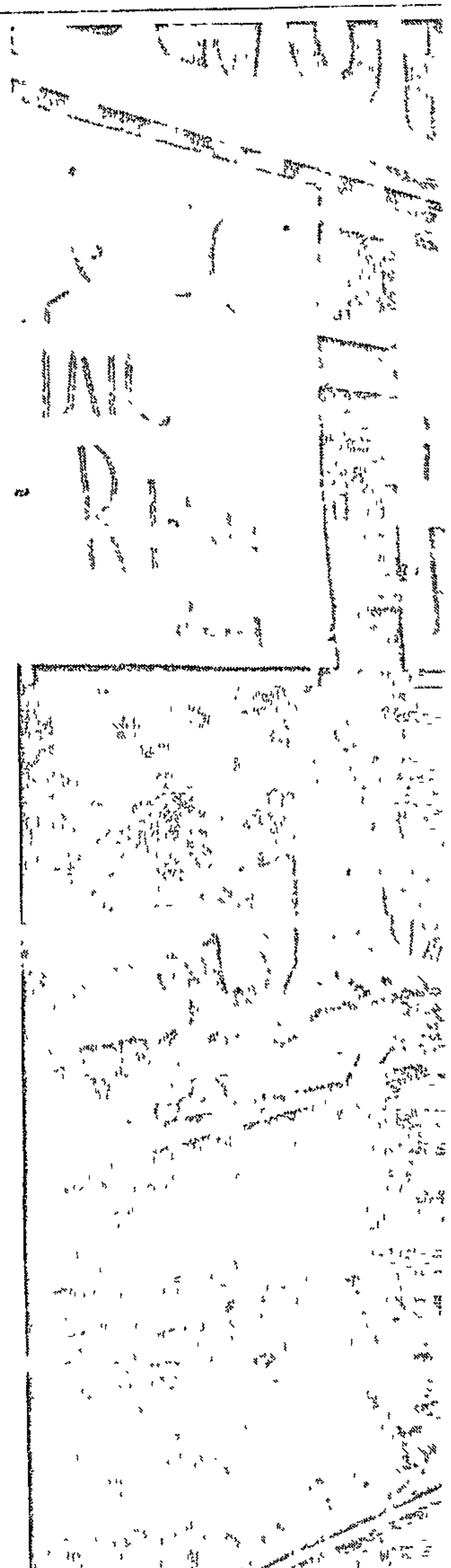
"I can't see the sense in still exporting meat when there is a shortage in the Republic. Prices are spalling — he even knows what the prices will be at Christmas," he said.

He said it was not the wholesalers, but the retail butcheries, who were carrying the brunt of the increases. At these ridiculous prices, we can't even cover our own expenses.

A Meat Board spokesman in Cape Town, Mr J Mynhardt, said Cape Town was receiving meat from SWA/Namibia to supplement the transportation of meat to Johannesburg and other centres.

"We are sending a very small amount out of Cape Town," he said.

In his opinion, the meat price-rise in Cape Town compared 'favourably' with those of the rest of the country.



Mr Ismail Parker, a butcher in Long, increases Cape Town consumers' prices.

(244) STAR 30/8/80

Meaty problem for new Minister

By Charlene Beltramo
Fair Deal Reporter

It would seem that vegetarianism is being forced on the hapless South African homo sapiens omnivore

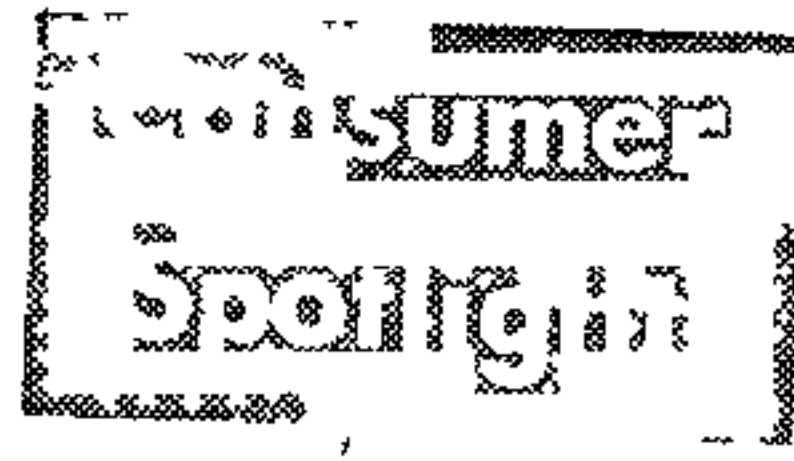
This week an import duty of 6000 percent on prawns and shrimps was asked for. A chicken price rise was announced, and meat hit its highest price levels ever.

Supermarket executives and consumer organisa-

tions predicted that food inflation could hit a whopping 25 percent by year's end — what a way to start a decade!

Consumers, retailers, farmers and manufacturers are waiting with all-concealed interest to see what path the new Minister of Agriculture and Fisheries, Mr P T C du Plessis MP for Edenburg and formerly Deputy Minister of Finance, will tread.

The outgoing Minister,



Mr Hendrik Schoeman has been in touch with consumer organisations over the last two years.

Main pressure points have been the high maize price, the chaotic situa-

tion in the meat industry and a rapidly increasing food inflation rate.

The meat situation is not getting any better, nor is it likely to. The Housewives' League, which is generally not favourably inclined to the word boycott, have started urging consumers stop buying meat if the prices get worse — which they are sure to.

Restaurant owners are now sufficiently steamed up to have stepped from

behind their grills to demand an investigation into meat marketing.

Mr Mike Illion, managing director of the Mike's Kitchen chain of steak houses, pointed out that distribution costs have risen only marginally, and while the cost of feed at producer level has increased significantly, farmers are not obtaining much more in the way of profits from the meat price spiral.

He believes most of the price rises stem from middlemen at the heart of the complex meat marketing structure who are creaming off greatly increased profits.

It will be of interest to see what line Mr Pietie du Plessis takes.

Seshego bus boycott victory

31/8/50 S 1857

By MATTHATHA TSEDU
THE Pietersburg bus boy-
cott ended yesterday in a
resounding victory for the
thousands of commuters
who had been walking
up to 23 km to work.

Fare increases have
been temporarily suspend-
ed for two weeks and the
old rates will apply until
a final decision on fur-
ther subsidies is reached.

The dramatic climbdown
by the authorities came
after frantic phone calls
between the Lebowa gov-
ernment and Pretoria. The
phone calls followed unpre-
cedented show of strength
and unity by Seshego wor-
kers that, observers be-
lieve, took the homeland
government by surprise.

When the fares went
up by an average of 60
cents per week last Mon-
day, the workers boycot-
ted the buses. They walk-
ed to town or used other
means of transport. Sever-
al buses were stoned and
police were locked in run-
ning battles with students
on the first day.

In the wake of the wor-
kers' victory, a mass rally
is being planned for Sun-
day, September 7, to cele-
brate. Details are still be-
ing worked out.

244

PRICES - General

1-9-80 - 31-12-80

Chicken price up

244

— and going up...

3/9/80 news

CHICKEN is unlikely to be a cheap meal again this year, say, supermarket executives

The price has risen by an average of 10c a kg since June and is likely to continue rising

Mr Desmond Lurie, managing director of County Fair, said he was now charging supermarkets R1,40 a kg compared with R1,30 a kg in June

He said the price had gone up because of increased demand and higher production costs

Low prices at the beginning of the year were due to an over-supply

Mr Lurie said the demand for chicken always went up at this time of the year. But he thought it had increased more than usual because red meat and fish had become so expensive.

The extra 10c a kg which County Fair was now charging covered the increased cost of feed for the birds. Maize, which accounted for 70 percent of the birds' food, had gone up in May, adding 10c a kg to the cost of production

Because of the state of the market, producers were forced to absorb this extra cost until August.

Mr Lurie denied a suggestion by Mr Raymond Ackerman, head of Pick 'n Pay, that producers had deliberately forced up prices on the home market by exporting chickens

"The workings of the export market are extremely complicated," he said.

However, he would 'act like a responsible businessman' and make sure his product did not become too expensive for the consumer. He was sure other producers would do the same.

A spokesman for Pick 'n Pay said he expected chicken prices to rise even higher by the end of the year

THE wholesale price of beef has increased sharply since the weekend alarming butchers and angering consumers

The price of super-grade beef which was selling at about R1,43 cents a kilogram in mid-July was selling yesterday for R2,21 cents a kilogram. The price has increased 43 cents a kilogram since last Friday

The closing price of first grade beef yesterday was R2,12 cents a kilogram, second grade R2,04½ cents a kilogram and third grade R1,93

Retail butchers are worried and angry, wholesalers confused and consumers angry over the sharp increase in the prices of all grades of beef in the Cape Town area

A spokesman for a large wholesale firm said yesterday that the price was "the highest he had ever come across" and added that there were rumours of a beef shortage

The director of another wholesale firm, Mr A C Malherbe, agreed that the prices were "very high" but said that a short slaughtering week was a major factor in the price rise

"By next week the price could settle but this depends on the reaction of the housewives. If they feel they can still afford

Consumers angry over beef prices

By SARAH HETHERINGTON

to buy at these prices the price will remain high. If there is some resistance the price will have to drop," he said

Mr Malherbe denied that there was a shortage of beef. The normal capacity of 850 head of cattle a day were being slaughtered. He also denied that his firm was selling meat for transportation to the even more expensive markets in the Transvaal

Butchers expressed fears that if the price of meat stayed at present levels small butchers would no longer be able to cover their costs

The manager of another butchery, Mr H Maier, described the prices as "absolutely outrageous"

He blamed the wholesalers for selling beef to upcountry markets

"The prices are just beyond any control. At the abattoirs they ask any price," he said. He added that the lamb price was certain to shoot up as more people bought lamb instead of beef

A City butcher said it would be impossible for him to stay in business if the current prices persisted

Ridiculous

He called the prices "ridiculous" and "absurd" and said that only a consumer boycott would force down the price

"After 38 years in the busi-

ness it is impossible to understand"

He said that he specialized in boerewors and that he could not produce a pure product at an acceptable price

"Beef is costing me R2,20 a kilogram and 7 or 8 cents a kilo delivery charge. Deboned it costs me R2,75 a kilogram. Covering costs I can turn sausage out at R3,50 a kilogram and to make a profit I must sell at R3,80," he said

"What I sold at R2,80 a kilogram last week I have to sell at R3,80 this week and I'm making less on it. Dozens of customers are looking at the prices and telling me to forget it"

The manager of a chain of butcheries, Mr Ebrahim Kaskar, said yesterday that the hardest hit would be the poorer people

"R1,93 for third grade is the absolute limit. The price of lamb has also jumped from R2,03 to R2,50 a kilogram"

A spokesman for the Meat Board in Cape Town, Mr J Mynhardt, said that all the beef being slaughtered was being sold locally. He added that although there was not a shortage of beef, demand for certain grades outstripped availability

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C. Tunn
4/9/80

Board says beef price won't drop

Staff Reporter

THE PRICE of beef, which has rocketed in the city in recent weeks, will not drop to previous levels for some time because of the introduction of a new system of price control.

The new system, known as the support price system, was introduced by the Meat Board into the local wholesale meat market on Tuesday

It prevents prices dropping by more than three percent a day and six percent a week below the average price of the previous three weeks

The support price system was introduced in the Johannesburg, Pretoria and Durban areas on March 24 this year and in Cape Town, Port Elizabeth and East London early this week

A city butcher yesterday accused the Meat Board of deliberately keeping the prices high and said this was unfair to customers and to some retail businesses who were experiencing consumer resistance to current "ridiculous prices"

Large meat wholesale firms in Cape Town and the local Meat Board declined to comment on the new system

A spokesman for the Meat Board in Pretoria, Mr Koos Blignaut, confirmed that the system was in operation but emphasized that it was "not intended to interfere with the normal laws of supply and demand of the free enterprise system"

"The position is that we had trouble with large price fluctuations. One day a farmer could get R1 50 a kilo for his beef and the very next day his neighbour could get 20 cents less a kilo for no apparent reason," he said

"Some farmers only sell

once a year and this difference could mean that their entire year's profit goes down the drain — all because of the whim of the trade

"There has to be some stabilization, some order, in the market," he said

Mr Blignaut said the support price would enable the butcher to stop inflating his prices to cover market fluctuation

'Too little'

If the price dropped it would be at a steady rate and within a month it would be possible for the price to drop 24 percent and to continue dropping "even to the floor price"

He said meat would never be cheap again because South Africans had been paying too little for meat in the past

He advised housewives to learn to utilize less expensive cuts because then the butcher would not have to inflate the price of expensive cuts to cover what he could not sell. He also said they should shop around and not buy at the most expensive butcheries

The president of the Housewives League, Mrs Joy Hurwitz, yesterday said the league was "extremely angry" about the re-introduction of a support price

Ridiculous

She said the Minister of Agriculture, Mr Hendrik Schoeman, had promised the league that it would not re-introduce the system. She had sent a telegram to the minister demanding to know why he had not kept his promise

The league had also asked for a full inquiry into all aspects of the meat industry, but this had been refused

"The present prices are quite ridiculous and the consumers are extremely angry about it," she said

"The floor price covers the farmer for his costs and profit and there is no need for a support price. There is no shortage of meat and under the normal laws of the free-market system there should not be increases

"The prices we are paying are the highest in the history of the country and the consumer is just not satisfied," Mrs Hurwitz said

Meat prices rocket in East London

5/9/80 00.
244

EAST LONDON — Meat prices have increased sharply in butcheries here following increases in abattoir prices recently.

The average price of super rump steak in butcheries was R6 a kg (plus) yesterday compared with R4 plus late last week.

Minced meat was up from an average of R2.30 a kg to about R3 a kg.

The chairman of the East London Meat Traders' Association, Mr D Meyer, said the retail price of meat went up gradually from last week.

He said yesterday's and Tuesday's beef prices at the abattoir were the highest in the country. Top prices were paid for top grade beef but the lower grades also fetched high prices.

Mr Meyer said the price at the abattoir dropped slightly today. "This price increase must be passed on to the consumer although butchers are try-

ing to keep prices as low as possible. It is necessary for butchers to contain prices as much as possible to maintain consumer demand," he said.

Regarding supplies of meat, Mr Meyer said that up to now the quota of beef set by the meat board had been fulfilled. He said the supply of mutton and lamb had been erratic.

The prices would differ from butcher to butcher but all butchers would have no option but to increase their prices.

Mr Meyer said there were a number of factors responsible for the increase in the price of which the drought was one.

"Another factor is that the bush slaughter of animals has been drastically reduced recently and this has led to a greater demand. Then there was the long weekend and the end of the month to consider."

Mr Meyer said although he thought abattoir prices

should come down to be in line with the rest of the country, the average price would stay high.

Prices at the abattoir here yesterday (with last week's prices in brackets) were Beef, Super, R2,15 (unquoted); Prime A, R2,15 (R1,60); Prime B, R2,14 (unquoted); Grade 1 A, R2,08 (R1,54); Grade 1 B, R2,00 (R1,55); Grade II, R1,85 (R1,43); Grade III, R1,72 (R1,31).

Veal; Grade 1, R1,16 (R1,04); Grade II, R1,06 (unquoted).

Mutton, Prime, R2,38 (R2,20); Grade 1 A, R2,37 (R2,13); Grade 1 B, R2,23 (R2,09); Grade II, R2,01 (R1,79).

Lamb, Super, R2,62 (R2,38); Grade 1, R2,49 (R2,21); Grade II, R2,12 (R1,83).

Pork, Super, R1,60 (R1,50); Grade 1, R1,55 (R1,46); Grade II, R1,51 (R1,29). Bacon; Grade 1, R1,40 (R1,31); Grade II, R1,40 (R1,27). Sausage; R1,34 (R1,27) — DDR.

Support system blamed; picture page 3.

MAN

The 9
530 W

Re: Term 3: Here it is suggested that a discount factor equal to (or slightly higher than) the interest rate on a comparable loan should be used for this term. This stream is riskier than the stream in Term 2 because the lessee requires to have a taxable income to get the cash flow.

Re: Term 4: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. To facilitate a fair comparison with leasing the most rapid method of depreciation allowed by the Receiver of Revenue should be used. Further- more depreciation in this context includes the invest- ment and initial allowances.

Re: Term 5: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. This stream is the tax shield arising from the tax deductibility of the interest on an equivalent (the displaced)

Seshego boycott talks in deadlock

Own Correspondent

PIETERSBURG — Yet another closed meeting at the Pietersburg Town Council offices over the boycott of buses has ended in deadlock

The boycott was sparked by a fare increase

A Seshego delegate said the meeting was disappointing

"It was obvious we were hitting against the wall. They came with ready-made answers"

The delegate, who did not want to be named, was referring to the Town Clerk, Mr Jack Botes, having told the meeting that commuters would have to pay more if the buses were to transport them into town

The meeting was chaired by the Lebowa Minister of the Interior, Chief H Rammupudu

He said he had called the meeting on the advice of the Chief Minister, Dr C N Phatudi. The three Seshego MPs, the Seshego Village Committee, and the Seshego Township Council were invited to attend. The bus company was represented by its group manager, Mr B H Brooks

The council was included in the talks because they centre on complaints that buses offload passengers at a rank outside the town, and also the low pay which people are earning

Mr Botes told the meeting that the council had no objection to bus stops, so long as they were in streets outside the business centre. But commuters would have to pay more

He said he would speak to the Pietersburg Chamber of Commerce and employers' bodies about increasing wages

Mr Botes said the council paid its workers R70 a month. According to the chief director of the local administration board, Mr C J Lotter, it paid workers R70 to R80. He said this was the standard rate in the northern areas

KENNISGEWING 617 VAN 1980
DEPARTMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak 'n algemene inligting bekend dat die Verbruikersprysindeks vir Julie 1980 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975 = 100	Basis April 1970 = 100
1 Kaapstad	172,9	269,9
2 Port Elizabeth	173,8	275,1
3 Oos-Londen	175,2	276,8
4 Kimberley	173,6	267,0
5 Pietermaritzburg	176,9	277,1
6 Durban	177,4	271,8
7 Pretoria	175,7	280,8
8 Witwatersrand	179,4	283,3
9 Klerksdorp	174,3	271,0
10 Vaaldriehoek	182,6	283,0
11 OVS-goudvelde	179,6	273,9
12 Bloemfontein	176,6	273,4
Beswaarde gemiddelde van die 12 gebiede	177,2	278,6

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van prysepele of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970=100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970=100 betrekking het, te wysig (5 September 1980)

NOTICE 617 OF 1980

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for July 1980 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975 = 100	Base April 1970 = 100
1 Cape Town	172,9	269,9
2 Port Elizabeth	173,8	275,1
3 East London	175,2	276,8
4 Kimberley	173,6	267,0
5 Pietermaritzburg	176,9	277,4
6 Durban	177,4	271,8
7 Pretoria	175,7	280,8
8 Witwatersrand	179,4	283,3
9 Klerksdorp	174,3	274,0
10 Vaal Triangle	182,6	283,0
11 OVS Goldfields	179,6	273,9
12 Bloemfontein	176,6	273,4
Weighted average of the 12 areas	177,2	278,6

Explanatory Notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970=100 (5 September 1980)

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HYPER CHAIN'S RED MEAT PRICE FREEZE PROTEST



Alan Gardiner (left) regional manager of Pick 'n Pay, and Mrs Joy Hurwitz, president of the Housewives' League

By DARYL BALFOUR

PICK 'n Pay has frozen the price of all counter cuts of fresh beef, lamb and pork for two weeks in protest against the massive price spiral over recent weeks.

Regional manager Alan Gardiner said in Durban this week that the chain had "watched with trepidation as the meat went absolutely mad over the past six weeks."

"To us it is incredible that the price of meat can virtually double in the space of two months and there is so much apathy about it."

"Now we've taken this decision on a national basis. All our prices for red meat will be frozen — although for obvious reasons we can't do this with bulk sales like hindquarters or whole sheep as dealers would cash in on it," Mr Gardiner said.

'One hell of a profit'

He said he hoped this action would cause "the Meat Board or the Minister of Agriculture to sit up and do something to stop this price spiral."

"If red meat prices go through the roof as they are doing it will only leave a gap for white meat such as chicken."

"I can already see it coming. In a week or two we'll have massive increases in the price of chicken and eggs," he said.

"Now I would like to make a call for a full investigation at Government level. It seems strange that the same people who were selling meat at price X six weeks ago can sell today for price X plus

plus 60-70 percent. Somebody is making one hell of a profit somewhere along the line," he said.

Mr Gardiner said Pick 'n Pay would welcome other retail outlets joining in the "price freeze" to let it be known that the consumer orientated retail sector views very seriously the apparently out of hand spiralling cost of red meat and the possible ripple effect to other commodities such as chicken and eggs.

Urgent telegram sent

The president of the Housewives' League, Mrs Joy Hurwitz, said she was very pleased to hear of the freeze and that the chain "can afford to subsidise the consumer like this." But she pointed out that many small independent butchers had been holding prices for some time purely to remain in business.

Mrs Hurwitz said the league had sent an urgent telegram to Mr Hendrik Schoeman, Minister of Agriculture, calling on him to abolish the support price system in use at the major abattoirs.

"I find these rapid increases in the red meat price incredible when there is no shortage. If this is not the time for an investigation of the meat industry then when will it be," she asked.

"It is up to the Meat Board and Mr Schoeman to explain to the housewives of South Africa why this has come about. We would like to know why prices have escalated so much since the introduction of the support price — which the Minister once promised he would never use again," Mrs Hurwitz said.

In Bloemfontein this week, at the Free State congress of the National Party, several delegates called on the Government to investigate the large profits taken by "middlemen" in the meat industry.

One delegate complained that 47 percent of what the consumer paid for meat went to middlemen.

Despite many calls for a full-scale investigation of the meat industry the Minister of Agriculture, Mr Hendrik Schoeman has steadfastly refused to appoint a commission.

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Butchers despair
at rising prices (247)

Drastic increases in red meat prices have hit Johannesburg and Reef butcheries hard

A survey of butcheries today revealed a dramatic drop in bulk buying. Most consumers are buying on a weekly basis if they buy red meat at all, said butchers.

"The Government has lost control and the meat industry is in chaos," claimed one butcher.

Mr Jack Pienaar of Randburg said his customers could no longer afford to buy a whole hindquarter. "I've never had it so bad in the 32 years I have been in the business," he said.

Many butchers said they had lost up to R2000 in one month. "If we could just get rid of our equipment for a decent price, we would leave the business now. Our licences are worth nothing," one butcher claimed.

Prices have gone up in

Johannesburg by 22 percent in the last week and butchers find it impossible to pass on the increases.

"Already I'm selling a third less than I was a few weeks ago. If I were to pass on the latest price rises I would not be able to sell any meat whatsoever," was one typical comment.

It would seem that the rumoured red meat boycott by consumer organisations would have little effect as consumers are already buying less meat due to the high prices.

Although retailers report an increase in their poultry sales, people are not using chicken as a substitute. It is in short supply and prices have also shot up.

The Minister of Agriculture, Mr Hendrik Schoeman, said in Cape Town today that red meat prices could start stabilising in the next few weeks.

Tutu's boycott warning to Putco

By Derrick Thema
and Abel Mabelani

Any decision by Putco to press ahead with bus fare increases could spark off legal action and a bus boycott in the Transvaal, Bishop Desmond Tutu, secretary general of the SA Council of Churches, warned today.

His warning came in the wake of protest meetings in Soweto and Mamelodi, where residents threatened to walk rather than pay 11 percent fare increases.

Mr W S Bowen, planning executive for Putco, said today that although the Transportation Board had approved the increase in Pretoria these had not come into effect.

"The tentative date is set for the end of September but we still have to

set the reaction of the Community Council and other bodies before the increases are put into effect," he said.

He said Reef fare increases had been temporarily shelved while the National Transportation Commission was investigating the matter. The commission had as yet come to no decision.

Bishop Tutu said he opposed the increases.

"It is not the people's fault that they live far away from the places of employment. The apartheid system is to blame and it is therefore the duty of the Government to subsidise fares," he said.

He warned there would be a bus boycott if Putco increased fares. He also threatened legal action, "as we did in the Cape."

More for wheat, meat and liquor

STMK
244
10/9/80

By Charlene Beltramo,
Fair Deal Reporter

Bakers will be meeting tomorrow to discuss the new minimum 16 percent wheat price increase and how it will affect confectionery prices. At the same time a limited red meat boycott has been called and liquor prices are rising.

The new wheat price will affect cake and bread flours, pushing up prices to the consumer at least 12 to 14 percent.

A 2,5 kg packet of cake flour, for example, will rise from R1 24 to R1 40 at the beginning of October, an increase of 12,9 percent.

LEAGUE CALL

All flour price increases will come into effect at the beginning of October and increased confectionery costs will not be felt until then.

This comes three months after the Minister of Agriculture, Mr Schoeman, told consumers there would be no more price increases in the latter half of this year.

Consumer organisations and some retailers are reacting angrily to the

spiralling food costs. The Housewives' League has called on the public not to eat red meat more than twice a week.

Mr Schoeman announced the wheat price rise last night. He said the producer price of grade A1 wheat would go up from R185 to R215 a ton.

Without adjusting any other prices or margins in the bakery industry, the increased wheat price could mean a bread price increase of about 2,25c a loaf.

SUBSIDISED

However, a bread price rise is unlikely to be felt before the next Budget in April because it is subsidised by the Government.

Mrs Jean Tatham, a member of the Housewives' League, said meat prices had climbed by an average of 10c a kg every three days for the past three weeks.

Wine prices have begun to rise for the third time this year. The average increase is about 5c a bottle.

Some hard liquor is also going up in price. Whisky, said one retailer, was now priced at a minimum of R77 a case and the forecast this would soon affect retail prices.

31/10/50 (244) RDM
10/9/50

Wheat up, but Govt pegs the bread price

By GERALD REILLY
Pretoria Bureau

THE producer price of wheat will be increased by 16% from next month — but the price of bread will remain at present levels

This was announced in Pretoria yesterday by the Minister of Agriculture, Mr Hendrik Schoeman

But a senior Wheat Board official said the prices of cake flour and white and brown bread meal would go up by about the same amount as the wheat price

This is the latest in a series of price rises to affect Government-administered foods this year

There have already been big

increases in the prices of maize and maize products, milk, butter and cheese

And economists say the administered price rises are a major reason for the high level of inflation

The president of the Housewives' League, Mrs Joy Hurwitz, said last night the higher bread, meal and flour prices would hit hard at the lower income groups and people living in rural areas

She appealed to the Government to maintain the present prices of small packets of flour to aid pensioners and others struggling to make ends meet

In his statement yesterday, Mr Schoeman said the price of grade A1 wheat, after the deduction of producer levies, has been fixed at R215 a ton for

the new season, starting on October 1

The price at present is R185 a ton

The R148 500 000 bread subsidy provided for in this year's Budget would keep the price of bread unchanged "for the present," Mr Schoeman said

At present the white bread subsidy is 4,32c a loaf and on brown and wholewheat bread 11,29c

These subsidies will have to be raised when the wheat price rise comes into force

Last year, a 34% wheat price rise led to the biggest bread price increase on record

In April, white bread shot up from 26c a loaf to 31c, and brown and wholewheat went up from 16c to 20c

Consumer Reporter

PRICES of spirits, 'jugs' and five-litre containers of wine, liqueurs and fortified wines will rise slightly in most bottle stores on Monday.

But the price of beer and 750 ml bottles of wine will stay the same.

The increases have been recommended by the Cape branch of the Hotel, Bottle Store and Restaurant Association to offset

Liquor up, but sales drop not lively

10/9/80

Arrens

(242)

rising costs, including increased pay.

The introduction of five-litre containers of wine has also cost the retailers money, because they have lost the handling charge they were paid for the return of screw-top jugs. Mr Peter Spickernell, association chairman said

the increases were only recommended. It would not be compulsory for members to charge them.

Liquor sales had improved recently and he did not expect a drop. They were the first increases which retailers would receive for many years. Previous increases

were from the producers, he said.

'It is possible the bottle-store chains will not implement them.'

Some chains, however, will charge the 2.5 per cent increase for spirits, five per cent for liqueurs, two per cent for bulk packs.

of wine and five per cent for fortified wine — port, sherry and muscadet.

Mr Joey Berk, managing director of Drop Inn, said although he would make the increases — except for liqueurs — special offers would be keener to compensate.

Consumer Reporter

THERE is no sign of consumer resistance which would cause high meat prices to come down

Even in the poorer areas, such as Grassy Park, people are still buying meat, and butchers in more affluent suburbs such as Sea Point report no change in buying patterns

Mr Chris Joubert, chairman of the Cape Butchers' Association, who is in business in Sea Point said: 'People who come into the shop to buy over the counter are still asking for the most expensive cuts

'But we are advising our regular customers, and

High meat prices fail to daunt customers

those who pay monthly to buy cheaper cuts if they want to stay within their normal budget

The demand for meat is still high, and until it drops there will be no significant fall in these absurdly high prices

'It is the law of supply and demand which governs prices at the Cape Town abattoir auctions

Mr Malcolm Simpson, area manager for Blue Riband, the butchery department of Pick 'n' Pay, said: 'We have seen no sign of consumer resistance yet

But the middle of the month is normally a fairly quiet time

When the month-end comes then people normally buy large quantities we will see if any consumer resistance is building up

Mr Simpson said that black, coloured customers and white customers were still buying normal quantities

Prices had fallen slightly since the first week of the month when super beef reached a record level of R2.70 a kg and super lamb R2.49 a kg at the auctions

super lamb was R2.13 a kg yesterday, and people were buying it at R2.18 a kg.

A Grassy Park butcher, Mr H Petersen, said he normally dealt in Grade 1 or Grade 2 meat because his customers were poor people who could not afford prime or super grade meat

'The staple diet here is soup bones or mince. People are still buying them, because they must eat

'Some people are still sending their children for 20c worth of bones but all I can give them for that now is three or four bones'

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Arms
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GIFTS DOWN PRISING

12/9/80 News

PRICES SEEM

244

ALAN COOPER, Property Editor

THE writing is on the wall for rocketing prices in both the bottom and top end of the housing market in the Cape. Building societies are concerned about the phenomenal prices for the higher bracket houses while this trend in the lower bracket is making it difficult for the young couple to buy their first house.

Building societies are concerned about the sudden rise in prices for houses in the top end of the market,' said a building society executive. 'For those houses in the R100 000 level we are not finding our value and will not be able to grant loans commensurate with the selling price.'

His society valued houses for loan purposes at R230 a sq m and allowed depreciation for age.

Where societies had their own insurance companies they revalued properties every second year at 17 to 18 percent higher.

'But the writing is on the wall for those top end houses. We are talking about them and hoping to find a solution to rising prices.'

'At present there is no problem in granting loans as money is plentiful. But the fall-off in loans must come and then societies will have to be more selective.'

As it is, our society ensures there is substantive proof of income before granting loans.

The Foyche Commission had recommended that building societies adhere strictly to the granting of loans based on repayments equivalent to 25 percent of the breadwinner's income.

'We are maintaining this,' said a society executive, 'but have broadened it now to include 50 percent of the wife's stable income for repayment purposes.'

However, in the lower end of the market this income qualification is causing problems for house prices are rising quicker than salaries and many young people are finding that they are unable to afford their first home as a result of the 25 percent limit.

'This is a tremendous problem because building costs have escalated at a far greater rate than salaries over the past five years,' said Mr Selwyn Myers of Garden Cities, a non-profit housing developer.

'There is an ever widening gap between the cost of houses and the "payability" — the ability of the buyer to meet bond costs still within 25 percent of his salary.'

More flats sold

THE number of transfers of sectional title units registered with the Deeds Office, Cape Town shot up sharply in the first eight months of this year compared to last year. The increase — 42.7 percent — reflected the sudden popularity among buyers of sectional title flats.

In the first eight months of this year a total of 2 207 units were transferred compared to 1 546 for the same period last year.

Auctions pay off

THERE is no better time than the present to sell your house, block of flats or furniture by public auction, declares Mr Julius Buchinsky, a Cape Town auctioneer.

Auction prices for property are proving between eight percent and 25 percent in excess of the original asking price.

Last week Mr Buchinsky auctioned a house at Vredehoek for which R36 000 was asked. The top bid was for R30 250 and with expenses, the buyer paid R31 923.

11/9/80 - Argus

Black buying power increasing 244

Consumer Reporter
 THE buying power of the black consumer is increasing rapidly while the white market is reaching saturation point in many fields, the University of Stellenbosch Business School says in a statement. A statement, issued by the school says businessmen are becoming increasingly aware of the potential of the black market

But, because of cultural and language differences, a different approach is needed in some cases to attract the black consumer. The business school is organising a one day seminar at a Sea Point hotel next month to explain this and to discuss how to overcome such problems as language

At the seminar, Mr Justis Tshungu, public relations officer for SABC African Services will explain differences in tribal beliefs and customs and describe how a new generation of urban black consumers differs from people in rural areas. Mrs Beatrice Kubeka, a research executive, will

explain some attitudes of black people living in the cities to communication, education, politics and advertising. The seminar will be conducted in English and the managing director of Toyota Ltd in South Africa, Mr C S Adcock, will be the chairman.

Schoeman

strikes

back

5-11-41
2-4-41

Own Correspondent

PIETERSBURG — Mr Schoeman the Minister of Agriculture, has hit back at housewives protesting about the rising meat price

Opening the Pietersburg Show, he took a dig at people who were complaining about high meat prices but spent large amounts of money on luxury motor cars

He appealed to city consumers to show more sympathy and understanding for the farmer "Droughts and economic recession and other factors have hit farmers hard and many of them have great losses and debts to cover" he said.

● See Page 4.



STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

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PRETORIA, 12 SEPTEMBER 1980

gfg [No 7220

GOEWERMENSKENNISGEWING

**DEPARTEMENT VAN HANDEL EN
VERBRUIKERSAKE**

No R. 1904

12 September 1980

WET OP PRYSBEHEER, 1964

**MAKSIMUM PRYSE VAN KOELDRANK IN
TERUGSTUURBARE HOUERS**

Ek, Elias George de Beer, Pryscontroleur, bepaal hierby ingevolge artikels 4 en 5 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), soos volg

1 In hierdie kennisgewing, tensy uit die samehang anders blyk, beteken—

“koeldrank” enige vloeistof wat bedoel is vir verkoop as drank vir menslike gebruik sonder verdunning en ook—

- (a) enige vrugte- en groentedrank;
- (b) sodawater of Indiese of kimentonikum water, natuurlike fonteinwater en enige versoete kunsmatige gekarbonceerde water, hetsy gegeur of ongegeur,
- (c) gemmerhier en enige kruie of botaniese drank, maar nie—
 - (i) water (behalwe soos voormeld),
 - (ii) vrugtesap, versoet of onversoet, hetsy gekonsentreer of bevrore of nie, wat ingevolge die Bemarkingswet, 1968 (Wet 59 van 1968) beheer word,
 - (iii) melk of enige melkpreparaat,
 - (iv) tee, koffie, kakao of sjokolade of enige preparaat daarvan,
 - (v) enige eierprodukt,
 - (vi) enige graanprodukt, uitgesonderd—
 - (aa) gegeurde gortwater en vloeibare produkte wat by die bereiding van gortwater gebruik word, en

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GOVERNMENT NOTICE

**DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS**

No. R 1904

12 September 1980

PRICE CONTROL ACT, 1964

**MAXIMUM PRICES OF SOFT DRINKS IN
RETURNABLE CONTAINERS**

I, Elias George de Beer, Price Controller, do hereby in terms of sections 4 and 5 of the Price Control Act, 1964 (Act 25 of 1964), prescribe as follows

1 In this notice, unless the context otherwise indicates—

“soft drink” means any liquid intended for sale as a drink for human consumption, and includes—

- (a) any fruit or vegetable drink,
- (b) soda water, Indian or quinine tonic water, natural spring water and any sweetened artificially carbonated water, whether flavoured or unflavoured,
- (c) ginger beer and any herbal or botanical beverage, but does not include—
 - (i) water (except as aforesaid),
 - (ii) fruit juice, sweetened or unsweetened, whether concentrated or frozen or not and controlled under the Marketing Act, 1968 (Act 59 of 1968),
 - (iii) milk or any preparation of milk;
 - (iv) tea, coffee, cocoa or chocolate, or any preparation thereof,
 - (v) any egg product,
 - (vi) any cereal product, except—
 - (aa) flavoured barley water and liquid products used in the preparation of barley water, and

7220—1

In full just see gfg

Soft drinks hit pocket harder than petrol

4/9/60 SUN TRIB.

244



Tribune Reporter

SOFT drinks will cost more than petrol after the 15 percent price rise comes into effect.

The new prices range from a two-cent increase on the smallest bottle to five cents on litre bottles.

This means a litre of soft drink will sell at 59 cents — more than a litre of petrol

A spokesman for the Price Control Office said the increases were the result of higher production costs in the industry.

The new maximum prices, excluding tax and deposit, will be: 175/200 ml will go from 11c — 13c; 350 ml from 19c — 21c; 750 ml from 26c — 31c; and 1 litre from 34c — 39c.

A spokesman for the Durban Housewife's League has appealed to the public to cut down on soft drinks. "People should drink milk as an alternative. It is cheaper and a lot better for you nutrition wise"

Meat sales plunge, but prices set to rise further

Fair Deal Reporters

Sales of meat plummeted in butcheries at the weekend but the Meat Board and organised agriculture predict that prices will continue to climb and will hit at least R10 a kilogram for top cuts by Christmas

Although butchers desperately worked on loss-leaders over the weekend, sales were down dramatically

One butcher whose normal turnover is R42 000 on a Friday said it was down to R24 000 last Friday. His Saturday sales were down from R40 000 to R19 000

Butchers again called for an independent meat investigation to be appointed by the Prime Minister "It's ridiculous to expect people involved in the industry to appoint an investigation into themselves," they said.

Mr Jan van der Walt of the SA Agricultural Union said meat would top at least R10 for cuts like fillet by Christmas. Fillet is already selling for more than R6 a kilogram wholesale in Johannesburg and in some butcheries is retailing at R8 a kg.

Mr van der Walt said people were not necessarily eating more meat but demand and bidding between wholesalers was more severe, pushing up prices.

The excessive slaughtering of heifers in previous years, up from 5 percent to 12 percent, would mean a shortage of red meat starting later this year and continuing for some time, he said. This would also have an inflationary effect on prices.

A Housewives' League study of the Consumer Price Index up to May this year showed that meat had increased 219,6 percent in price since 1979, while the total food figure had gone up only 189,1 percent.

Up to July this year food inflation was running at 15,7 percent

percent higher than the overall inflation rate

Since then the meat price has doubled in many centres

Butchers have also put the blame for this on the extension of the controversial support price to all centres at the beginning of this month

Since its inception in March at three major centres, the Federation of Meat Traders, the SA Federation of Livestock Auctioneers and the Housewives' League have called for the "inflationary" support price to be abolished

The support price prevents meat prices dropping more than three percent a week and fixes them at an averaged-out higher price the following week

A National Marketing Council report in 1978 recommended that the support price should never be introduced as it was too inflationary. Despite pressure against it, the Meat Board has extended it

The Meat Board, responding to criticism of its R6,5-million export losses, said it was ridiculous to criticise losses made 18 months ago when they had a surplus

The Sandton branch of the Housewives' League has organised a demonstration at St John's Church, Benmore, tomorrow on alternative main dishes to red meat. Further information is available from Margot Sturgeon at 783-1860 or Yvonne Forshaw at 784-2352

● Page 17: High meat price a global troublemaker.

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STAR
15/9/80

Board 17/9/80 blame 24 for meat price

Consumer Reporter

MISMANAGEMENT by the Meat Control Board was causing the soaring price of meat, the Opposition spokesman for Consumer Affairs, Mr Rupert Lorimer, said today.

Mr Lorimer told The Argus there should be an independent inquiry into the meat industry.

The best way to ensure reasonable meat prices in future would be to do away with the board and allow a free market in which prices would find their own level.

Mr Lorimer said the export of meat, which he believed was going to Greece, Israel and countries in the Middle East, was contributing the shortage of supplies which had pushed up meat prices.

IMPORTANT

But, an important reason was that many farmers had given up beef and mutton production in the past two years. This was because they lost money in the system which allowed them to send animals to market only if they obtained a Meat Board permit.

The system under which permits were issued was 'shrouded in secrecy'. It was never explained why a permit was granted or refused.

OBLIGED

It had been noticeable in the past that meat wholesalers had been able to obtain permits when farmers could not. As a result, some farmers were obliged to sell to wholesalers instead of sending animals to the abattoir themselves.

This meant that a middleman's cut was added to the price.

Mr Lorimer criticised the Meat Board for selling frozen meat — which it had 'bought in' at abattoir auctions when it fell to the floor price — in lots too big for individual butchers to buy.

PRICES

The price of super beef ranged between R1,90 and R2 a kg at Cape Town abattoir auctions yesterday. At the beginning of the month it reached a maximum price of R2,70 a kg.

The price of prime beef showed a slight drop since Monday. It ranged from R1,80 to R1,84 a kg yesterday, compared with R1,89 a kg on Monday.

The price of super lamb also dropped slightly. It ranged from R1,90 to R1,98 a kg yesterday, compared with R2,01 to R2,02 a kg on Monday.

A Meat Board spokesman said 'We are slaughtering to full capacity again today — 5 500 sheep and 850 cattle, so supplies should be plentiful again tomorrow.'

Exports hit Cape consumers

20/9/80 AR

MEAT DEALS

AS PRICES RISE

By Audrey D'Angelo and Geoff Dekenah

WHILE meat prices soar in the Cape and consumer resistance grows, a Mafeking consortium has exported 80 tons of lamb at half price — and in

Cape Town wholesalers are buying meat to send to the Johannesburg market.

And in another development in the raging meat-price controversy the managing director of a stock-feed company has lashed out at boycotting con-

sumers and the Press, accusing them of 'sabotaging' the industry

Wholesalers have countered butchers' accusations of pushing the prices up in buying for the hungry Reef market by saying it was in the interests of local consumers for them to do so

The Reef shortage and higher prices would cause local suppliers to send their cattle there to take advantage of the prices and create a local shortage, they claimed

Cape Town super beef prices, which dropped from the R2,70/kg peak at the start of the month to R1,90/kg during the week, jumped back to R2,20/kg yesterday

Super lamb prices dropped from a peak of R2,49 per kg to R2,01 per kg this week, but climbed back to a R2,30 level

The Meat Board said that in spite of sufficient permits to keep the market supplied supplies were below the expected level

Butchers accused Agricultural Union officials of 'irresponsible statements' which created panic buy-and forced prices up

In Pretoria, the managing director of a stock-feed company lashed out at boycotting consumers

and the Press, accusing the former of 'sabotage' and the latter of 'fanning the fires of discontent among consumers'

Dr Gerit Louw said it was 'grossly unfair to discriminate against farmers' who were making a profit 'for the first time in the past five years'

In Port Elizabeth, a consignment of 5119 super lamb carcasses was discovered on board a cargo vessel, the Jody

The consignment from a Mafeking meat consortium, is bound for Piraeus in Greece

The export value of the meat which was loaded in Cape Town is R122 160, and the average cost, including transport costs, is about R1,40 a kg

On the Port Elizabeth market, super lamb is selling at R2 93/kg and super beef at R2,59 to R2,68/kg

The Cape Town abattoir slaughtered 26 700 sheep this week. The normal weekly average is 24 500. During the week, 5 500 sheep and 850 cattle were slaughtered daily, but yesterday this dropped to 4 700 and 590 as farmers' withheld supplies

A Meat Board spokesman said the expected supplies from the southwestern Cape had not materialised

'We don't know why,' he said

U limited ()
E limited ()
W limited ()

13

Cut-price petrol - despite threat

By Mike Derrv

The Port Elizabeth Hypermarket will continue to sell cut-price petrol in defiance of threatened action by its suppliers, Trek Petroleum

Managing director of Pick 'n Pay, Mr Ig Ferreira has called on other petrol retailers to defy the oil companies and drop their prices too

The clash between Trek and Pick 'n Pay developed this week when the Hypermarket announced it would sell petrol for 2 cents a litre less than the ruling price in that area

ENCOURAGED

Mr Donald Masson managing director of Trek immediately issued a statement that action would be taken against Pick 'n Pay for selling petrol at a price lower than their contract stipulated

Mr Ferreira said today the Hypermarket would do everything possible to continue selling cheaper petrol

"The big oil companies make huge profits, and it is about time some of

these got passed on to the man in the street," he said

"It would be good to see if this move encourages more people with some guts to follow us," he said

Mr Ferreira said he was encouraged by a statement by the Minister of Industries and of Commerce and Consumer Affairs, Dr Schalk van der Merwe, that the Government determined maximum, not minimum selling prices

"In 1975, when we tried the same thing with the Boksburg Hypermarket, a Government spokesman said the price was fixed and that was that. Now they seem to be saying it's time if we sell for less than the maximum"

In 1975, Pick 'n Pay won a court action against Trek allowing the Boksburg Hypermarket to sell petrol for one cent less than the fixed price

But Mr Ferreira said today there were no plans to drop the petrol price at the Boksburg Hypermarket even more

"The two Hypermarkets have a totally different overheads structure," he said

increases, as the particle penetrates deeper into the medium. The density of energy deposited ($\sim \frac{dE}{dx}$) is therefore highest at the end of the range (Fig 25).

Relatively heavy particles such as the p or α are not significantly deflected in their collisions with the much lighter electrons in matter and the maximum energy lost per collision is only a tiny fraction of the p or α energy. These heavy particles therefore retain their original directions throughout the slowing down process

where α is the neutron interaction coefficient of the slab and depends on neutron energy and on the species and density of nuclei in the slab

The neutron-nucleus interaction is either a nuclear scattering process, in which the neutron transfers some of its energy to the resulting (charged) recoil nucleus, or a nuclear reaction which usually leads to the emission of charged particles or gamma rays. Thus the secondary particles resulting from neutron interactions in matter are often charged particles and these particles in matter are often matter as described in (a). Hydrogenous media such as water or plastic are of particular interest because a neutron can lose any fraction (0-100%) of its kinetic energy in a

$A = \lambda \exp(-\alpha x) \dots \dots \dots (33)$

Fig 26

slab

transmitted

undeflected

single elastic collision with a proton. The maximum nuclear recoil energy E_{max} resulting from elastic scattering of neutrons (of mass m_n and energy E) on a nucleus of mass m_N is given by

$$E_{max} = \frac{4m_n m_N E}{(m_n + m_N)^2} \dots \dots \dots (34)$$

Thus E_{max}/E is much smaller for heavy nuclei than for hydrogen.

(c) Gamma rays

The three most important effects in the interaction of gamma rays with matter are the photoelectric effect (described in section 2.1), the Compton effect (section 2.1, p 5) and pair production (section 2.3, p 8). Energy is transferred from the incident gamma photon to a photoelectron, a Compton electron or an electron-positron pair respectively. These charged secondary particles then interact with the medium as described in (a). As in the case of neutrons, and as governed by an exponential absorption law of the form given by eq. (33) but with α representing the gamma ray absorber coefficient. This coefficient can, in turn be considered as the sum of components α_{pe} , α_C and α_{pp} corresponding to the photo-, Compton and pair effects. Thus

$$\alpha = \alpha_{pe} + \alpha_C + \alpha_{pp} \dots \dots \dots (35)$$

The absorption coefficients are largest for the heaviest elements (e.g. lead) and α_{pe} usually dominates for gamma energies below 0.5 MeV, α_{pp} for energies above ~ 1.0 MeV and α_C for energies around 1 MeV

A convenient measure for gamma interaction calculations is the half-thickness, analogous to the half-life in radioactive activity. This is defined as the thickness $x_{1/2}$ of the particular medium required to reduce the fraction N/N_0 (eq. (33)) to one half for a particular gamma energy.

$$\text{Thus } N/N_0 = \frac{1}{2} = \exp(-\alpha x_{1/2}) \dots \dots \dots (36)$$

Some values of $x_{1/2}$ are given below (in cm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

increases, as the particle penetrates deeper into the medium. The density of energy deposited $(-dE/dx)$ is therefore highest at the end of the range (fig. 25).

Relatively heavy particles such as the p or α are not significantly deflected in their collisions with the much lighter electrons in matter and the maximum energy lost per collision is only a tiny fraction of the p or α energy. These heavy particles therefore retain their original directions throughout the slowing down process and their ranges are well defined - do not vary much from one particle to another of the same energy (fig. 24(a)). Incident electrons, however, can scatter through large angles in their collisions with atomic electrons (of similar mass) and can lose a large fraction of their energy in a single collision, therefore their detailed trajectories vary a great deal from one electron to another and their ranges are not well defined (fig. 24 (b)).

Putco halts fares rise

Own Correspondent
PUTCO has decided not to implement fare increases for their Pretoria routes at the end of this month even though they have been approved

This decision was apparently taken after an outcry about the proposed increases and the threat of a bus boycott by commuters

Although Mr Don Rolt spokesman for Putco, denied that there was a move to increase the fares before the end of this month, the company had received the go ahead from the local Road Transportation Board.

Mr Rolt denied yesterday that the proposed increases were implemented at the end of this month as reported in the Press

"There have been reports in the Press that fares would go up before the end of September but we have no information about that," Mr Rolt said

REPORTS

But Mr Rolt reacted earlier this month to reports of the increases without denying that they would be effected at the end of the month.

The South African Cabinet has been asked to break the one-family control of the giant Putco transport company because of growing public concern.

Fare increases which were due in the Witwatersrand area last year had to be suspended after Soweto leaders had successfully sought a court interdict followed by a hearing by the National Transport Commission in Pretoria.

Atteridgeville and Mamelodi Community Councils have recently voiced concern about the proposed increases for the area and claimed that residents would not be able to absorb them

Mr B Ndilazi, a Mamelodi councillor, held a public meeting in his ward and it was resolved that buses would be boycotted if the increases came into force

a fraction $(1-N/N_0)$ of neutrons in the slab. The number N of neutrons emerging per second is given by

$$N = N_0 \exp(-\alpha x) \dots \dots \dots (33)$$

where α is the neutron interaction coefficient of the slab and depends on neutron energy and on the species and density of nuclei in the slab.

The neutron-nucleus interaction is either a nuclear scattering process, in which the neutron transfers some of its energy to the resulting (charged) recoil nucleus, or a nuclear reaction which usually leads to the emission of charged particles or gamma rays. Thus the secondary particles resulting from neutron interactions in matter are often charged particles and these particles then interact with the matter as described in (a). Hydrogenous media such as wax, water or plastic are of particular interest because a neutron can lose any fraction (0-100%) of its kinetic energy in a

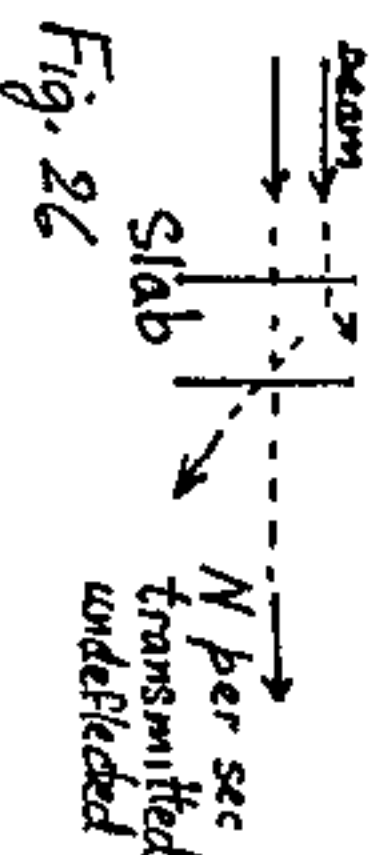


Fig. 26

is the half-thickness, analogous to the half-activity. This is defined as the thickness $x_{1/2}$ of the particular medium required to reduce the fraction N/N_0 (eq. (33)) to one half for a particular gamma energy. Thus $N/N_0 = \frac{1}{2} = \exp(-\alpha x_{1/2})$ (36)

Some values of $x_{1/2}$ are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

single elastic collision with a proton. The maximum nuclear recoil energy E_{max} resulting from elastic scattering of neutrons (of mass m_n and energy E) on a nucleus of mass m_N is given by

$$E_{max} = 4m_n m_N E / (m_n + m_N)^2 \dots \dots \dots (34)$$

Thus E_{max}/E is much smaller for heavy nuclei than for hydrogen.

(c) Gamma rays

The three most important effects in the interaction of gamma rays with matter are the photoelectric effect (described in section 2.1), the Compton effect (section 2.1, p.5) and pair production (section 2.3, p.8). Energy is transferred from the incident gamma photon to a photoelectron, a Compton electron or an electron-positron pair respectively. These charged secondary particles then interact with the medium as described in (a). As in the case of neutrons, the interaction of gammas with matter is a statistical process

By MARGA (V. LINDSEY),
Fair Deal Reporter

Major price rises are expected for chicken, turkey and fish, all of which are in short supply — largely as a result of high red meat prices

A spokesman for a major milling company that supplies chickens said that if meat prices continued to rise, chicken prices would rise in sympathy. When asked for reasons he said "There doesn't have to be a reason"

Major chain stores expect a shortage of turkeys over the Christmas period and prices will be up at least 45 percent on last year. Turkeys sold for

Chicken, turkey, fish next to rise

R1 30 a kg last year. They will retail at about R2 20 this year

Fish prices are also expected to rise. Mr Harold Goldberg, national merchandise manager of Checkers said "Operating costs in trawling have gone up quite considerably over the past year. Many of the small fishing companies have gone into liquidation and we are expecting a major price increase

soon'. Fishing companies would not comment on prices, but said there was no shortage of fish

Mr Goldberg said "We are experiencing a chronic chicken shortage and expect the price to go up soon"

Pressure on red meat and losses caused by Newcastle Disease are held to be the reasons for the poultry price increase

On the subject of turkeys Mr Goldberg said "Negotiations for supplies are usually completed by now. We don't even know what price we are going to pay". He expects it will be in excess of R2 a kg

A spokesman for a major supplier of turkeys said quantities would be about the same as last year. In the light of last year's shortage, this is not encouraging

Mr Chris du Plessis, a Consumer Council spokesman said "Any sudden price increase is regrettable. The matter needs looking into"

PANIC BUYING - SOARS

9/19/80 ^{News} ~~244~~ ~~244~~

Consumer Reporter

PRICES at Cape Town abattoir, which had begun to drop, shot up again today because of increased demand which a wholesaler ascribed to panic buying.

Don't stockpile - plead to housewives

19/9/80

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ARGUS

(Continued from Page 1)

Pay butcheries, said he had never seen the meat counters so busy

Something is certainly pushing up demand — and the price, he said

The South African Co-ordinating Consumer Council has announced that it will collect any information or evidence indicating that there is a need for an inquiry into the running of the meat industry

If it finds sufficient evidence recommendations will be made to the Minister with all expediency

The director of the Consumer Council, Mr Ian Cronje, appealed to the public to submit any verbal or written evidence of price manipulation to the council

Panic buying

Its telephone number at Pretoria is 012 483512 and its address P O Box 3800, Pretoria 0001

In a statement today Mr Cronje said the council disapproved of calls for a meat boycott

If meat production were made unprofitable it would lead to scarcity and still higher prices

A shortage of beef and lamb pushed up prices in Johannesburg today Super beef prices there were expected to reach R3 a kg at abattoir auctions Mutton and lamb prices were expected to be higher

Half the usual numbers

Argus 19/9/80
of cattle and sheep were available for slaughter at City Deep abattoir, Johannesburg, today

Butchers accused farmers of holding back animals to keep prices artificially high

The Argus understands that wholesalers are buying lamb at Cape Town abattoir to send to Johannesburg, where it will fetch a higher price

A Goodwood butcher said this was helping to push up prices in Cape Town

But a wholesaler said it helped to stabilise prices nationally if meat was sent to alleviate a shortage in another area

'It works both ways,' he said 'In times of shortage in Cape Town meat is moved here from other centres'

● See Pages 4 and 9

By early today the price of super beef had reached R2,15 a kg — 16c more than yesterday — and the price of super lamb ranged from R2,27 to R2,29 a kg

Earlier this week the price of super lamb was R2,01

A leading Cape Town meat wholesaler blamed the rise on panic buying resulting from 'absurd' forecasts by South African Agricultural Union officials

Unfortunate

He appealed to housewives today not to lay in stocks of meat until the price came down This would happen when demand returned to normal

The wholesaler said it was unfortunate that statements by union officials, giving the public the impression that a meat shortage and higher prices were on the way, had

created panic buying.

Describing some of these statements as 'absurd,' he said they were sending prices up again when in fact the situation

244

19/9/80

had improved and prices were beginning to come down

'There is no shortage of meat in Cape Town,' the wholesaler assured The Argus.

Regret

'Those who stock up their freezers now may regret it, because they are probably paying more for their meat than they would if they waited longer'

The sudden price rise had been caused by the combination of a public holiday, the end of the month and shortages in some parts of the country affected by drought.

The new support price introduced to Cape Town by the Meat Board a few weeks ago prevented any rapid fall in prices — because they could not now come down by more than six percent below the average for the previous week.

See-saw

Agreeing that 'ridiculous statements' by agricultural officials had sent prices up again when they were beginning to stabilise, the head of a supermarket butchery chain said 'I have never seen the market prices see-saw in the way they have been doing

'I have just been round the country and the situation is different in every city'

He did not believe meat prices would reach R8 or R10 a kg by Christmas as had been forecast by some union officials

'They represent the interests of the farmers, and it is in the farmers' short-term interests to keep meat prices up,' he said

'I am in favour of the farmers getting a fair crack of the whip, but there should be a ceiling price as well as a floor price.'

Mr Malcolm Simpson, area manager of Pick 'n

(Continued on Page 3, col 4)

Cut

it out!

~~cut~~

294

~~cut~~

19/9/80
sm
GIRIB

With the price of beef "virtually doubling in two months" and the South African consumer already burdened with record increases in the price of nearly every basic foodstuff this year, there have been calls for meat boycotts, investigations, inquiries and stricter price control. The Housewives' League has called for a consumer boycott of red meat and asked housewives to cut consumption.



Shopping for meat . . . becoming more painful to the pocket!

Board buys the meat and offers it for sale again at a later date. It is usually sold at a loss.

But earlier this year, because prices were considerably higher than the statutory floor price, the meat board and the Minister of Agriculture, Mr Hendrik Schoeman, introduced the support price to offer beef producers further protection in the market place.

The support price is a supplementary floor price calculated on the average prices over a three-week period. This price is generally much

higher than the floor price.

Prices on the abattoir sales are then not allowed to drop more than three percent below the support price. Once prices drop to this level the Meat Board buys the meat — and once again, usually resells it at a loss at a later date.

The National Marketing Council recommended several years ago that the support price system be scrapped. And more recently the Minister of Agriculture promised

members of the Housewives' League that the support price would not be used again — to no avail, apparently.

The call for an inquiry into the marketing of meat and the abolition of the support price was backed by the chairman of the powerful Witwatersrand Master Butchers Association Mr Eddie Bielovich, and the ombudsman of the South African Council of Churches, Mr Eugene Roelofse.

Mr Bielovich said butchers were not happy

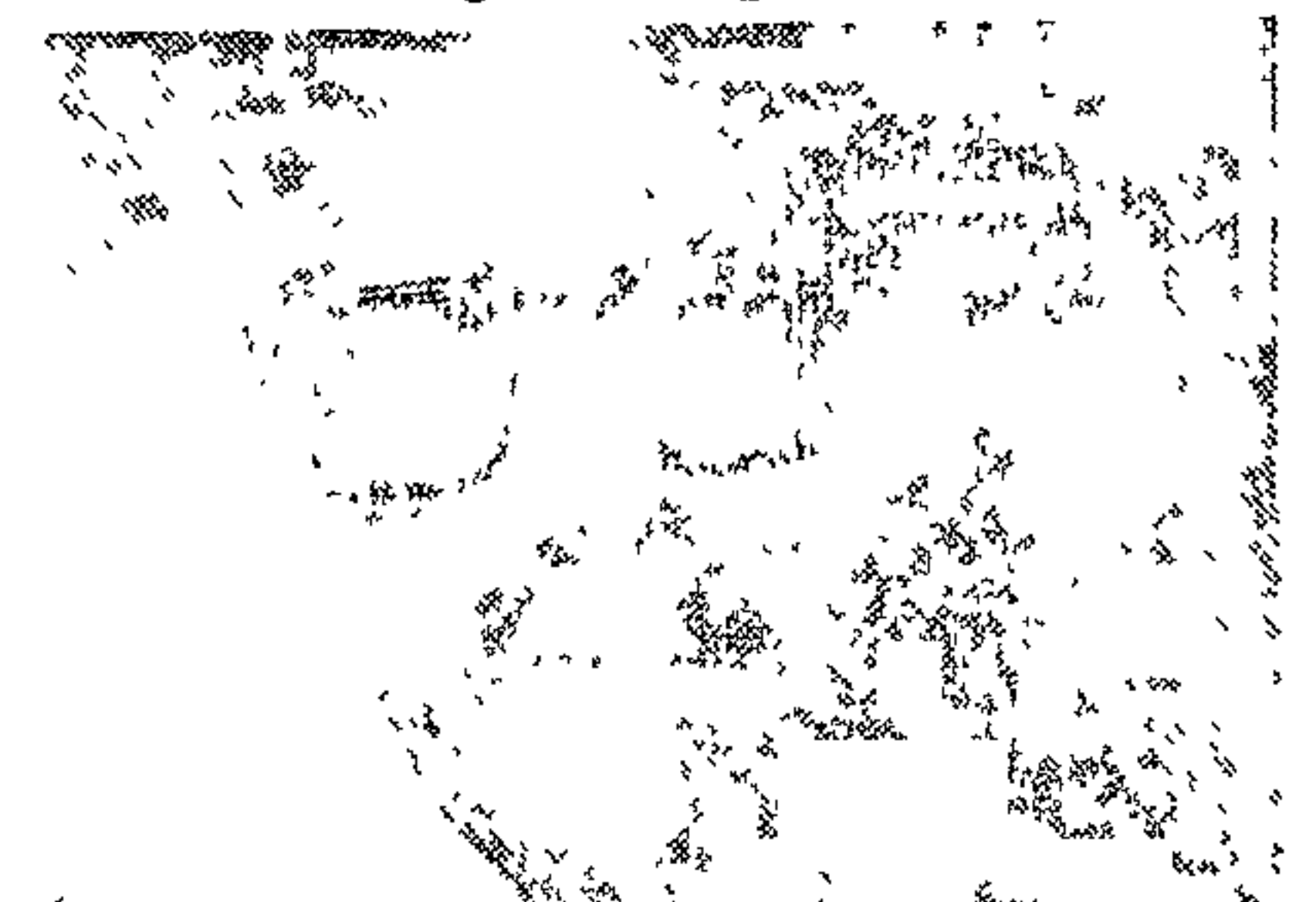
with the support price system and felt it should be scrapped. He said profit margins in the retail sector had declined because butchers had tried to absorb some of the price increases to keep their customers.

Consumer watchdog Eugene Roelofse said the real problem at present "is not with meat but with the Meat Board and the wholesalers".

"I have no objection to businessmen making a profit. But I do object to them making a killing," he said.



Meat Board chairman Du Toit . . . Housewives' League "acting irresponsibly"



Minister Schoeman . . . "the most costly minister the consumer has ever had"

"Now is the time for the Minister of Agriculture to either appoint an inquiry into the Meat Board or give us good reasons why he should be allowed to remain in that portfolio," Mr Roelofse said.

He said this call applied to the new Minister of Agriculture, Mr Pietie du Plessis, who assumes office in October, as much as it did to Mr Schoeman. He said he hoped Mr du Plessis would use his financial background to good advantage in the Department of Agriculture — Mr du Plessis is the current Deputy Minister of Finance.

In the Witwatersrand area — a controlled area — all meat has to be bought from the City Deep abattoir.

In Durban all meat must be bought from the new R47-million Cato Ridge abattoir.

Farmers, butchers and consumers have complained frequently in the past that the huge new abattoir at City Deep and Cato Ridge built at a cost of more than R80-million had caused increases in the price of meat.

Several studies have also indicated that the policy of building large,

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19/9/86

SOUTH African meat prices soared by 70 percent to an all-time high last week in a series of increases unprecedented in the history of the industry.

With the price of beef "virtually doubling in two months" according to one major retailer and the South African consumer already burdened with record increases in the price of nearly every basic foodstuff this year, there have been calls for meat boycotts, investigations, inquiries and stricter price control.

The Housewives' League, which has led the struggle against the rocketing cost of basic foodstuffs, has called for a consumer boycott of red meat and asked housewives to cut consumption of fresh meat to two meals a week.

Initial reports from retail butchers in the hardest-hit areas — the Meat Board's "controlled areas" — indicated that sales of meat were decreasing. Whether this was as a result of the boycott call or because meat was becoming too expensive for the average housewife has yet to be proved.

But the facts are — and a Sunday Tribune survey of butchers throughout the country proved it — that South African whites, among the world's biggest meat eaters, are cutting down on quality and eating more of the less expensive grades and cuts.

"I'm selling very few fillets, roasts and steak and a lot of mince, chuck, neck, shin and other cheaper cuts," one large Johannesburg retailer said.

"People are also asking for grade one rather than prime or super beef in an effort to keep within their budgets and continue to give their families meat. But there is definitely a new trend in meat buying. People are eating stews and casseroles rather than steak and roasts," he said.

By DARYL BALFOUR

the Housewives' League, Mrs Yvonne Forshaw, slammed his "threats" and asked how it could be irresponsible for the consumer not to buy a product if the price is too high.

"It's not our duty to buy meat. Anybody has a right to stop buying something if the price is too high and a call for a boycott would not work if the consumer felt the prices were reasonable," she said.

Mrs Forshaw said there should be an investigation to see whether it would not serve the producer and consumer better for the price of meat to be fixed.

"There's a fixed price for maize, wheat, milk, butter, cheese and a lot of other produce and that hasn't stopped the farmers. Why can't they do that for meat too then?"

Mrs Forshaw said the Meat Board's prime concern appeared to be to ensure that the farmer, who sees high prices at the abattoir and decides to cash in his cattle quickly, doesn't lose out if prices have dropped back to normal by the time his cattle arrive.

"So what if the farmer out to make a quick profit doesn't quite catch the market at its best. Other farmers seem happy enough to sell at normal prices and the floor price is there to prevent the price dropping to 'uneconomic' levels too.

"That is why we've been calling for the abolition of the support price. We've asked Minister Schoeman (the Minister of Agriculture) to remove the support price on many occasions. There is just no purpose it can serve when we already have a guaranteed floor price and a permit system," she said.

And while the "boycott" continued through the week, sales and prices dropped off slightly at the City Deep abattoir, indicating perhaps that the consumer does have some power, however little, when it comes to fighting inflation.

Meat Board chairman, Mr P. B. du Toit, issued a statement however, slamming the boycott calls and warning that the Housewives' League was "acting irresponsibly".

A boycott of red meat could have an adverse effect in the long run and force farmers to cut back production, resulting in a shortage and eventual need to import inferior and expensive meat, Mr du Toit warned.

But yesterday the national vice-president of

Mrs Forshaw's comments were echoed by a major Reef butcher who claimed: "There is no way the meat price can come down by itself. It is manipulated all the way. The support price is the biggest monster ever created.

"The support price is in effect just another floor price to give the farmer an artificially high guaranteed price for his cattle," the butcher, who did not want to be named, said.

The floor price is a guaranteed price set annually. The beef producer knows before he sends his cattle to the abattoir that he can get no less than the floor price for his product.

If the price ever drops — due to lack of demand or a surplus — the Meat

244

19/9/80



WHILE housewives are paying record prices for meat, the man who should be smiling — the producer — is still beefing.

For while prices have rocketed during the past two months, few farmers have actually gained any real benefit and many claim it is the middlemen — the agents and particularly the meat wholesalers — who are getting the tenderest cut.

And figures given to the Sunday Tribune by an economist at the South African Agriculture Union, Miss Anna Kruger, prove that the farmer is getting a raw deal in the big beef carve-up.

Miss Kruger said research by SAAU economists had found the producer, who cares for his cattle for up to three years, gets only about 55 percent of the retail price of meat.

The rest goes to the Meat Board, the Abattoir Corporation, livestock agents, meat wholesalers and the retailer.

One large beef breeder in the Vryburg district, Gilbert Speedy, said his figures indicated that for the 1980 tax year his marketing costs were 17,18 percent of what he received for each carcass. These costs included a 1,26 percent slaughter fee, 3,08 percent abattoir fee, four percent Abattoir Commission, 3,1 percent abattoir levy, 0,44 percent Meat Board insurance fee, 0,32 percent agent's insurance fee, 3,18 percent rail transport costs, 1,49 percent road transport costs and 0,3 percent on sundry costs.

Another farmer, George Rautenbach of Waterpoort, said it cost him R56 for every head of cattle he sent to be slaughtered.

Mr Rautenbach said he found it strange that while the price paid to farmers at the abattoirs had risen by about 50 cents a kilogram the consumer was having to pay almost R2 a kilogram more.

He said there was urgent need for the Government to appoint an inquiry to investigate marketing practices in the meat industry.

The chairman of the Witwatersrand Master Butchers' Association, Eddie Bielovich, said the retailer had to pay the wholesaler about 10 percent on to the abattoir sale price of meat for the small amount of work the wholesaler actually had to do.

On a carcass selling for R400 at the abattoir the wholesaler would make about R40. A small butcher buying, say five carcasses a week, would in effect be paying one of the wholesalers R200 a week in "delivery and handling" fees.

Mrs Yvonne Forshaw, national vice-president of the Housewives League, slammed the wholesalers' cut of the meat prices and said they received far too much for what they did.

"There should be a set fee. Say R5 or R10 a carcass. Not a percentage based on the cost. Why should they make more money buying and delivering a carcass this week when prices are high than they did a month ago when prices were down?"

"And their claim that they charge a percentage as 'interest' because most of the small retailers are on credit is hokey . . . nearly every wholesaler in any business field works on a credit basis with the retailers. It's part of normal business practice," she said.

Mrs Forshaw also slammed the fact that the big three in the meat trade — the giant Vleissentraal Co-operative, Imperial Cold Storage and the Pickard Group's Karoo-Kanhym syndicate — were involved in all aspects of the trade.

Last year, a SUNDAY TRIBUNE investigation found the big three were involved in meat production, as livestock agents, as wholesalers and as retailers.

"They're in a perfect position to manipulate the market and it shouldn't be allowed," Mrs Forshaw said.

"Wholesalers should have never been allowed to be licensed as retailers. There should be a concerted effort to remove them from the retail sector now," she said.

9

244

19/9/80

"Mr Hendrik Schoeman is the most costly minister the consumer has ever had in this country."

"The continuous pressure for price rises by agriculture in South Africa can be attributed to the encouragement Mr Schoeman has given them."

"Mr Schoeman and the Meat Board seem to have a grossly exaggerated idea of the affluence of the South African consumer. Furthermore, they also appear to be unaware of the wide extent of malnutrition in this country," Mr Roelofse said.

Mr Roelofse said he found it odd that while prices were astronomical in South Africa, on a recent visit to Zimbabwe he had been able to buy fillet steak for R2,50 a kilogram.

And a Sunday Tribune inquiry at butchers out of the major Meat Board controlled areas this week also found prices up to 50 percent lower than in the controlled areas.

For example, while rump steak was being advertised in Johannesburg at R5,69/kg, in an uncontrolled area such as Sasolburg it was available at R3,50/kg.

Topside roasts, selling at R4,40 in Johannesburg, could be bought for R3,00 in the uncontrolled area, topside at R4,30 sold at R2 out of the control areas.

The Meat Board does not have any say in uncontrolled markets and prices are determined according to normal principles of supply and demand. Butchers in the uncontrolled area said they had no difficulty obtaining supplies from their local abattoirs.

centralised abattoirs should be scrapped and smaller slaughterhouses should be erected in the actual production areas.

It has been pointed out that it is far cheaper and more convenient to transport carcasses rather than live animals.

These are the reasons why people in the industry want it investigated by a commission of inquiry — besides the widespread allegations of corruption and manipulation of the trade.

So far Minister Schoeman has refused, saying he wants sworn affidavits detailing corruption before he will appoint an inquiry.

But sources in the industry have pointed out that the findings of the commission of inquiry into the South West African meat industry should be good enough. There the commission, appointed to investigate "alleged irregularities", had found evidence of large-scale corruption and several important South African connections were involved.

Others say the inquiry need not be looking for corruption but merely to investigate the widespread dissatisfaction with the present system of marketing meat. They feel however that evidence of "manipulation" and even corruption would be found.

Already one senior Meat Board official has been jailed for corruption and other allegations of bribery and corruption in the trade are pending.

Is that not enough to suggest an urgent need to investigate the meat industry, people are asking.

CPI down on yearly figure ⁽²⁴⁴⁾

RDH 23/9/80
Pretoria Bureau

THE consumer price index (CPI) rose by 1,5% in July to 177,2 compared with 174,5 in June and 159,2 in July 1979, which is a year-on-year increase of 12,2% compared with June's 14,6%

The chief economist of the Bureau for Economic Research at the University of Stellenbosch, Dr O D J Stuart, said the reason for the decline in the 12 month figure was that the 3,6% rise in the index during July last year was caused by the huge increase in the price of fuel. This was a technical adjustment which had moved out of the calculation.

This drop in the 12-month rate, he said, did not reflect a slowing down in the inflation rate. In fact, he added, the bureau feared that the rate would continue to rise.

The food-only index leapt forward by a hefty 3,1% during July — 181,4 compared with 176 points in June.

The lower income group rise was 1,6%, for the middle income group 1,6% and that for the higher income group was 1,3%

244 Cape Herald 20/9/50

Meat prices: Butchers see boycott

CONSUMER resistance to rocketing meat prices has been swift, and many butchers are now counting their losses as they prepare for an almost total boycott in black townships

A Manenberg butcher said that he had experienced a significant drop in the sale of meat, having sold 400 kg less beef than usual.

'People are buying less because they cannot afford to pay,' he said

Butchers in Elsies River and Bonteheuvel called for a drastic reduction in the price of meat, saying that people were still paying the same amount for meat, but were receiving less for their money

The manager of a supermarket affiliated to a well-known group said that people were switching to chicken in an effort to avoid the price hikes

'Our normal sales were exceeded by more than 20

percent when we had a rush on chickens on Saturday,' he said

He said that there was a strong suspicion among butchers that meat was being transported to Johannesburg — where higher prices are available. They did not believe that there was a shortage in Cape Town

'I would personally advocate a total boycott because the supply and demand is there, and if the public boycott meat,

the supply will be forced to come forward,' he concluded

Mr Chris du Plessis, chief of the Consumer Council's projects and public relations, said the recent sharp increases in meat prices were due to several factors. Drought, burdens of debt suffered by some farmers and the low rate at which beef prices rose during the past five years had seriously diminished stock figures, he said.

+ 4

Super lamb down — beef still dear

244

Consumer Reporter

CAPE TOWN abattoir is slaughtering to full capacity again today and super lamb prices were lower than on Friday.

Prices for super beef were still high.

Butchers said that panic buying in fear of higher prices towards Christmas and buying by wholesalers who are sending meat to Johannesburg were keeping prices up.

The auction price for super beef ranged from R2 10 to R2 29 at the abattoir early today compared with R1 90 a kg at the beginning of last week and R2 20 a kg on Friday.

The auction price for super lamb ranged from R2 04 to R2 14 a kg compared with R2 01 at the beginning of last week and R2 30 on Friday.

Retail butchers said people were stocking their freezers in spite of advice to wait until prices dropped.

A Point butcher Mr. Chris Joubert said: 'I have never known anything like it — I am taking orders a month ahead from people who insist on stocking their freezers now although I advise them to wait until demand, and prices, drop.'

My advice to people is to wait and spread the demand over a longer period. Price at the auction are governed by supply and demand.'

NOT LONG

Discussing reports that farmers were holding back supplies to keep the price up — there was a shortage of sheep and cattle at Cape Town abattoir on Thursday and the gigantic City Deep abattoir in Johannesburg killed only half its normal quota of animals on Friday — Mr. Joubert said: 'They cannot do that for long.'

A farmer can hold back an animal for only a few

days after it is ready for market. Otherwise it goes out of condition or grows too big to be graded as super.'

He was indignant at the continuing export of meat. Commenting on the export of 50 tons of lamb to Greece by a Maitland consortium last week, he said: 'I think that is shocking when demand is so great here and there are shortages in some places.'

Mr. Malcolm Simpson, area manager of Blue Riband butcheries, said: 'I think it is terrible that they should export meat at a time like this, when prices are out of all proportion.'

The Meat Control Board should look after the home market first.

A Meat Board spokesman said that 5 500 lambs and sheep and at least 800 cattle would be slaughtered at Cape Town abattoir today.

No to bus fare hike

MZIKAYISE EDOM

THE Duduza Community Council, yesterday rejected the Nigel Municipality's proposed bus fare increases.

This community council took this decision at its monthly meeting yesterday. Two Nigel Town councillors attended.

The five and 10 cent increases were supposed to have come into effect on August 4, but were opposed by community councillors who said residents were not informed about the proposed fare increases.

The community council held a public meeting last month and residents said

they would not pay the increases until the town council had produced its last financial statement.

They also said that if the town council went ahead and increased the fares, they would walk rather than pay the higher fares.

Mr Shepherd Molefe, a community councillor said yesterday: "We do not agree to the bus fares increased at this stage. We stand by the people's decision that the fares should not be increased."

Mr E de Bruyn, representing the town council, said: "This issue will not stop at the rate we are continuing. People must

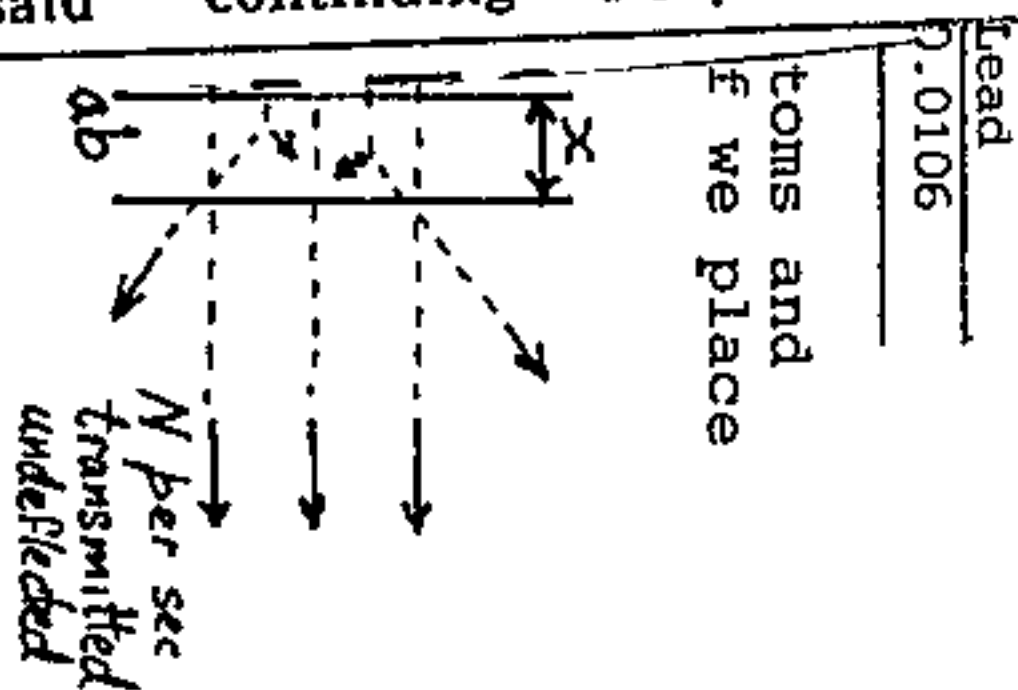
have faith in the community council and the council must make decisions for the people. If we can terminate our services, other companies will come in and will charge more than we charge."

After the meeting, Mr de Bruyn refused to comment when asked by POST what next steps the town council would take after the community council rejected the proposed fares.

The fares were supposed to have been increased from 25 cents to 35 cents for a single trip from the township to Nigel and from R1,85 to R1,90 for season tickets.

Increases, as the particle penetrates deeper into the medium. The density of energy deposited ($-dE/dx$) is therefore highest at the end of the range (fig. 25).
Relatively heavy particles such as the p or α are not significantly deflected in their collisions with the much lighter electrons in matter and the maximum energy lost per collision is a small fraction of the p or α in their process and from one $\lambda(a)$. In large λ ns (of their energy and trajectories

water or plastic are of particular interest because a neutron can lose any fraction (0-100%) of its kinetic energy in a hydrogenous media such as wax, which often act with the particles charged or a nuclear reaction with the



nuclear
some of its
or a nuclear
charged
particles
often
act with the

single elastic collision with a proton. The maximum nuclear recoil energy E_{max} resulting from elastic scattering of neutrons (of mass m_n and energy E) on a nucleus of mass m_N is given by

$$E_{max} = 4m_n m_N E / (m_n + m_N)^2 \quad \dots \dots \dots (34)$$

Thus E_{max}/E is much smaller for heavy nuclei than for hydrogen.

(e) Gamma rays

The three most important effects in the interaction of gamma rays with matter are the photoelectric effect (described in section 2.1), the Compton effect (section 2.1, p.5) and pair production (section 2.3, p.8). Energy is transferred from the incident gamma photon to a photoelectron, a Compton electron or an electron-positron pair respectively. These charged secondary particles then interact with the medium as described in (a). As in the case of neutrons, the interaction of gammas with matter is a statistical process and is governed by an exponential absorption law of the form given by eq.(33) but with α representing the gamma ray absorption coefficient. This coefficient can, in turn be considered as the sum of components α_{pe} , α_C and α_{pp} , corresponding to the photo-, Compton and pair effects. Thus

$$\alpha = \alpha_{pe} + \alpha_C + \alpha_{pp} \quad \dots \dots \dots (35)$$

The absorption coefficients are largest for the heaviest elements (e.g. lead) and α_{pe} usually dominates for gamma energies below 0.5 MeV, α_{pp} for energies above ~ 1.0 MeV and α_C for energies around 1 MeV.

A convenient measure for gamma interaction calculations is the half-thickness, analogous to the half-life in radioactivity. This is defined as the thickness $x_{1/2}$ of the particular medium required to reduce the fraction N/N_0 (eq.(33)) to one half for a particular gamma energy.

$$\text{Thus } N/N_0 = \frac{1}{2} = \exp(-\alpha x_{1/2}) \quad \dots \dots \dots (36)$$

Some values of $x_{1/2}$ are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

Electricity tariff rise not such a big shock

Re: T

By HOWARD PREECE
Financial Editor

THE average 8.5% hike in Escom's electricity tariffs for next year is remarkably restrained — a cold comfort though for many of those who will be paying more for their power.

Inflation is now running in the 12% to 14% range, as it did in 1979, and is highly unlikely to fall below that in 1981.

Re: T

Against that Escom's general effective tariff rise was 6.1% in 1979, about 10% this year (effective only from July 1)

and 8.5% expected for 1981.

This will mean that for three years Escom has managed to hold its tariff rises well below the rate of inflation.

When it is accepted that Escom itself is subject to all the pressures from this general inflation in the economy, both for wages and for its essential raw materials, notably coal, this is quite an achievement.

Although Escom may seem to be fuelling inflation it is also decelerating it.

Of course that is not the whole story. Escom has monop-

oly privileges and it may well have abused those in the past at the expense of the consumer.

It has also benefitted greatly — as have virtually all private companies — from the economic upsurge with all the bonus effects for profits.

Escom would have fared poorly indeed if it could not have taken advantage of that.

But this much must still be said: when your rent doubles that is a shock; when your electricity bill goes up 8.5%, that is modest enough these days.

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... a fair comparison with leasing the most rapid method of depreciation allowed by the Receiver of Revenue should be used. Furthermore depreciation in this context includes the investment and initial allowances.

Re: Term 5: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. This stream is the tax shield arising from the tax deductibility of the interest on an equivalent (the displaced) loan.

The general approach will now be applied to the problem in MAN. 530 which follows.



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 VAN DIE REPUBLIEK VAN SUID-AFRIKA
 REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

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Vol 1831

PRETORIA 26 SEPTEMBER 1980

SS [No 7240]

GOEWERMENSKENNISGEWINGS

**DEPARTEMENT VAN HANDEL
 EN VERBRUIKERSAKE**

No R 1988 26 September 1980
 WET OP PRYSBEHEER 1964

Ek, Elias George de Beer, Prysbeheerder handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964) wys hierby die Blye van Goewermentskennisgewing R 547 van 7 April 1972 deur paragrawe 1 tot 42 daartoe te skrap.

E. G. DE BEER, Prysbeheerder

No R 1989 26 September 1980
 WET OP PRYSBEHEER, 1964

Ek, Elias George de Beer, Prysbeheerder handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964) trek hierby die volgende Goewermentskennisgewings in:

No R 183 van 14 Februarie 1961 Maksimum pryse van ingevoerde aardappelmoere

No R 185 van 14 Februarie 1961 Maksimum pryse van verskeie isolators

No R 1681 van 24 September 1971 Maksimum pryse van draad, oorgesdraad en heiningpaal en heiningpaaltjies

No R 641 van 9 April 1976 Maksimum vordering van foto's vir identiteitsdokumente

E. G. DE BEER, Prysbeheerder

GOVERNMENT NOTICES

**DEPARTMENT OF COMMERCE
 AND CONSUMER AFFAIRS**

244

No R 1988 26 September 1980
 PRICE CONTROL ACT, 1964

I, Elias George de Beer, Price Controller acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964) hereby amend the Schedule to Government Notice R 547 of 7 April 1972 by the deletion of paragraphs 1 to 42 thereof.

E. G. DE BEER, Price Controller

No R 1989 26 September 1980
 PRICE CONTROL ACT, 1964

I, Elias George de Beer, Price Controller acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964) withdraw the following Government Notices:

No R 183 of 14 February 1961 Maximum prices of imported seed potatoes

No R 185 of 14 February 1961 Maximum prices of porcelain insulators

No R 1681 of 24 September 1971 Maximum prices of wire, wire netting and fencing standards, posts and droppers

No R 641 of 9 April 1976 Maximum charge for photographs for identity documents

E. G. DE BEER, Price Controller

INHOUD

No	Blaads no	Staats- koerant no
Handel en Verbruikersake - Departement van Goewermentskennisgewings		
R 1988 Wet op Prysbeheer (25/1964) Wysiging	1	7240
R 1989 die toetrekking van Gk R 183 R 185, R 1681 en R 641	1	7240

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R 1989 do Withdrawal of Gk R 183 R 185 R 1681 and R 641	7240

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Butchers favour meat price inquiry

21/9/80
KRAMS
244

Consumer Reporter

CAPE TOWN butchers are in favour of an inquiry into the meat industry, as they believe it will belie the accusation that retailers are making a fortune out of the price rises.

Cape Town delegates will put forward a resolution at the annual conference of the South African Federation of Meat Retailers in East London next month, that butchers should assist investigations carried out by any reputable organisation 'into marginal profits made by the trade.'

There are signs, meanwhile, that panic buying for fear of even higher prices may be subsiding.

NOT BUSIEST

A spokesman for Blue Riband, the butchery department of Pick 'n Pay, told The Argus that the weekend — the last this month — was not 'the busiest month-end we have known.'

'We were quite busy,' he said, but there was such a rush to stock freezers with meat earlier in the month that we must expect things to quieten down a bit now.'

He thought, however, that the drop in demand was not yet enough to affect prices at Cape Town abattoir auctions.

'There are no carcasses left over at auctions for the Meat Control Board to buy in,' he said.

He pointed out that wholesalers were buying 'quite a lot of meat' in Cape Town to send to Johannesburg, where it was in short supply.

CHILLED BEEF

But Cape Town received chilled super beef from another area last week, to prevent a shortage because cattle coming from South West Africa for slaughter at Maitland abattoir were of lower grades.

The Meat Control Board did not disclose where supplies were coming from, but some butchers suspected, from the way it was trimmed, that it came from Port Elizabeth.

Because Fanyana had to leave the following morning we started the proceedings

1 OPEN DAY

1.1 Because of the possible difficulty the open day was suggested by

- (i) make SACHED known to people of what it offers, but who do not
- (ii) to promote the idea of a Project Booster Project with UNISA and Catholic Bishops;
- (iii) to possibly raise funds for a bursary project, which cannot

1.2 Centre or National Matters

Fundraising, as a policy matter upon at a directors' meeting. arrange the open day on a 'local' from Cape Town and Durban. The too late to make alterations to which have been written to were Sullivan and EEC Codes. Invitations

1.3 Publishing:

Through the above contacts on it is hoped to make the production and profitable. A qualified person will need new premises on a large

1.4 Funds

The dynamics and mechanics of acceptance gone into (and the 'small print' in undertaking anything that may original aims. We must avoid

- (i) funds are withdrawn, goals are not fulfilled;
- (ii) we become dependent on an it was suggested SACHED obtain

In principle there are no objections companies. However, because of have to square ourselves with a specific objections to such as front page of Learning Post state example of what would be unacceptable seriously prejudice SACHED's Campaign

We should bear in mind that before raising it is necessary to enter into a contract with any funding agency. Raymond Tucker is a lawyer.

There has been no success with attempting to raise funds from organisations, rather than companies.

1.4.1 /...

Meat prices - a slight fall

244

3/9/80 ARGUS

Consumer Reporter PRICES for super beef and lamb fell slightly at Cape Town abattoir auctions yesterday. One of the city's few independent butchers and wholesalers, Mr W Gautschi, said he hoped a fall in demand would bring down prices as fast as was allowed by the Meat Control Board's support price system

The price for super lamb ranged from R2,14 to R2,19 a kg, compared with R2,29 a kg in the middle of last week. The Meat Control Board released 250 frozen carcasses, which had been brought in earlier and kept in cold storage, to add to supplies. Mr Gautschi said it had been 'a quiet day' for buying.

There is plenty to go round. I am sure the price will come down to reasonable levels as soon as people stop buying meat as if they are afraid it will go out of fashion. But of course, the Meat Board's new support price system - which stops prices from falling more than 6 percent below the previous week's average - prevents it from coming down more than a few cents a week.

Mr Gautschi, who will be a delegate to the annual conference of the South African Federation of Meat Retailers in East London next month, said a protest would be made there about the support price system. He said the basic reason why prices had risen steeply at the end of August and the beginning of September was increased demand because a public holiday had coincided with the end of the month.

Prices had then risen even higher because of panic buying. People had been frightened by stories that meat would go up to R10 a kg. 'We had a lot of bulk buying as a result' But he thought it suspicious that, whenever prices came down nicely, because of ample supplies, there was suddenly a fall in the number of animals sent for slaughter, until prices rose again. 'It is difficult to pinpoint any manipulation of the market. One cannot prove anything. But one cannot help suspecting that there is something funny going on, and that artificial shortages are created to stop prices falling.'

Meat price ^{20%} up by 24,6% ^{RDM} on last year ^{2/10/50}

By VITA PALESTRANT
CONSUMER MAIL

THE Consumer Price Index rose by 1,1% in August and by 11,9% during the 12-month period ending in August

Low and middle income groups rose by 1% during August and by 13,5% and 12,6% respectively during the 12-month period

Higher income groups rose by 1,2% in August and 11% in the year ending August

During August food rose by a substantial 1,7%, and by 15,7% during the 12-month period

Consumers paid 2,3% more for meat during August and a whopping 24,6% more than they did last August

Other major increases during August in the food sector were fats and oils — 3,4%, milk, milk products and eggs — 2,2%, vegetables — 2,7%, coffee and tea — 1,6%, and cold drinks — 0,8%

Housing rose by 1,2% with fuel and power increasing by 4,4%

Household operations rose by 0,8% with cleaning materials up by 1,4% during August and by a staggering 23% during the 12-month period

Domestic servants were paid 0,7% more during August — and 8,7% more than last year

Transport increased by 1,2% with vehicles costing 2,9% more

Recreation, which has increased by 11% in the past year, rose by 2,2% during August

Every month the Department of Statistics analyses masses of information about the cost of goods and services in 11 major urban areas. These are processed to make up the CPI

Consumer Mail publishes the CPI monthly as a service to its readers

TRAIN

FARES

ROCKET

POST
3/10/80
244

TRAIN fares are going up again — this time by at least 38,2 per cent.

The increase was announced by the assistant general manager of the South African Railways Mr C P van Coller at a conference in Johannesburg yesterday.

"To maintain the present financial year loss (for the SAR) of R485 million during the period 1981/82 at the present level, bearing in mind the inflation rate of 13 percent, passenger fares will have to be increased by no less than 38,2 percent," Mr Van Coller said.

The last time the train fares jolted up was early in March when first and second class commuters paid an increase of 15 percent while third class commuters paid an extra 10 percent

Mr Van Coller said if the present SAR annual loss was not kept at its level, the railways would operate at an annual loss of R2 000 by the year 1990.

Average costs of running the passenger service had increased by 34,1 percent

The outgoing Minister

By CHARLES MOGALE

of Transport, Mr Chris Heunis, told the conference that special low tariffs had been introduced in the past in favour of the country's economy.

But because these objectives had been achieved, the railways "must now become more cost orientated."

"Moreover," said Mr Heunis, "new growth points, for instance at the coast, have to be developed."

Business

He said the SAR was a business enterprise — "and rightly so" — which must provide a viable commercial transport service to meet all the economic demands of the country, it should be restricted to this particular field in the fulfilling of its functions.

The move to increase

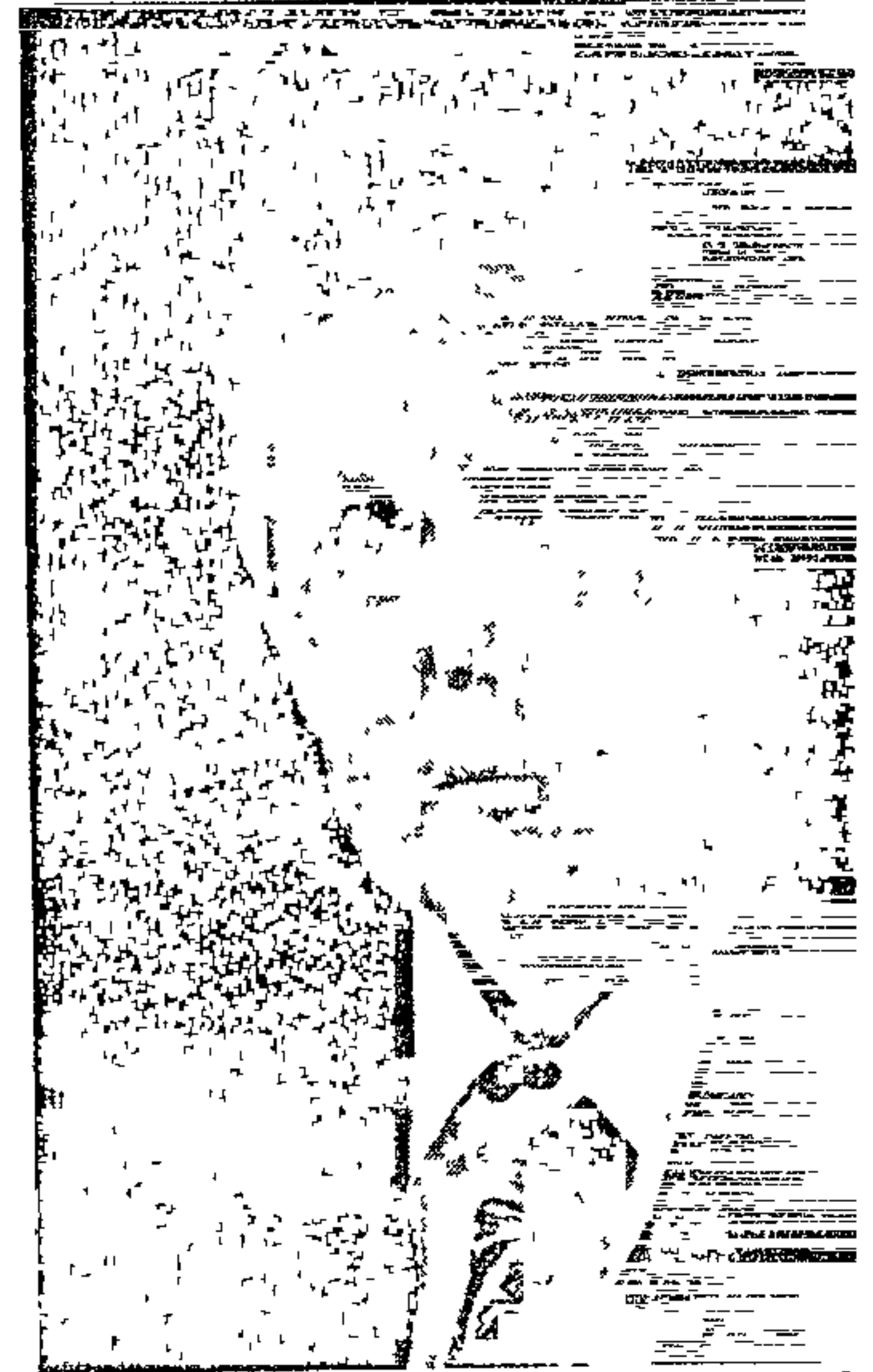
the fares should hit hundreds of thousands of blacks who had resorted to the railways to evade the soaring costs of road transportation.

Hardest hit will be Soweto residents who are presently being forced to absorb a (second) rent increase of R4,35 within two months.

When the increase goes into the third and final phase on January 1, Soweto residents will pay a total increment of R13,05

Meanwhile Soweto leaders, led by the Soweto Civic Association, have threatened to get the people to walk if Putco's proposed fare increases succeed.

In Putco's annual report, the directors of the company warn that increases are a "possibility" This was forced on Putco by sharp rises in fuel costs.



Chris Heunis... Minister of Transport who said the Railways had to be more cost oriented.

ASBESTOS AND ASBESTOS-RELATED DISEASE
IN SOUTH AFRICA

INTRODUCTION

Exactly how dangerous is asbestos to human health at the level of industry, the State, trade union academic institutions, civic bodies or interested many arguments are heard.

There is clearly a double question involved here precisely are the vested interests that are brought when taking up any point of view?

Naturally one would expect industry to be biased playing down the dangers involved and of being in setting, often expensive, processes for protection in motion. Likewise one would expect trade unions concerned with environmental pollution to stress exposure to asbestos. Academic researchers, where directly employed by industry or trade unions, who or State institutions, may be expected to produce lie somewhere between these two positions. However argued in this paper that, as is the case with the department or research bodies), academic institution research workers generally lean more to the side virtue of a multiplicity of connections.

Essentially there is a state of industrial dispute There is also generally an explicit acknowledgement division in most advanced industrial societies, which enshrined in the law and various state structures. asbestos has been established as a carcinogen (a substance), the problem that immediately springs is to take the decisions with regard to protection effects of this substance in a divided society?

One might think that those directly involved by exposure should take the weighty decision, particularly notable feature of the whole asbestos controversy

NOTICE 699 OF 1980

DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for August 1980 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975=100	Base April 1970=100
1 Cape Town	174,8	272,9
2 Port Elizabeth	176,1	278,8
3 East London	176,6	279,0
4 Kimberley	176,0	270,7
5 Pietermaritzburg	178,6	280,0
6 Durban	178,8	277,0
7 Pretoria	176,9	282,7
8 Witwatersrand	182,1	287,5
9 Klerksdorp	176,7	277,8
10 Vaal Triangle	182,6	283,0
11 O F S Goldfields	181,1	276,2
12 Bloemfontein	178,2	275,9
Weighted average of the 12 areas	179,2	281,7

Explanatory notes

The Consumer Price Indexes do not permit of inter-urban comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each urban area, independently, the price changes which have taken place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This index will be published for a limited period to afford users of the index the opportunity to amend agreements which refer to the index on the base April 1970=100.

(3 October 1980)

KENNISGEWING 699 VAN 1980

DI'PARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Augustus 1980 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975=100	Basis April 1970=100
1 Kaapstad	174,8	272,9
2 Port Elizabeth	176,1	278,8
3 Oos-Londen	176,6	279,0
4 Kimberley	176,0	270,7
5 Pietermaritzburg	178,6	280,0
6 Durban	178,8	277,0
7 Pretoria	176,9	282,7
8 Witwatersrand	182,1	287,5
9 Klerksdorp	176,7	277,8
10 Vaaldriehoek	182,6	283,0
11 O V S-goudvelde	181,1	276,2
12 Bloemfontein	178,2	275,9
Beswaarde gemiddelde van die 12 gebiede	179,2	281,7

Verduidelikende opmerkings

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspele of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970=100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970=100 betrekking het, te wysig.

(3 Oktober 1980)

No fares rise, ^{WIN} says SAR man ^{2/2}

Staff Reporter

THE CHIEF public relations officer of the South African Railways, Mr J C van Rooyen, yesterday denied reports that passenger tariffs were to increase by 38,2%

The assistant general manager of the SAR, Mr C P van Coller, said at a seminar this week the average running costs of passenger services had increased by 34 1%, and that if the SAR wished to maintain an annual loss of R405-million in 1981/82, passenger fares would have to be increased by 38,2%.

He took into account a pro-

jected inflation rate of 13%, and said if the annual loss was not kept at the present level the SAR would operate at an annual loss of R2 000-million by the year 1990

But Mr Van Rooyen said yesterday the SAR would make good its losses on passenger services with Government subsidies

He said "We will keep on asking the Government to alleviate our losses because the SAR is a socio-economic service"

He said the SAR would aim marketing campaigns at attracting customers, to rationalise services and cut costs

"Over the next five years we hope to increase the number of mainline passengers by 15% and the number of suburban passengers by 5%"

The last tariff increases were on April 1 this year, when first and second class fares went up by 15% and third class by 10%

Consumer Reporter

HOUSEWIVES who want to give their families protein without having to pay soaring prices for red meat are faced with the devil's alternative.

The price of chicken and pork is rising in line with red meat and the price of offal, standby of many black housewives, has increased by as much as 300 percent in the past few days

The price of poultry feeds goes up on Friday and is certain to push up the price of eggs while cheese reacting to a surplus, increased in price months ago

But fish prices, which last went up in August, are not expected to rise yet. The most popular variety — hake, or stock-fish — is cheaper than fresh chicken in some shops

Vegetables have been of low quality and high priced for some weeks now but prices are beginning to fall as more local produce becomes available and replaces supplies from the Transvaal. November prices are expected to be well below current levels. Already large first-grade potatoes have fallen by up to 80c on a 15 kg pocket and half ripe second grade tomatoes by as much as R1.50 a box. While the drop in the price of vegetables will help to fill stomachs it will do little if anything to provide the protein needed in all diets.

(Continued from Page 1)

Prices pegged

At least two supermarket chains are determined to disprove a forecast that chicken prices will rise to R2 a kilogram by Christmas and are still selling stocks of frozen chickens — bought when the price was lower — at the 'old' price of R1.49 a kilogram

Pick 'n Pay has pegged the price of fresh chickens to its present level of R1.72 a kilogram until November 11 and Checkers, which also laid in stocks of frozen chickens when buyers foresaw an increase in demand, has also pegged the price of chickens

Responsible

In response to an allegation by the supermarkets that producers were forcing up the price of chicken to exploit the rise in the cost of red meat, a Johannesburg chicken producer has suggested that by stockpiling supermarkets are responsible for the shortage of table poultry and the resultant higher prices

Mr John Barry, area manager of Pick 'n Pay, said chickens were still being exported and that producers were making a profit of 50c to 60c on every fresh chicken sold in this country.

It is impossible to stockpile fresh chicken

(Continued on Page 3, col 1)

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Dramatic increase in food costs

STAR
23/10/80

244

By David Breier, Pretoria Bureau

Food costs have soared by 5,6 percent in the last month. This represents an increase over last year's figure of more than 20 percent, according to figures released today by the Department of Statistics. The latest Consumer Price Index shows that the biggest increase for the year occurred last month

Highest

The Department of Statistics figures show that the Witwatersrand and the Vaal Triangle have borne the brunt of the increases.

The index for all items on the Witwatersrand now stands at 185,6 points and for the Vaal Triangle at 188,8 compared with 178,3 for Cape Town

Food prices on the Reef are among the highest in the country with only the Vaal Triangle, Maritzburg and Port Elizabeth experiencing greater increases,

Last month's increase in the CPI was the third largest single increase for any month in the last four years

next year

Meat prices last month showed a huge rise, with the index reaching 196,3 points compared with 175 the previous month and 142,5 in September last year

The price of grain products and vegetables also showed substantial increases last month while other commodities such as fish, dairy products and fruit showed relative stability

The cost of housing over the last year has also shown a substantial rise, increasing from 140,7 points last year to 157 last month

The CPI figures also show heavy increases in medical costs, which increased from 143,8 points in September last year to 166 in August and to 175,5 last month

The average CPI increase for all income groups was two percent last month, bringing the increase for the last year to 12,8 percent

But for the lower income group the increase last month was a staggering 3,1 percent, bringing the increase from September last year to September this year to 15,2 percent

For the middle income group, last month's increase was 2,2 percent an increase of 13,7 percent over last year

For the higher income group the CPI increase has been much slower, with last month's increase compared to August only 1,7 percent and the increase compared to September last year 11,8 percent

The average increase of two percent in the CPI would mean a cost of living increase of 24 percent over the next year if this rate was maintained

Stability

But the enormous 5,6 percent increase in food prices last month would mean a yearly increase of 67,2 percent if this rate was maintained over the

SCHEDULE

1 The maximum price at which any person may sell building material specified in the Annexure hereto, to any other person, is the price at which he ordinarily would have sold such building material on 24 October 1980 and the maximum price at which any person may sell and deliver such building material to any other person, is the price at which a manufacturer or a merchant ordinarily would have sold and delivered such building material on the said date

2 No person, who did not sell building material listed in the Annexure hereto on or prior to 24 October 1980, shall sell such building material unless the Price Controller has fixed the maximum price at which such building material may be sold and delivered

3 If permission is granted to a manufacturer to increase his selling price of building material, a merchant may increase his selling price of the building material concerned by a percentage corresponding to the increase granted to the manufacturer

4 The provisions of this notice in connection with the maximum price of burnt clay bricks are not applicable to burnt clay bricks of which the maximum price has been fixed in terms of the provisions of Government Notices R 599 of 28 March 1980 and R 2172 of 24 October 1980

5 In these regulations "cost price" has the meaning assigned to it in Government Notice R 1532 of 2 October 1964

6 Government Notice R 3935 of 12 December 1969 is hereby withdrawn.

ANNEXURE

Burglar proofing

Burnt clay bricks and other building bricks

Corrugated galvanised iron, asbestos cement, slate and tile roof coverings and fittings therefor, excluding lead washers

Galvanised iron and asbestos cement gutters and down pipes and fittings therefor

Gypsum board, fibreboard and other ceiling coverings and fittings therefor.

Glass and putty for glazing.

Hardboard

Wooden doors and door frames, including solid laminated flush doors, chip core doors and hollow core doors

Lime.

Quarry tiles

Lintels, pre-stressed

Sand, river and pitsand

Sanitary ware and fittings including wash basins and baths but excluding ceramic products and copper and lead pipes and fittings therefor

Cement, slag cement and mixtures thereof.

Steel doors, door frames, windows, sidelights and fanlights

Crushed stone and crusher sand

Wood blocks, strip flooring, floor boards and other floor coverings

BYLAE

1 Die maksimum prys waarteen enigiemand boumateriaal wat in die Aanhangel hiervan aangegee word, aan iemand anders mag verkoop, is die prys waarteen hy sodanige boumateriaal gewoonlik op 24 Oktober 1980 verkoop het en die maksimum prys waarteen sodanige boumateriaal deur enigiemand aan iemand anders verkoop en afgelewer word, is die prys waarteen 'n vervaardiger of handelaar daardie goedere gewoonlik op genoemde datum verkoop en afgelewer het

2 Niemand wat nie voor of op 24 Oktober 1980 boumateriaal wat in die Aanhangel hiervan aangegee word, verkoop het nie, mag sodanige boumateriaal verkoop tensy die Pryscontroleur die maksimum prys waarteen sodanige boumateriaal verkoop en afgelewer mag word, vasgestel het

3 Indien toestemming aan 'n vervaardiger verleen word vir die verhoging van sy verkoopprijs van boumateriaal, kan 'n handelaar sy verkoopprijs van die betrokke boumateriaal met 'n persentasie wat ooreenstem met die verhoging aan die vervaardiger toegestaan, verhoog

4 Die bepalings van hierdie kennisgewing in verband met die maksimum prys van gebrande kleibakstene is nie van toepassing op gebrande kleibakstene waarvan die maksimum prys ingevolge die bepalings van Goewermentskennisgewings R 599 van 28 Maart 1980 en R 2172 van 24 Oktober 1980 vasgestel is nie

5 In hierdie regulasies het "kosprys" die betekenis soos bepaal in Goewermentskennisgewing R 1532 van 2 Oktober 1964

6 Goewermentskennisgewing R 3935 van 12 Desember 1969 word hierby ingetrek

AANHANGSEL

Diefwering

Gebrande kleibakstene en ander houstene

Gegalvaniseerde golfysterplate asbessementplate, leie en teels vir dakbedekking en toebehorens daarvoor, uitgesonderd loodwasters

Gegalvaniseerde yster- en asbessementdakgeute en geuttype en toebehorens daarvoor

Gipsbord, veselbord en ander plafonbedekkings en toebehorens daarvoor

Glas en stopverf vir die insit van ruite

Hardebord

Houtdeure en -kosyne, met inbegrip van soliede gelammelleerde vlakdeure, spaanderkerndeure en hol kerndeure

Kalk

Kleiteels

Late, vooraf gespanne

Sand, rivier en putsand

Sanitêre ware en toebehorens met inbegrip van wasbakke en baddens maar uitgesonderd keramiese produkte en koper- en loodpype en toebehorens daarvoor

Sement, slaksement en mengsels daarvan

Staaldeure, -deurkosyne, -vensters, -deure, -boligte

Vergruisde klip en klipbrekersand

Vloerblokkies, strookvloerplanke en ander vloerbedekkings

No R 2219 31 October 1980
WINE AND SPIRIT CONTROL ACT, 1970

MINIMUM PRICE FOR WINE, AMOUNT SURCHARGE AND STORAGE CHARGES TO BE ADDED TO SUCH PRICE PERIOD WITHIN WHICH PAYMENT SHALL BE MADE AND INTEREST PAYABLE ON ARIEAR PAYMENT—AMENDMENT

In terms of section 18 (1) of the Wine and Spirit Control Act, 1970 (Act 47 of 1970), I, Pieter Theunis Christiaan du Plessis, Minister of Agriculture and Fisheries, make known as per the Schedule to this notice the particulars of a statement submitted to me by the Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperk, under the powers vested in it by paragraph (c) of the said section to propose an amendment to the fixed amount which shall be added to the minimum price of good wine according to the container or packaging material used in respect of the purchase or sale of such wine, as set out in paragraph (b) of Government Notice R 422 of 7 March 1980

All interested persons may lodge with the Director-General of Agriculture and Fisheries, Private Bag X250, Pretoria 0001, in writing within a period of 14 days from the date of publication of this notice any objections which they may have to the amounts specified in this notice

P T C DU PLESSIS, Minister of Agriculture and Fisheries

SCHIEDULE

THE AMOUNT WHICH SHALL BE ADDED TO THE MINIMUM PRICE OF GOOD WINE ACCORDING TO THE DIFFERENT CONTAINERS OR PACKAGING MATERIAL USED IN RESPECT OF THE PURCHASE OR SALE OF SUCH WINE

- 1 Glass containers with a capacity of 750 ml
 - (a) With cork
 - (i) Excluding carton 62,0c per litre
 - (ii) Including carton 69,0c per litre
 - (b) With screw on seal
 - (i) Excluding carton 45,0c per litre
 - (ii) Including carton 52,0c per litre
 - (c) For the sale of sparkling wine referred to in the Customs and Excise Act 91 of 1964 (including carton) 123c per litre
- 2 Glass containers with a capacity of one litre
 - (a) Excluding carton 40,0c per litre
 - (b) Including carton 47,0c per litre
- 3 Glass containers with a capacity of two litre
 - (a) Excluding carton 41,0c per litre
 - (b) Including carton 46,0c per litre
- 4 Glass containers with a capacity of 4,5 litre
 - (a) Excluding carton 40,0c per litre
 - (b) Including carton 45,0c per litre
- 5 5 litre "Wine in the Bag" (including the carton housing) 46,0c per litre
- 6 Plastic containers (excluding carton or crate)
 - (a) With a capacity of one litre 27,0c per litre
 - (b) With a capacity of two litre 26,0c per litre.
 - (c) With a capacity of more than two litre but not exceeding 5 litre 22,0c per litre
 - (d) With a capacity of more than five litre but not exceeding 25 litre 18,0c per litre

No R 2249 31 Oktober 1980
WET OP DIE BEHEER OOR WYN EN SPIRITUS, 1970

MINIMUM PRYS VAN WYN, BEDRAG TOESLAG EN OPBERGINGSSELDE WAT BY SO 'N PRYS GEVOEG MOET WORD, TYDPERK WAARIN BETALING MOET GESKIED EN RENTE BETAAL OP AGERSTALLIGE BETALINGS—WYSIGING

Ingevolge artikel 18 (1) van die Wet op Beheer oor Wyn en Spiritus, 1970 (Wet 47 van 1970), maak ek, Pieter Theunis Christiaan du Plessis, Minister van Landbou en Visserye, in die Bylae tot hierdie kennisgewing besonderhede bekend van 'n staat aan my voorgelê deur die Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperk, kragtens die bevoegdheid hom verleen by paragraaf (c) van gemelde artikel ter wysiging van die vasgestelde bedrag wat by die minimumprys vir goewwyn gevoeg moet word ooreenkomstig die houers of verpakkingsmateriaal wat gebruik word ten opsigte van die aankoop of verkoop van sodanige wyn, soos uiteengesit in paragraaf (b) van Goewermentskennisgewing R 422 van 7 Maart 1980

Alle belanghebbendes kan besware wat hulle teen die in hierdie kennisgewing vermelde bedrag het binne 'n tydperk van 14 dae vanaf die datum van publikasie van hierdie kennisgewing, skriftelik by die Direkteur-general van Landbou en Visserye, Privaatsak X250, Pretoria, 0001, inlewer

P T C DU PLESSIS, Minister van Landbou en Visserye

BYLAE

BEDRAG WAT BY DIE MINIMUMPRYS VIR GOEWYIN GEVOEG MOET WORD OOREENKOMSTIG VERSKILLENDE HOUERS OF VERPAKKINGSMATERIAAL WAT GEBRUIK WORD TEN OPSIGTE VAN DIE AANKOOP OF VERKOOP VAN SODANIGE WYN

- 1 Glashouers met inhoud van 750 ml
 - (a) Met kurkprop
 - (i) Uitsluitende karton 62,0c per liter
 - (ii) Insluitende karton 69,0c per liter
 - (b) Met skroefprop
 - (i) Uitsluitende karton 45,0c per liter
 - (ii) Insluitende karton 52,0c per liter
 - (c) Vir verkoop van skuumwyn bedoel in Doeane- en Aksynswet 91 van 1964 (insluitende karton) 123c per liter
- 2 Glashouers met inhoud van een liter
 - (a) Uitsluitende karton 40,0c per liter
 - (b) Insluitende karton 47,0c per liter
- 3 Glashouers met inhoud van twee liter
 - (a) Uitsluitende karton 41,0c per liter
 - (b) Insluitende karton 46,0c per liter
- 4 Glashouers met inhoud van 4,5 liter
 - (a) Uitsluitende karton 40,0c per liter
 - (b) Insluitende karton 45,0c per liter
- 5 5 liter "Tapvat" (insluitende kartonohulsel) 46,0c per liter.
- 6 Plastiekhouders (uitsluitende karton of krat)
 - (a) Met inhoud van een liter 27,0c per liter
 - (b) Met inhoud van twee liter 26,0c per liter
 - (c) Met inhoud van meer as twee liter maar hoogstens vyf liter 22,0c per liter
 - (d) Met inhoud van meer as vyf liter maar hoogstens 25 liter 18,0c per liter

for full list see GG

'Alarmist' inflation forecast was right

SUN TRIB (FIN) 244

By BEN JEMIN

IN THE year to September food price inflation soared to an horrendous 20.2 percent — the figure which Government sources told the SUNDAY TRIBUNE when it predicted this rate late last year was "out of touch with reality" and "alarmist".

When it was later suggested in a discussion of the outlook for 1980 that the overall inflation rate for food would be not less than 16 percent, the Tribune was again taken to task for the depressing effect this kind of forecast had on expectations.

It is no comfort at all to point out that the Tribune was right. It is interesting, though, to look at the reasoning behind this forecast and at the same time to discuss whether there is any merit in the call by the retiring Governor of the Reserve Bank, Dr Bob de Jongh, that, if necessary, economic growth should be slowed to curb inflation.

The inflationary problem is, as has been pointed out many times previously, the basic problem of wealth distribution.

Additional wealth created is not automatically shared out among all persons — whether they contribute

towards this creation or not. Those that are left behind in the race for a better standard of living demand more.

Those who have already got more see themselves being caught up and do their best to prevent this happening.

The best example was the rise in oil prices seven years ago. The oil-consuming countries refused to accept a reduction in their wealth and, since then, inflation has accelerated.

This simple approach to the inflationary problem — while hiding a multitude of complications — ignores particular identifiable components.

For example, in South Africa the problem is aggravated by the system of administered prices which allows for relatively large increases in the prices of controlled products once or twice a year. In the attempt to compensate for these increases, manufacturers hike their prices by even

Food price rises have reached a horrendous 20pc — as we predicted

greater margins and the system — producer and consumer alike — tends to get used to these large increases.

More frequent and gradual increases could, perhaps, offer a better solution to this particular problem.

The pricing mechanism is also seriously complicated by interference in the market by the State in an attempt to protect certain interests such as farmers. The prices of dairy products have been adversely influenced by interference as have the prices of meat.

Inflation occurs when an increase in the money supply takes place without a corresponding increase in real wealth.

There can be no question but that the current rate of economic growth — which in real terms could reach 7.5 percent this year — is putting strains on certain sectors of the

economy. Bottlenecks and shortages lead to increased prices and wages without necessarily increasing productivity.

In such instances, there is certainly inflationary pressure. On the other hand, it has to be accepted that with production levels rising and capacity and employment figures rising at a slower rate, productivity is increasing very rapidly. This is clearly anti-inflationary.

Furthermore, if a real growth rate of 7.5 percent is achieved, then this will have proved to be a considerable check on inflation over the year.

Dr de Jongh argued this week that the Government should reduce inflationary pressures by taking more money out of the system — freezing some of the tax revenues in the Reserve Bank stabilisation account.

If the inflationary

problem is being aggravated by excessive credit through the massive increases that have taken place in money supply then Dr de Jongh could be right in trying to curb this spending.

But any observer of the economic scene has to have some doubt as to whether such curbs would slow down the rate of increase in wages and salaries or even current production rates for at least the next 12 months. By the time the freezing has worked its way through the system, instead of inflation merely being curbed, there could be a serious jolt to the whole system with many producers suffering severe financial losses.

It is only too obvious that within the South African economy there is far too much money looking for a place to be invested. Surely then, exchange controls should be relaxed to allow some of this money to be invested overseas. If our political standing doesn't match up to our economic standing then it's time we did more on the political side rather than relying on controls to protect our foreign exchange reserves and balance of payments.

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Cape Town most costly city for blacks

3/11/60 ARMS 244

Argus Bureau
PORT ELIZABETH — Cape Town has become the most expensive place for blacks and the second most expensive for coloured people.

This emerges from the latest six-monthly survey of the household subsistence level (HSL) in 22 urban areas by the Institute of Planning Research at the University of Port Elizabeth.

The level is based on the amount of money needed in a month by coloured families of five and black families of six

for food, rent, transport, fuel, lighting and clothing.

Johannesburg is the second most expensive city for blacks, and the most expensive for coloured people.

A sharp average increase of subsistence levels — an average 14,8 percent for black households and 15,4 percent for coloured — is attributed largely to increases in the cost of foodstuffs.

It is evident that the low-income population groups are particularly hard hit, since it is the basic food items that show the high increases.

It is evident that the outcry from the public against soaring prices of consumer commodities, high inflation rates, etc over the past six months is well founded, at least as far as the HSL is concerned.

The report says the price of maize meal rose about 30 percent during the past six months, adding R3,50 to the HSL budget.

An increase of more than 70 percent was noted over the April prices in cheap red meat cuts such as brisket — at some stores, increases of more

than 100 percent were noted.

It would appear that the high increase occurred mainly during the last four months, rather than the last 12 months — indeed an unhealthy state of affairs.

The highest HSL increase for the months April to October for blacks was in Cape Town (15,2 percent). In the previous six months it had decreased by 1,2 percent. The increase for the past 12 months is then 13,8 percent.

The average increase for blacks in 13 other (Continued on Page 3, col 6)

centres in the past six months was 10,2 percent and 14,8 percent for the 12-month period.

The HSL figure for blacks in Cape Town is R206,89, followed by Johannesburg, R200,12, and Bloemfontein, R196,20. The cheapest major centre is Port Elizabeth, with R184,16.

For coloured people the average increase for 10 centres in the past six months was 10,7 percent and 14,9 percent in 12 months.

The increase in Cape Town has been 14 percent in the past six months to take the HSL level to R209,79. Johannesburg is highest, with R211,27 and Durban is third with R206,36.

The HSL for the East Cape and Border were among the lowest, with Queenstown only R179,65.

Rocketing costs back consumer outcry study

CAPE TOWN — A consumer research study says it is evident that the public outcry over soaring prices of consumer commodities and the high inflation rate over the past six months is well-founded — at least as far as household subsistence level items are concerned

The finding is reported in the six-monthly update of the HSL survey of the Institute for Planning Research at the University of Port Elizabeth, released yesterday

The institute says the HSL increase for the five major centres to September is 10% for blacks compared to 9,1% during the previous six-month period

And the survey shows Cape Town is the most expensive city for blacks to live in — followed by Johannesburg — as measured by the HSL, which has now topped the R200 a month mark in these cities

The report says that during this month's survey in the update, an increase in red meat prices of more than 70% was noted over the April prices, in cheap cuts such as brisket

At some stores increases of

more than 100% were noted

"It would appear that the high increases occurred mainly during the last four months, rather than the last 12 months — indeed, an unhealthy state of affairs," the institute says

"When studying the list of food items and comparing prices with those of previous surveys, it is evident that the low-income population groups are particularly hard-hit, since it is the basic food items that show the high increases"

It adds "One can only hope that the sharp rise in the cost of consumer goods over the past six months will level off in the near future"

In the eight urban centres surveyed, the HSL for blacks is R181,16 in Port Elizabeth, Kimberley R191,25, Durban R193,17, Pretoria R195,67, East London R198, Bloemfontein R198,20, Johannesburg R200,12 and Cape Town R203,89

The HSL for coloureds has now also exceeded R200 a month

Johannesburg is most expensive for this group — at R211,77 — followed by Cape Town R209,73, Durban R203,36, Pretoria R204,05 and Bloemfontein R203,22 — Sapa

Prices of beef pork fall

Consumer Reporter

PRICES for super beef and super pork fell at Cape Town abattoir auctions yesterday, but prices for super lamb rose.

Super beef fetched between R2,27 and R2,37 a kg yesterday, compared with from R2,29 to R2,39 on Tuesday.

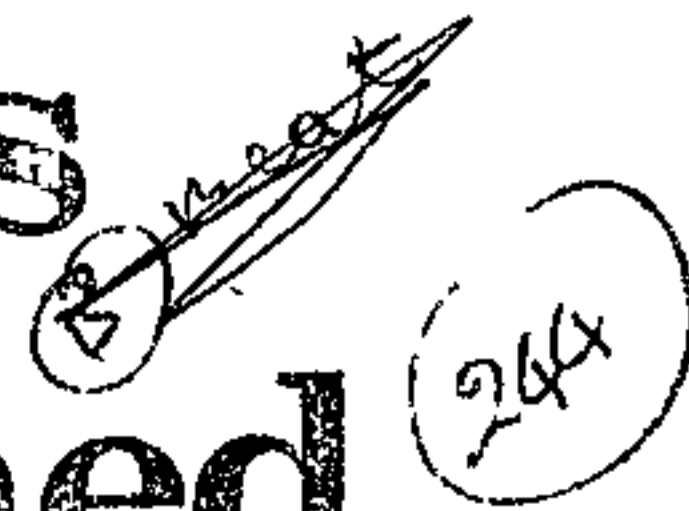
Super pork fetched from R1,60 to R1,86 a kg yesterday compared with R1,96 on Tuesday.

Super lamb fetched from R2,32 to R2,39 a kg yesterday, compared with from R2,23 to R2,27 on Tuesday.

A Meat Control Board spokesman said supplies were plentiful for today. The abattoir slaughtered 850 cattle, 5 501 sheep and 712 pigs yesterday.

Meat Board's role questioned

7/11/80 AR 415



Consumer Reporter

THE Meat Control Board's regulations have resulted in inefficiency and prices higher than are necessary.

the head of a supermarket chain told livestock auctioneers at their annual conference

Mr Bob Harvey executive chairman of Checkers said he hoped an independent inquiry would disclose whether members of the board had more than one interest in the link between producer and consumer and what effect this had

Mr Harvey pointed out, in a speech in Pretoria, that consumption of red meat had dropped in the past 10 years while consumption of chicken — for which there was no control board — had risen

ONLY HALF

Mr Harvey said the number of calves produced in this country was only half what it could be, due to poor breeding stock poor bulls and poor farm management

Pointing out that the guaranteed producer price for super beef rose 14.5 percent in three months and the Grade 3 floor price by 32.74 percent, Mr Harvey commented 'One wonders whether such a floor price does not encourage inefficiency

'With little difference in price, the farmer is guaranteed a price for a poor product which does not reach the standard it should do

'We are told that the farmer receives 52c of each rand paid for meat at the butcher and the marketing agent, abattoir and wholesaler together account for the next 24c

'One must then ask whether it is necessary to have all these stages and whether they do not, in fact widen the gap between consumer and producer rather than narrow it

'Are the intermediaries efficient and operating at peak productivity?

'One is led to question the role of the Meat Board'

Mr Harvey said that in 1971 South Africans ate 38 kg of meat each a year. In 1979 this had fallen to 34 kg

The consumption of chicken had risen in the same period from 4.2 kg a head to 12.3 kg.

Pointing out that some companies had dual roles as producers and wholesalers Mr Harvey said he welcomed the announcement that there would be an inquiry into the meat industry

Board is *Argus 11/11/80* blamed for ~~meat~~ high price *July* of meat

Consumer Reporter

WHOLESALE and retail butchers in Cape Town say the continuing high level of meat prices is directly attributable to the Meat Control Board's price support system.

Supplies of meat are plentiful, but the usual steep drop in prices at abattoir auctions — which normally happens at the middle of the month when demand is lowest — has not taken place.

Prices have fluctuated by only a few cents a kilogram, and retail butchers say this is not enough to have any significant effect on the prices they pay for whole carcasses.

Before September 1 abattoir prices in Cape Town were governed only by supply and demand, except that a floor price was fixed below which they could not go, to ensure that farmers did not sell at a heavy loss.

At that level the Meat Control Board stepped in to buy the meat and sell it later, frozen, usually for manufacturing purposes.

The new price support system prevents the price of meat at abattoir auctions from dropping more than 6c a kg below the average for the previous week.

'This is maintaining prices at artificially high levels,' a leading wholesaler, who asked not to be named, said in an interview.

'The meat price rises as usual at the end of the month when demand is high and then it is prevented by the support price from dropping very much before the end of the next month.'

There is no question that meat prices are being artificially maintained. They would not be as high as they are without the support price system. There is certainly no shortage of supplies.

Blue Riband butchery chain said

'People will have more money in their pockets with their Christmas bonuses. Prices would normally come down after Christmas but, of course, the support price system will prevent this from happening very quickly.'

CHEAPER CUTS

Butchers say that Cape Town housewives are buying less meat than two months ago, and are choosing cheaper cuts.

Prices for super beef at Cape Town abattoir auctions on Monday ranged from R2,23 to R2,44 a kg. Prices for super lamb ranged from R2,24 to R2,34 a kg and prices for super pork from R1,70 to R1,87 a kg.

Yesterday 843 cattle, 5 477 sheep and lambs and 578 pigs were slaughtered at the abattoir for today's auction.

Retailers had protested about the support price system at their annual conference in East London last month and the wholesaler said 'I have got the feeling that the meat board may have seen the light now, and that they will do away with it.'

RISE LIKELY

Meanwhile, prices are likely to rise next month, as is usual in the Christmas period.

'I think sales will definitely pick up towards Christmas, when people traditionally buy more meat,' a spokesman for the

Butchers accused of seeking big profits

12/11/70
Argus

3
44

Consumer Reporter

BUTCHERS were accused by a Meat Control Board spokesman today of wanting the price support system abolished so that they could make larger profits at the expense of the farmer.

Yesterday, wholesale and retail butchers in Cape Town told The Argus they blamed the system, under which prices at the abattoir auctions cannot fall more than 6 percent below the average for the previous week, for high meat prices.

They said consumers were buying less red meat than two months ago and supplies were plentiful. Yet prices in the middle of the month, which normally fell steeply, were much the same as at the end of the month when demand was at its highest.

Butchers and the Housewives' League have condemned the system as inflationary and have asked for it to be removed.

A leading Cape Town wholesale butcher said yesterday it was maintaining prices at an artificially high level because it gave no time for them to fall much before the month-end surge of buying sent them up again.

'WORKING WELL'

The Meat Board spokesman claimed that the system was 'working very well' and would help to ensure a steady supply of meat from farmers who need not fear a sudden drop in prices which could cost them all their profit.

'Some farmers send animals to market only once a year,' he said, 'and a system which allows a steep fall in prices from day to day or even between the beginning of an auction and the end can cost a farmer about R2 000.'

'I think butchers want it abolished, want to buy cheaply at the middle of the month with low prices and sell with a big profit when prices go up at the end of the month.'

Current floor prices in Cape Town include: Super beef from R1.49 to R1.53 a kg according to size

super lamb from R1.65 to R1.68 a kg and super pork R1.56 a kg

At Cape Town abattoir auctions yesterday super beef fetched from R2.42 to R2.45 a kg, super lamb from R2.27 to R2.35 a kg and super pork from R1.70 to R1.83 a kg.

Pay rises may put up rail tariffs

on 11 00
from

200
250
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By GERALD REILLY
Pretoria Bureau

RAILWAY union leaders expect rail tariffs will be raised next year — if only on a selective basis — to meet the expected April pay increases of between 10% and 12%.

The chairman of the Federal Consultative Council of Railway Staff Associations, Mr Jimmy Zurich, said in Pretoria yesterday that a 10% average rise for the 27 000 Railways workers would cost the administration about R200-million.

The best surplus that could be hoped for at the close of the 1980-81 financial year was R100-million, and it could be substantially less.

Meanwhile a Railways headquarters spokesman said yesterday the surplus for the first six months of the current financial year — to the end of September — was R83 690 000.

This compared with a budget surplus estimate of R6 700-million for the six months.

However, he added, the months of lowest revenue had

started — November, December and January.

The expected loss on passenger services for the 1980-81 financial year was a massive R485-million. The Government had agreed however, to write off R171-million of interest payments on the administration's State loan of R1 800-million.

The spokesman said the Minister of Transport had budgeted for a loss for the entire financial year of R3 500 000.

The increase in revenue during the April-September period is due mainly to the exceptionally high volume of high-rated import traffic.

Mr Zurich said the administration should be cautious in selecting the areas where tariffs would be raised. To load export traffic further could price South Africa out of some vital export markets.

Mr Zurich said the Artisan Staff Association, of which he is president, submitted a claim for 12,5% pay rises, although he forecast, inflation could be running as high as 16% by next April.

EGG CONTROL SCHEME —AMENDMENT

Whereas the Minister of Agriculture and Fisheries has, in terms of section 9 (2) (c), read with section 15 (3) of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment as set out in the Schedule hereto, to the Egg Control Scheme, published by Proclamation R 64 of 1963, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment,

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I do hereby declare that the said amendment shall come into operation on the date of publication hereof

385—A

Committee which circulate the industry also come or indirectly via connections. Indus a veto with respect to connections.

In consequence of it leverage at all levels impossibility of profit until sufficient time reaps the state able to engage expert State language.

On management's interest. The weak welded when management interest by creation of asbestos ancially feasible. occupy on the market to market substitution when health regulations bear by management being debated.

When all pressures its ability to trade regulations are strict of the big produce this is not too common

C.2. THE STATE

Why analyse the role there to guarantee

31.

From the table we can see that the ratio of white to African cases is very different from the usual composition of the workforce in the mines or in manufacturing, and different from the population composition in the country as a whole, or that in the North Western Cape asbestos fields. So this table is quite useful. It allows one to pinpoint semiquantitatively that there is certainly a significant underestimation of African cases in particular. So one can say that the overall number of cases is an underestimation in general.

We know that in South Africa about 25 to 30 cases are added to the register each year.^{34,35} The United Kingdom with more than twice the South African population registers about 60 cases annually.⁶⁷ Yet the United Kingdom is more heavily industrialised implying that more people are exposed to asbestos. In addition, the health services infrastructure is much more developed and one would expect more cases to find their way onto the register.

So the South African figures again seem to underestimate the true situation despite the fact that they are proportionately as high as in the United Kingdom. The relatively high South African figures might be explained by exposure to high levels of asbestos at work and in the environment, control being worse than in the United Kingdom.

The tendency to say that where there are no numbers there are no facts excludes much useful information. On the other hand, when the figures do exist other difficulties arise.

B.3.11 WHERE NUMERICAL DATA DO EXIST

Association equals causality?

B.3.11.a. The question has been raised as to whether the association between asbestos and ARD's is a causal one. With regard to asbestosis there is no doubt that asbestos causes scarring of the lungs.^{23,35,37,38,39} This has been proved in many animal experiments, post mortem examinations and X-Ray studies. The causal relation is relatively straightforward because nothing else causes the type of lung damage characteristic of asbestosis.

14/11/80 48729

FIERBEHEERSKEMA —WYSIGING

Nademaal die Minister van Landbou en Visserye kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3) van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging soos in die Bylae hiervan uiteengesit, van die Eierbeheerskema, afgekondig by Proklamasie R 64 van 1963, soos gewysig, aangeneem het en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbeveel het,

So is dit dat ek, kragtens die bevoegdheid my verleen by artikel 14 (1) (a) saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysiging op die datum van publikasie hiervan in werking tree

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80. 14/11/80 ~~meat~~ 244

Beat the meat rise

By Sannie Smit

Bulk purchases can effect a considerable saving

In the controlled areas meat is graded as follows in order of quality

Beef super roller marked purple, prime marked green, grade one brown, grade two red, grades three and four black

Lamb and mutton super (lamb only) marked purple, prime (mutton only) marked green, grade one brown, grade two red, grade three black

Pork. Only porkers are rollermarked and graded super marked purple, grade one brown, grade two red, grade three black

Don't forget to ripen — ripening is the natural method of tenderising meat by leaving it at a temperature of 0-4 degrees C for seven-10 days in the case of beef, two-five days for lamb and five-seven days for mutton

Some butchers ripen meat before selling it to the public

If you are buying meat in

bulk and you are on a sound footing with your butcher, you could ask him to hang the whole forequarter or hind-quarter in his coldroom for approximately a week before it is jointed and processed for storage in the freezer. Lamb and mutton can be ripened for three-five days whereas veal and pork require no ripening.

To ripen meat at home the following should be borne in mind

Use large meat cuts with a good fat layer. Steaks and chops cannot be ripened since it would cause excessive drying out, whereas mince tends to spoil readily.

Wipe the meat with a cloth wrung out in vinegar to retard bacterial growth.

Place the meat uncovered on the refrigerator rack to ensure a good circulation of air around each cut. Leave the meat in the refrigerator for the correct ripening period.

Bear in mind however, that the outer surface of the meat dries out and turns a darker colour during the ripening process. Therefore cut away the outer layer and the bright red colour will be restored immediately.

Do not be annoyed with the butcher if the meat weighs less after ripening since this is a normal phenomenon. The slight mass loss and drying out is worth the trouble, however.

Buying meat in bulk requires careful planning, particularly with regard to portion sizes since it is a common tendency to use more of a commodity of which one has a plentiful supply.

Use the following portion sizes as a guide when freezing and cooking meat.

Allow 250-500 g for meat containing a large amount of bone or fat.

160-250 g for meat containing a moderate amount of bone or fat, and

125-160 g for meat containing a small amount of bone or fat.

The correct application of the different cooking methods is of vital importance. This contributes substantially to the tenderness and juiciness of meat.

The wrong method of grilling a beef steak will render the meat tough and inedible.

A tough product would also result if an ovenroast, especially of beef, is overcooked or cooked at too high a temperature.

Food prices up 25 pe in a year

244
STAT 20/11/80

Pretoria Bureau

Food prices have increased by more than 25 percent since last year according to the latest consumer price index.

According to the Department of Statistics food prices increased by 4,8 percent last month compared with September and by 25,2 percent compared with October last year.

Huge increases in meat prices were largely responsible, with the index for meat last month at 217,2 compared with 196,3 in September and 144 in October last year.

The average CPI for all income groups increased by 1,9 percent last year bringing the increase over the past year to 14,4 percent.

This increase is only marginally lower than last month's two percent increase which was the highest since the middle of last year.

Milk up soon but potatoes cheaper

BLOEMFONTEIN—South African consumers could expect a 'drastic increase' in the price of fresh milk soon, Dr Louis Theron, chairman of the milk committee of the South African Agricultural Union, said here yesterday.

Dr Theron said farmers were slaughtering dairy cattle and getting up to R800 a head which was much more lucrative than dairy farming, Sapa reported.

He said feed for dairy cows was so expensive that in some cases the farmer made only 1 c profit on a litre of fresh milk. The last increase in the price of milk was in June when

consumers were asked to fork out an extra 5 c a litre.

'The next increase will have to be drastic to lure farmers back to the dairy industry,' Dr Theron said.

On the brighter side of the consumer's life, it was discovered yesterday that cheaper potatoes were being sold throughout the country following an over-supply on all markets.

Current prices were the lowest this year.

A good season for growers in Northern Transvaal, where this year's crop is estimated at 6 000 000 pockets compared with last year's 4 800 000, was the reason for the lower prices, the man-

ager of the board, Mr D van Rensburg, said yesterday. Farmers cannot hold back supplies any longer as the heat is forcing them to lift their potatoes as soon as they are ready, he said.

The average price for grade 1 medium potatoes had dropped from R3,96 a 15 kg pocket in October to R2,07 this week as a result of more than 100 percent increase in supply from 81 000 pockets on October 11 to 130 000 on November 17 at the Johannesburg market.

The biggest price plunge had been experienced in Cape Town

AM 20/11/80

~~2.44~~

with the average price having dropped from about R5 a pocket in October to R1,90 this week.

Pretoria's prices for the same period had decreased from about R3,90 to R2,20 and Durban's from about R5,99 to R2,99.

Commenting on the lower prices, Mr van Rensburg said: 'It is not possible to say how long the lower prices will last, but we expect them to rise in the foreseeable future as 70 percent of the Transvaal crop and 80 percent of the 2 500 000 pockets from the Clarendon area have already been sold.'

Stellenbosch sees uncertainty

Consumer optimism on the wane

kom
24/12
20/12/76

By HAROLD FRIDJHON

SIGNS of a deterioration in consumer confidence, or at best a sideways movement in attitudes, are revealed in the Consumer Survey Report published by the University of Stellenbosch Bureau for Economic Research.

Views about economic developments are steadily becoming less optimistic, especially for the longer term.

Dr O D J Stuart who compiled the report finds this trend disturbing.

He suggests that it may have its origin not so much in internal socio-economic developments but in external events which may negatively affect South Africa.

Looking at the personal financial situation of the respondents, Dr Stuart observes that although the financial position

of consumers is still relatively easy, a combination of inflation and buying on credit is causing their condition to become progressively tighter.

On a year-ago basis, consumers' optimism is high, but when one looks at the "measurement" of this optimism it has held constant this year. Consumers are growing increasingly sceptical about the favourable conditions continuing.

The one-year ahead view indicates that optimism is being tempered by uncertainties and the five-year view reflects increasing uncertainty.

Assessing consumer opinions about their financial positions, the report indicates that they are still optimistic, more than they were a year ago, but a note of uncertainty is creeping into their attitudes.

But Dr Stuart notes "At this

stage it would appear as if neither the financial climate nor the economic climate is likely to damp down consumer spending."

The index figure of the time-to-buy indicator is the highest recorded since the surveys were started in 1975. Dr Stuart says this shows that consumers think now is a good time for buying durable goods.

Although the general public think that now is also the right time to save more, the index has been on the decline since April, which implies that consumers are slowly being put into a position where it is becoming more difficult for them to have both high savings and high spending rates at the same time. And they are opting for spending.

The reason for this is pessimism about the inflation rate and Dr Stuart suggests that many consumers argue that it is wise to advance their spending in an attempt to avoid price increases which are likely to outstrip the rate at which their incomes are increasing.

On the other hand, savings are kept low because it is irrational to earn negative interest in real terms.

Views of the business sector are

Motor traders are optimistic and expect the demand for new vehicles to remain keen.

Retailers are optimistic in spite of a forecast that fourth-quarter selling prices will on average be 13% higher than last year.

Wholesalers are less optimistic and it would appear that the recent buoyant conditions are becoming more subdued.

Manufacturers are less optimistic than they were a year ago. Unfilled orders may, in physical terms, be lower and retailers appear to be overstocked which could account for the slowdown in the manufacture of consumer goods.

Summing up, Dr Stuart expects consumer expenditure to start growing more slowly in the current quarter, but the growth rate should be between 7% and 8%. Spending on durable goods is likely to taper off first. Spending on non-durables and semi-durables, he expects, will continue at the rate of the first half of the year and spending on services will increase towards the end of the year.

Potatoes drop to lowest price yet

THE price of potatoes throughout South Africa has dropped to its lowest this year because of an over-supply on all markets, particularly in Johannesburg.

According to the Potato Board, the average price at the Johannesburg Market has almost halved in five weeks.

The average price for Grade 1 Medium potatoes dropped from R3,96 a 15kg pocket on October 11 to R2,07 a pocket at the beginning of this week, as a result of a doubling in supply. The biggest plunge has been experienced in Cape Town, with the average price going down from about R5 a pocket to R1,90 for Grade 1 Medium.

Pretoria prices for the same period have decreased from about R3,90 to R2,20 and Durban's from about R4,50 to R2,50.

This Christmas bonus for potato eaters was the result of an extremely good season for growers in the Northern Transvaal, where this year's crop was estimated at six million pockets, compared with last year's 4 800 000.

Mr D. van Rensburg, manager of the Potato Board, said yesterday, "Farmers cannot hold back supplies any longer, as the heat is forcing them to lift potatoes as soon as they are ready." — Sapa.

SA food prices are the best in the West

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICAN housewives enjoyed the cheapest food in the Western world, the director of the South African Agricultural Union, Mr Chris Cilliers, said in Pretoria yesterday.

Mr Cilliers returned this week from an extensive study tour of the United States and Europe. He also attended the International Federation of Agricultural Producers in Buenos Aires.

He emphasised that although South African farmers were fortunate compared with their counterparts in other countries, they would have to be given substantial compensation next year for the swift escalation in

production costs during the past 12 months.

"If they don't get substantially higher prices, the risk of declining food production will have to be faced," he said.

South Africa's marketing system through the control boards and agricultural co-operatives was praised at the Buenos Aires conference.

In Europe and the US farmers were at the mercy of multinationals who controlled farming and food production from beginning to end.

"The multinationals fix the prices and selling conditions and the farmers have to take it or leave it."

Mr Cilliers said the South African Government had a

cheap food policy which kept producers' prices and consumer prices at the lowest possible levels.

It was clear that unless farmers in Europe and the US were given adequate prices the world food shortage, already serious, would become acute.

Mr Cilliers said South African producers would obviously press for higher prices next year against a background of record production cost prices.

"Consumers in this country are also fortunate. They have probably the cheapest food in the world and housewives should be grateful for this."

They had no logical reason for groaning about high prices, Mr Cilliers said.

but prices are soaring

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Mercury Reporter

21/11/80

THE price of chickens has rocketed by 180 percent in the past three years and bread flour by 100 percent.

A Mercury survey of randomly selected food items in four Durban supermarkets showed that all except one had leapt more than 50 percent since 1977

Sugar, with a 47 percent increase, was the only exception

Pork sausages shot up by 85 percent, cake flour by 79 percent, mealie meal by 60 percent and samp by 59 percent

Prices of other household goods have also increased drastically. Floor polish is up by 78 percent, blue soap by 62 percent and shoe polish by 58 percent.

Official figures released by the Department of Statistics yesterday confirmed that October's food prices were a record 25 percent higher than those last year

The consumer price index is up by 14,3 percent compared with last year. Price comparisons over the past four months also revealed dramatic increases. Chicken is up by 53 percent since July and cake flour by 52 percent

The only prices that have gone down since July are sugar, which is down by 11,5 percent and blue soap — down by 15,3 percent

● See also Page 15



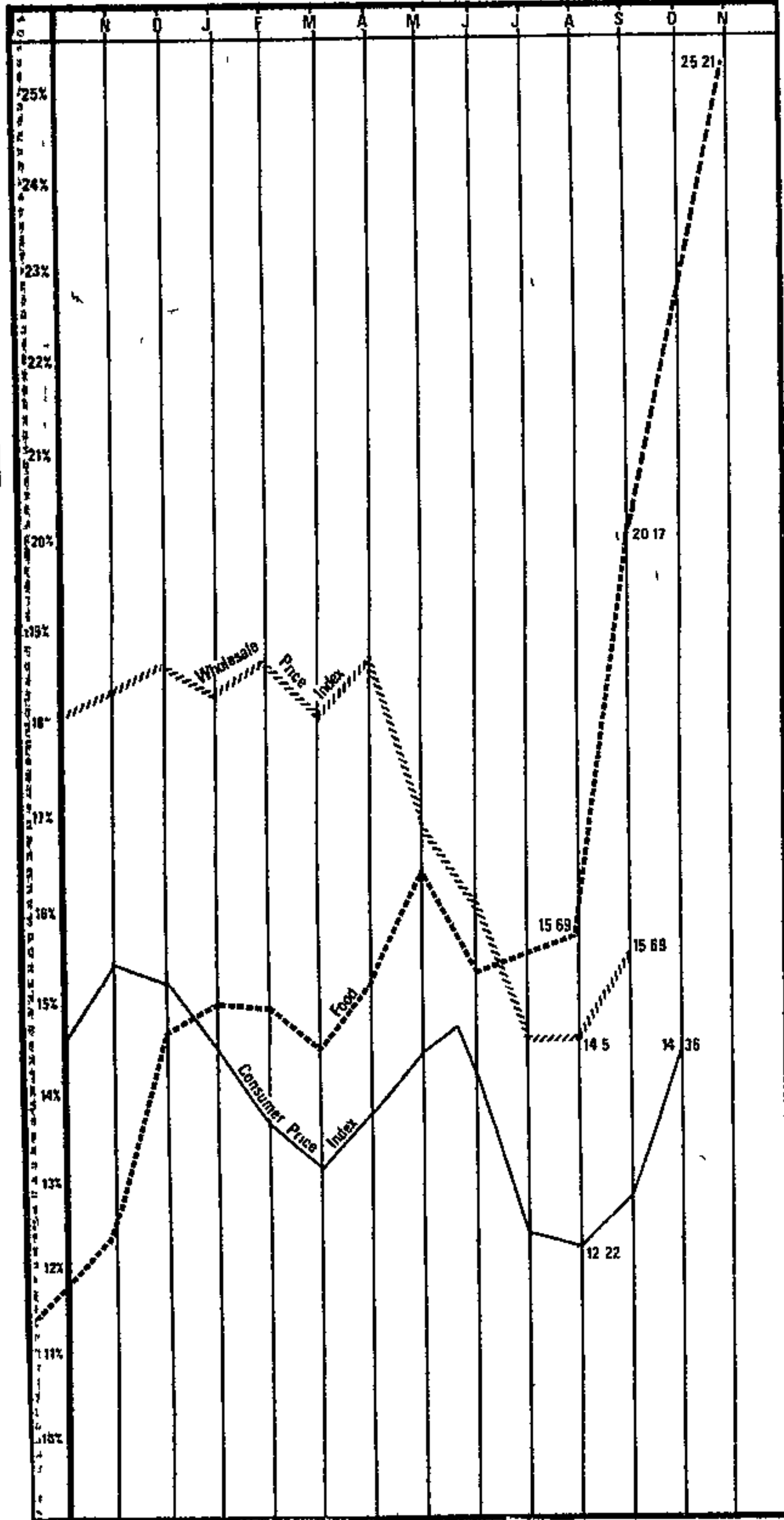
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CPI shows signs of roaring ahead

NM 21/11/80

Financial Editor

THE CONSUMER Price Index (CPI) is showing every sign of roaring ahead over Christmas, with the October figure at an annual 14,36 percent and the food index alone rising a staggering 25,21 percent in the past year



Six months ago, the monthly increase was 0,6 percent, in September, it leapt ahead by 1,91 percent

Economists are forecasting that after seven consecutive months, in which the index has risen by more than one percent each month, sustained sharp rises, particularly in food prices, will prevent the inflation rate from declining to more acceptable levels

While food is only about 25 percent of the total index, the impact on poorer people of the steep rises can be seen in the breakdowns issued by the Department of Statistics

Lower income CPI rose by 2,52 percent to an annual 17,17 percent

Middle income rose by 1,96 percent to an annual 15,32 percent

Higher income rose by 1,64 percent to an annual 13,11 percent

Further boosts are on the way

Electricity will rise by at least 5 percent on January 1,

Crude oil prices may rise by about 10 percent before the year is out,

Meat has gone up and is still rising

The Government has indicated that it is switching its concentration from encouraging growth to fighting inflation

Action has been taken, if only tentative, to reduce the money supply, which is one of the economic components pushing up inflation

Raw deal

But consumers will be looking at company results with an eagle eye, wondering how the considerable increases have been achieved and whether they are getting a raw deal

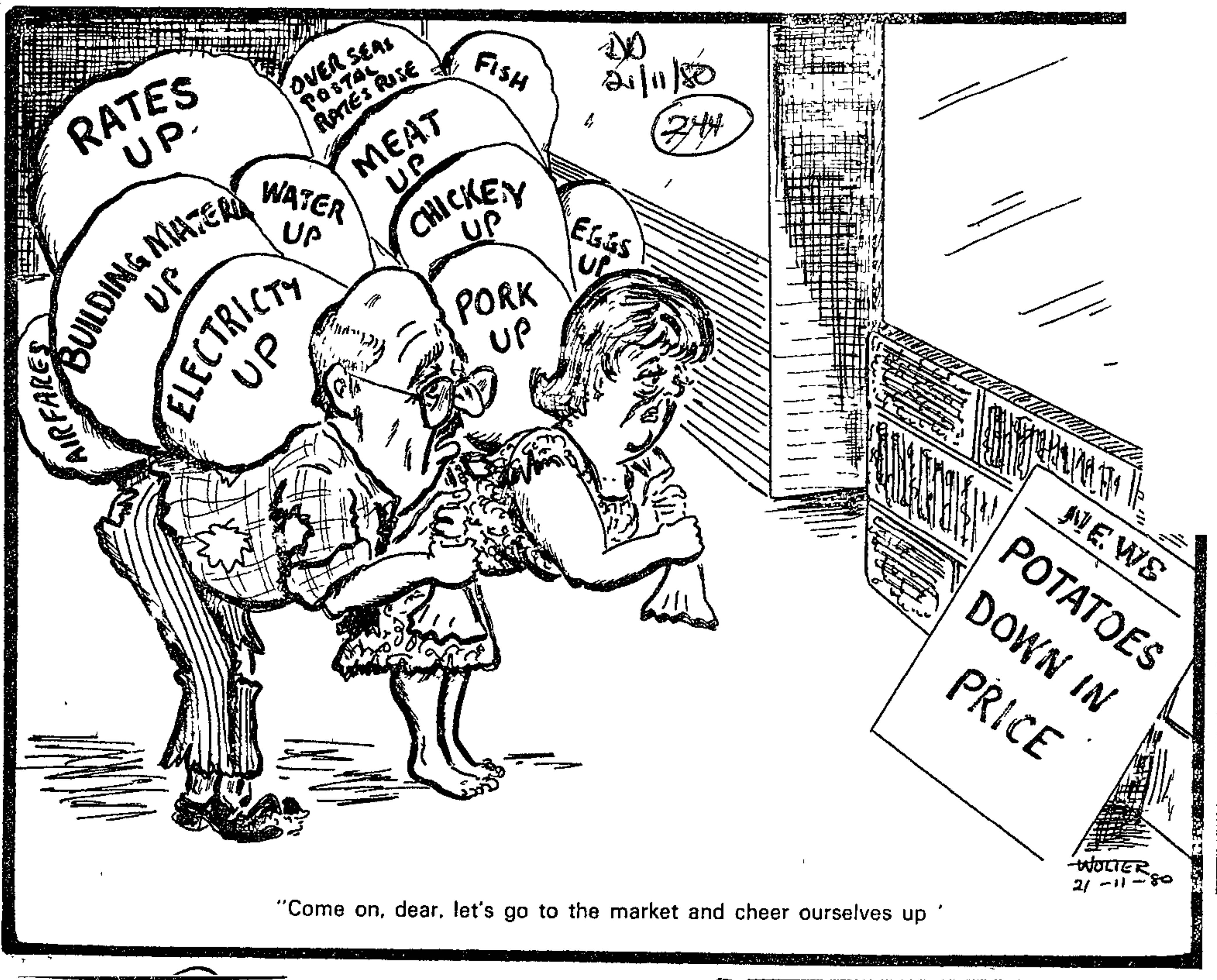
Of 36 large companies which completed their year-ends in September, the average increase in pre-tax profits was 63 percent. Some of these companies reported profit increases of 100 percent and more

Some which recorded more than 50 percent rises included major companies such as Barlows, SA Breweries, OK Bazaars, Nedbank and Premier Meat supplier Kanhym reported pre-tax profits 136 percent up

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1 3 5 7 9 11 13 15 17 19 21 23 25 27

43 45 47 49 51 53 55 57 59 61 63 65



"Come on, dear, let's go to the market and cheer ourselves up"

Red meat prices rocket to new record

244
22/11/80
KDM

By PAT SIDLEY
Consumer Mail

RED meat prices have reached their highest point this year — and all indications are that prices will continue to rise until after Christmas.

Super beef prices fetched up to R2,46kg on the Johannesburg market at City Deep yesterday.

The previous recorded record was on October 6 when super beef reached R2,38kg.

Super lamb has not yet reached the October level of R3,05kg. Yesterday super lamb fetched between R2,66kg and R2,82kg.

Prices are likely to continue rising because demand for red meat traditionally increases at Christmas and prices tend to follow.

In addition, December has two "short weeks" for trading — weeks shortened by public holidays, when prices tend to go up to ensure stocks over long weekends.

A spokesman for the Meat Board yesterday said he did not want to predict how the prices

would go.

He said although the market was well supplied with higher grades of beef, the shortages of the lower grades eventually pushed demand up in the higher grades.

Despite the lower grade shortages, neither grade 3 beef nor grade 1B mutton are as expensive as they were in October. They reached R2,17kg and R2,24kg respectively yesterday. In October they were at R2,30kg and R2,56kg respectively.

The Meat Board has imported a small quantity of grade 3 beef to supplement the shortfall.

● Yesterday Business Mail published the latest Consumer Price Index figures, which showed that the food index, helped along by meat, increased by 25% on October last year. Meat contributed 1,1% to the CPI in September and 1% in October, according to an estimate — contributing to half the 2% jump in the CPI in September.

Ek is daarvan oortuig dat die nuwe opleidingsmaatskappij verbetering ten opsigte van die bevordering en beoefening van ons mannekraanprobleme sal wees.

'n Verdere aspek wat belangrik is vir die oplossing van kragprobleme is die kwessie van produktiwiteit. Gesien is ons werkerskorps se produksiepeil op 'n deel van ons werkers ontvang nader beoefening en verdien met inflasie se gevolge.

'n Vraag wat elke werkgewer in hierdie land van ons is of sy werkers werklik ten volle benut word in

Is daar geleentheid vir elke werker om sy potensie om sy talente ten volle te gebruik? In hierdie verband is personeelkeuring natuurlik van die allergrootste belang. Vandag meer bereid om te belê in die keuring van werkers waar die bedryfsielkundige voorheen vrugtelose planne het vir wetenskaplike personeelbestuur, word tans stelsels geïnstalleer en personeel afgestaan om op bestuursgebied tot winsgewendheid by te dra.

Waar ons deeglik bewus is daarvan dat die Blanke u getalle nie in staat is om in al ons hoëvlakmannelike voorsien nie, is dit vanselfsprekend dat die teler werker sy bydrae sal moet lewer om hierdie tekort

CHICKEN PRICES CUT - NOW FOR WAR

22/11/80

PRC 945

244

By Audrey D'Angelo
THE opening shots in a chicken price war were fired late yesterday when two supermarket chains, dramatically slashed prices of frozen chickens.

America early next month, surprised competitors by suddenly reducing the price of home-produced frozen chicken from R1,69 a kg to R1,49 a kg.

A spokesman for Grand Bazaar said his firm had reduced its frozen chicken price today from R1,62 a kg to R1,49.

A Checkers spokesman said that he had reduced the price because he was 'gearing up for the December trade' when there might be a further price drop.

Grand Bazaar's spokesman said he would describe this action as 'a price skirmish rather than a full-scale price war'.

A Pick 'n Pay spokesman said he expected a further drop in prices in about two weeks' time as a result of this.

By today a third chain had cut its price to the same level.

Pick 'n Pay, which had been selling frozen chicken for R1,65 a kg quickly followed suit and brought the price down to R1,49.

Senior O.K. Bazaar's executives were unavailable for comment.

He said he had been selling frozen chickens at a slightly higher premium than necessary for a few weeks, but was now selling at no profit margin at all.

Prices were expected to drop next month when chickens imported from America by Checkers and by a wholesale organisation supplying corner cafes, arrived.

Local producers have promised to divert some of their exports to the home market next month and this is also expected to lower prices.

Checkers, which is exporting to sell cheap imported chickens from

been selling frozen chicken for R1,65 a kg quickly followed suit and brought the price down to R1,49

stands that chicken producers have not yet reduced prices but supermarkets are drawing on frozen chicken stocks

He said he had been selling frozen chickens at a slightly higher premium than necessary for a few weeks, but was now selling at no profit margin at all.

Prices were expected to drop next month when chickens imported from America by Checkers and by a wholesale organisation supplying corner cafes, arrived.

We are not yet receiving any export chickens he said but we are working on it.

No rise in fish price over holidays

24/11/80

ARMS

299

Consumer Reporter

ALTHOUGH processed frozen fish recently went up in price by 10 percent there will be no increase in the price of fresh fish — including the popular hake — over the Christmas period.

A spokesman for Grand Bazaars said today that he had been given this assurance by suppliers.

'Hake is by far the most popular fish,' he said, 'and its price has been more or less stable for the past three months. It fluctuates by only a cent or two.'

Some supermarket branches have had to ration supplies of frozen chicken, which Checkers, Pick 'n Pay and Grand Bazaars have all reduced to R1,49 a kg.

PRICES

A spokesman for Checkers explained that this was to prevent small shopkeepers, who have to pay a wholesale price higher than this, from buying up the chickens in quantity and selling them at a profit.

Chicken producers have not yet reduced their prices. But Checkers — which is expecting supplies of cheap imported American chickens next month — decided on Friday to slash the price of its stocks of home-produced frozen chicken by 20c a kg.

Pick 'n Pay, which had been selling frozen chicken at R1,65 a kg, and Grand Bazaars, which had been selling it at R1,62 a kg, quickly followed suit.

Chicken prices are expected to drop further when the imported chickens arrive.

SA prices go up by 1.9% in October

By VITA PALESTRANT

THE Consumer Price Index for all income groups rose by 1.9% last month and by 14.4% during the 12-month period ending in October

Hardest hit last month were low income groups, with the CPI increasing by a massive 2.5% and by 17.2% over the 12-month period

Middle and upper income groups rose by 2% and 1.6% last month and by 15.3% and 13.1% during the 12-month period, respectively

Food, which is running well ahead of the CPI, rose by a massive 4.8% during October and by an unprecedented 25.2% during the 12-month period

Meat alone has increased by a mammoth 50.8% during the 12-month period and by 10.6% last month

Other increases in the food sector were Fish, 3.3% during October and by 8.3% over the year, fats and oil, 1.3% and 12.3%, grain products, 0.8% and 16.5%, fruit, 2.5% and 8.2%, and vegetables, 2.3% and 15.4%

Cold drinks rose by a substantial 10% last month and by 15.9% over the 12-month period while alcohol, which has risen by 9.4% over the year, went up by 1% last month.

Clothing and footwear increased by 0.6% during October and by 9.6% over the year.

Appliances rose by 1.2% last month and by 8.7% over the year

Household operations continued to increase steadily, going up by 0.9% last month and by 7.7% over the year

In this sector, cleaning material went up by 1.7% during October and by 12.9% during the 12-month period.

Domestics were paid only 0.6% more last month and a meagre 5% over the past 12-months

Transport rose by 1.1%, with vehicles up by 2.6% last month - During the 12-month period they rose by 7.7% and 15.3% respectively.

Recreation and entertainment increased marginally - by 0.7% last month and by 10.6% over the past year

Reading matter, however, increased by 48.4% over the past year and by 0.6% last month

Every month the Department of Statistics analyses masses of information about the cost of goods and services in 11 major urban areas. These are processed to make up the CPI

Consumer Mail publishes the full CPI every month, as a service to its readers

July
HPM
29/10/80

BLACK WAGE INCREASES OUTSTRIP COST OF LIVING RISE - SURVEY

5t

Argus Bureau
PORT ELIZABETH. — Salary and wage increases — particularly of blacks — have been consistently higher than the rise in the cost of living in the 1970s.

Mr M Levin, senior economics lecturer at the University of Port Elizabeth, says this in a study of the indexing of salaries and wages published by the university's Institute for Planning Research search

In a survey Mr Levin found that most businesses had wages more than salaries favouring black workers

119 PERCENT

On average, salaries and wages increased by 119 percent for every 100 percent increase in the consumer price index during 1971-78

He says that if a formal system of payment indexation had been applied, the average salaries or wages would have increased less than they actually did

On average, salaries and wages were over-indexed in South Africa from the beginning of the 1970s

because there was no formal guideline

There is no formal legislation which forces businesses to adjust salaries and wages in line with a particular index

Mr Levin claims the 'art' of living with inflation is linked to indexation

In the businesses surveyed, indexes were

applied to 83 percent of white workers salaries and 54 percent of whites wages, while they were applied to 69 percent of black workers salaries and 31 percent of their wages

Application of a general index to adjust wages put the white labour group at a disadvantage, while benefiting the black labour group

Among both black and white workers, 13 percent had their salaries adjusted to meet the rising cost of living but only 17 percent of white workers had their wages adjusted against 27 percent of black wages-earners

This enabled the black labour group to maintain a slightly more stable standard of living

Source:
 a) derived from the 1960 and 1970 population
 b) Simkins, 1980, Table 1
 c) BENSO, Statistical Survey of Black Develop
 Pretoria: BENSO
 d) derived from 1970 and 1980 homeland popul

	1960	1970	1978
Urban dwellers (a)	57 393	594 420	
Population (b)	4 739 855	7 385	
% Urban	1,2		
Urban dwellers (c)	400		
Population (d)	4 571		
% Urban			8

TABLE 7: HOMELAND URBANISATION, 1960, 1970 & 1978

Table 7 shows the extent of homeland urbanisation in 1960, 1970 and 1978.

a) Homeland urbanisation

From their own agricultural production. This proportion declined to less than 20% by the end of the 1960's. Other parts of it were more true in 1960 than in 1980, as the following two tables indicate.

Mystery of the chicken price war

By Charlene Beltramo

Behind the chicken price war that was launched today is months of cloak-and-dagger manoeuvring

The latest move in the month-old battle is an announcement by Pick 'n Pay that they have pressed suppliers into cutting back exports and supplying them with almost 650 tons of chickens at a markedly reduced price

These chickens will be on sale at R1,39/kg — 50c cheaper than normal from today

Mr Norman Leibov, national perishable buyer for Pick 'n Pay, said that about 60 to 80 percent of the 550 000 chickens came from the three major suppliers — Festive, Farm Fare and County Fare

He said the remaining 25 percent came from stocks they had kept in their warehouses since early this year, for sale at Christmas

DENIAL

But Mr Tony Bloom — chairman of Premier Milling (Farm Fare), the largest poultry producers in the country — denied ever making such an arrangement with Pick 'n Pay

"We haven't cut down on our export commitment at all"

Mr Bloom quoted from a letter he wrote Mr Raymond Ackermans of Pick 'n Pay in October in which he listed their export commitments for the following three months.

"In October, we exported 20 tons, November and December 10 tons each. This represents 2 percent of our total production, or 40 000 birds out of a total production of 12 million."

"It can hardly be considered 'vast exports' "

Mr Bloom said they were selling poultry at R1,85 a

"It can hardly be considered 'vast exports' "

Mr Bloom said they were selling poultry at R1,85 a kilogram to retailers and would not drop to R1,39 a kilogram as Pick 'n Pay claimed "It would not be economically viable," he said

TOO MUCH PROFIT

Industry sources have said local production costs are between R1,45 to R1,55 a bird

However, Mr Leibov said Pick 'n Pay were convinced poultry producers were making excessive profit and a price of R1,39/kg would not constitute a loss to them

Other producers were not available for comment, although an official at one company commented bitterly that "the whole chicken fiasco is a publicity move generated by the retailers"

On the other hand, Checkers, who are importing 750 tons of poultry from the United States, say their shipments will be late because "someone" prevented the first consignment leaving on its scheduled ship

Mr Harold Greenstein of Checkers said they had not called in the police but were conducting an internal investigation. He said they would only release the results, "if we consider it newsworthy"

The first shipment of their chickens should arrive on December 10, and the second "a little later."

NOTICE 867 OF 1980
DEPARTMENT OF STATISTICS

The Secretary for Statistics notifies for general information that the Consumer Price Index for October 1980 is as follows

CONSUMER PRICE INDEX, ALL ITEMS

Area	Index	
	Base 1975=100	Base: April 1970=100
1 Cape Town	180,5	281,8
2 Port Elizabeth	182,8	289,4
3 East London	183,1	289,3
4 Kimberley	184,9	284,4
5 Pietermaritzburg	185,6	291,0
6 Durban	185,2	286,9
7 Pretoria	183,8	293,7
8 Witwatersrand	189,7	299,5
9 Klerksdorp	183,1	287,8
10 Vaal Triangle	191,7	297,1
11 OVS Goldfields	192,4	293,4
12 Bloemfontein	185,3	286,8
Average of the 12 areas	186,3	292,9

EXPLANATORY NOTES

The Consumer Price Indexes do not permit of inter-city comparisons of price levels or living costs. They do not indicate whether it is more expensive to live in one city than in another. They indicate for each area, independently, the price changes which take place from time to time.

With effect from July 1979 the Consumer Price Index with April 1970 as base has been replaced by a Consumer Price Index with the average for 1975 as base. For purpose of wage and other agreements the new index has been linked to the old index in order to obtain a continuous series with April 1970 as base. This index will be published for a limited period to afford users of the index the opportunity to amend contracts which refer to the index on the base April 1970=100.

(5 December 1980)

KENNISGEWING 867 VAN 1980
DEPARTEMENT VAN STATISTIEK

Die Sekretaris van Statistiek maak vir algemene inligting bekend dat die Verbruikersprysindeks vir Oktober 1980 soos volg is

VERBRUIKERSPRYSINDEKS, ALLE ITEMS

Gebied	Indeks	
	Basis 1975=100	Basis April 1970=100
1 Kaapstad	180,5	281,8
2 Port Elizabeth	182,8	289,4
3 Oos-Londen	183,1	289,3
4 Kimberley	184,9	284,4
5 Pietermaritzburg	185,6	291,0
6 Durban	185,2	286,9
7 Pretoria	183,8	293,7
8 Witwatersrand	189,7	299,5
9 Klerksdorp	183,1	287,8
10 Vaaldriehoek	191,7	297,1
11 OVS-goudvelde	192,4	293,4
12 Bloemfontein	185,3	286,8
Beswaarde gemiddelde van die 12 gebiede	186,3	292,9

VERDUIDELIKENDE OPMERKINGS

Die Verbruikersprysindekse laat nie tussenstedelike vergelyking van pryspeile of lewenskoste toe nie. Die indekse toon nie of dit duurder is om in een stad as in 'n ander te woon nie. Die indekse toon vir elke stedelike gebied onafhanklik, prysveranderinge wat van tyd tot tyd plaasgevind het.

Met ingang van Julie 1979 is die Verbruikersprysindeks met basis April 1970=100 vervang deur 'n Verbruikersprysindeks met die gemiddelde vir 1975 as basis. Vir die doel van loon- en ander ooreenkomste is die nuwe indeks aan die ou indeks geskakel ten einde 'n aaneenlopende reeks te verkry met April 1970=100 as basis. Hierdie indeks sal vir 'n beperkte tydperk gepubliseer word om gebruikers van die indeks die geleentheid te bied om ooreenkomste wat op die indeks met basis April 1970=100 betrekking het, te wysig.

(5 Desember 1980)

A beer will cost more next year

244
~~182~~
 6/2/80

By Charlene Beltramo,
 Fair Deal Editor

Theoretically, the past year has not seen any beer price increases, and this will be a major reason why next year, South African Breweries will push up the prices of South Africa's favourite drink.

But, if you're a beer drinker you'll realise that buying a pint of the best has been costing you more

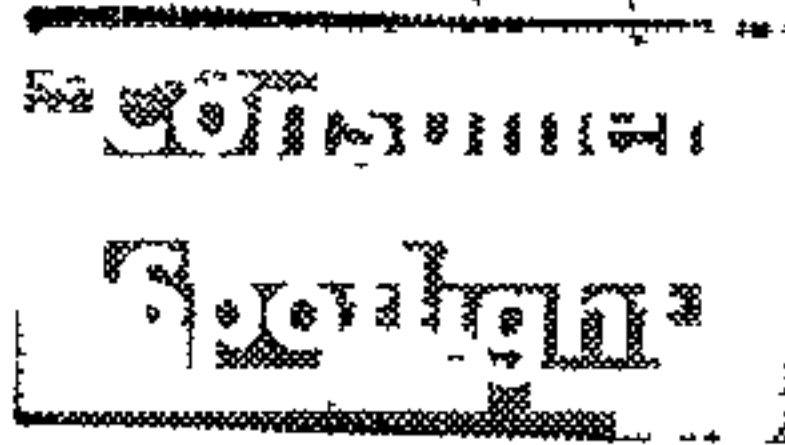
In November 1979, SAB took over Intercontinental Breweries, who, in return, were given a large slice of SAB's wine interests

At the time SAB, under Government pressure, undertook not to increase the wholesale price of beer until 1981.

BAR PRICES UP

They have kept their promise. The wholesale price of beer hasn't been increased BUT promotional discounts have been withdrawn, incentive schemes stopped, 300 ICB workers retrenched, several bottom of the market beers dropped, including Schafft, Rogue and Culemborg, advertising reduced and an uncompetitive market induced.

This in turn has meant that beer prices to the consumer have increased from seven percent to 55



percent, depending on the brand, type (eg dumpie) and the retailer.

Bar prices have gone up twice Beer now costs around 53c a bottle in local pubs

Premier Milling, who were emerging as a major force in the liquor industry, decided to cut their losses and get out and sold their liquor interest for about R4-million in the second half of this year.

Earlier in the year, Premier's liquor boss, Brian Joseph, complained that they could not keep prices down and were battling to be competitive.

Retailers who wanted to draw customers with competitive pricing, found that they had to make inroads into their own profit margins

South African Breweries, on the other hand, had a 30,4 percent gain in profits for the year up to March 31 this year. This is the largest annual increase in at least two decades.

The beer and liquor retailing section alone re-

flected an increase of 27 percent

Reliable sources are already predicting that in January or early February, 1981, beer and wine prices will rise about 15 percent.

Despite the protests of the country's powerful 6 000 wine farmers, however, it is likely that any wine price increases will be kept below those of beer.

Consumption of wine, although it has received a boost with the new casks, stands at only about nine litres per capita each year. Annual beer consumption, however, is around the 31 litres per capita mark.

Consumers can be pretty sure, as well that a New Year increase in the price of beer, will not be the last for 1981.

Spokesmen for SAB were "not available for comment"

No. of Tuts	Details	Code
8	Capital budgeting	CB
4	Cash budgets	CA
	Contr	CC
	Linear	CL
	Margin	CM
	Probab	CP
	Stand	CS
	Misce	CX

No need for price war ^{3/12/58} claims Poultry ^{2/1/58} Association

By Charlene Beltramo

The Poultry Association has leapt, spurs first, into the chicken controversy by claiming there is no need for a price war or rationing.

More than 200 000 extra broilers were coming on to the market each week, said Mr Zac Coetzee, the association's director.

And at least 25 percent more chickens were being supplied to the local market than at the same time last year, he added.

He said the increased supply of chickens had been reaching retailers since the beginning of November. Mr Coetzee said this was one of the

reasons his association had attempted to prevent chicken imports reaching South Africa.

He said part of the increased supply was due to "a few producers" cutting back on exports, but most was due to increased production.

Mr Coetzee said producers always increased production for the festive season. But had intensified their efforts when red meat high prices pushed up the demand for poultry.

He said members of his association which includes major producers, also refused to enter the chicken price war and cut

prices below production costs, which were about R1,40 to R1,50/kg.

Mr Richard Cohen, of Pick 'n Pay, which is selling frozen chickens at R1,39/kg, rationed to two customers, disputed Mr Coetzee's figures.

"To the best of my knowledge 200 000 is only about 10 percent of the weekly market."

He did not dispute the increased production either exported or sold as fresh chicken portions.

At the same time, OK Bazaars has quietly entered the chicken price war. Undercutting its two major rivals by 4c a kilogram, with frozen chickens selling at R1,35/kg.

10 pc fertiliser increase will hit 1981 food prices

STAR
244
11/2/80

By Hannes Ferguson,
Farming Correspondent

Consumers are to be hit by another blow to their grocery baskets on Christmas Eve.

Fertiliser prices, which directly influence food prices, will rise about 10 percent in terms of a notice in the Government Gazette to be published on December 24.

This season's crops have already been hit by the 17,3 percent increase in fertiliser prices imposed in January this year.

Food prices this year have already increased a phenomenal 25,2 percent, according to the latest

figures released by the Department of Statistics

The additional 10 percent increase will further boost prices of vegetables and other crops planted after the new prices take effect on January 1.

Maize alone will rise by 2,5 percent in the next growing season, according to Dr P E van der Dussen, economist of the national Maize Producers' Organisation.

This will affect the maize price in mid-1982, while this year's 17,3 percent jump will take effect on next year's maize prices.

Mr Trevor Webb, chairman of the Fertiliser Society, said that fertiliser plants had been more fully used this year and efficiency had improved.

There had been no major changes in the price of raw materials for fertiliser.

The latest fertiliser price increases may have been caused by price increases in other cost items such as machinery, wages and transport costs.

The fertiliser industry was recently criticised in a secret interim report of the Commission of Inquiry into the Fertiliser Industry.

ded evolution, as upheaval such as ny of these concerns such as Huxley in of revivalism, by newspaper men like My grandfather members vividly in Cornish mining, It was enough, can continent in

Car tyre prices to rise 10,6 percent

Fair Deal Editor

Dealers are expecting motorists to rush to replace worn tubes and tyres before prices increase 10,6 percent on January 19 next year
Mr J van Huysteen of the Motor Industries Federation said the increase would not amount to much, however, in relation to the total costs of a car
Mr H Kleynhans of the Automobile Association said the increase was "very depressing. Motorists' costs are rising out of all proportion. We have already had a very definite forecast that car prices will go up again soon"

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market or audience for the genre.

especially with respect to the "structure of contexts" that constitutes the

consider the ethnographic genre, then, in relation to its context, and

Translation is not the problem: context specificity is. I shall attempt to

again and again, however that any language can be translated into any other.

alone were responsible. Anthropologists and bible translators have shown

difficulties of translation from one language into the other, as if language

tradition. This has been explained, somewhat mystically, in terms of the

novel written in English or French preserves little of the flavour of the oral

This approach would also suggest why, for example, the African

or formal content and structure, and the market for ideas and books into account,

cannot be understood in its historical role without taking both characteristics

the meaning of these commodities into account, so, too, the ethnographic genre

cannot be understood without taking both the market for these commodities and

of, say, cotton cloth or copper in the related histories of Europe and Africa

Salerno and Manchester of this intellectual economy. And just as the role

which ethnology or anthropology was established as a profession, were the

goods" produced in the European and American centres. The Universities, in

paralleled that between "raw material", produced in the periphery, and "manufactured

tylor, and so on. The contrast between "ethnography" and "ethnology"

ethnologists of the metropole such as Morgan, Marx, Pritchard, Frazer, Marret,

worked on and wrought into ethnological "finished products" by the professional

material" that was sent to the metropolitan centres of Europe where it was

was one such commodity, produced in the initial instance as a sort of "raw

and differentials of value attached to commodities. The ethnographic monograph

is, of a structure of contexts related to each other by exchange of commodities

The analysis of that audience is an analysis of a market, that

Inevitable jump in municipal rates

24/12/80
STAR

Own Correspondent

The pay rises promised public servants will almost certainly mean higher rates and tariffs for householders throughout South Africa next year.

They will have to dip even deeper into their pockets than this year to pay for similar increases for about 260 000 white and black council workers.

This could cost rate-payers millions of rands in property assessment rates and higher charges for essential services.

In Pretoria a council spokesman said today the

city and other local authorities would have no choice but to adjust salaries upward.

Mr At Niewoudt, president of the South African Association of Municipal Employees, said "Senator Horwood's promised pay hikes will come into effect in April. The average could be as high as 12 to 15 percent — the same as the current inflation rate."

"Local authorities stand to lose many of their key staff members unless they can match the new Government salaries."

	1960		1970	
	% Males employed	% Females employed	% Males employed	% Females employed
1960	15-64	15-59		
Metropolitan	1 156 589	664 236	90,3	40,6
Urban	529 725	216 337	73,5	56,8
Rural	979 729	857 237	91,7	23,1
Homelands	960 477	1 341 361	85,2	16,8
TOTAL	3 626 520	3 079 171	86,9	26,6
1970				
Metropolitan	1 414 076	779 871	78,4	56,4
Urban	678 759	319 404	80,7	57,4
Rural	1 099 242	867 145	70,9	51,4
Homelands	1 306 230	2 005 924	72,6	14,5
TOTAL	4 498 307	3 972 344	75,2	34,2

1960 and 1970

(c) Employment as a proportion of men 16-64 and of women 15-59,

TABLE 4: (continued)

Resistance to high meat prices

argus
2/12/80
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Consumer Reporter
WITH only 10 more shopping days to Christmas, butchers report that there is still consumer resistance to high meat prices. The expected upsurge in demand as Christmas draws near has still not happened, and the price of beef at Cape Town abattoir auctions has dropped steadily since the end of the month. But butchers say it should have dropped more in view of the moderate demand, and is being kept artificially high by the support price system introduced by the Meat Control Board in Cape Town in September.

Yesterday the price of super beef at the abattoir auctions ranged from R2,18 to R2,20 a kg, compared with R2,31 a kg last Friday and R2,36 on November 27. The support price prevents meat from falling more than six percent below the average price for the previous week.

DOWN FEW CENTS
The price of super lamb has been relatively stable for several weeks. Yesterday it fetched from R2,35 to R2,41 a kg at the abattoir. Super pork fetched from R1,70 to R1,85 a kg. A Sea Point butcher said that although the

price of beef had dropped 'a few cents' it was not enough to have an effect on the retail price. He believed it would be far lower if it were not for the support price system. A spokesman for the Blue Rib and butchery chain said he expected the demand for red meat to rise nearer Christmas. Meanwhile, the Housewives' League of South Africa is still receiving letters, telegrams and petitions in support of its campaign to persuade the Minister of Agriculture, Mr P T C du Plessis, to abolish the support price system before Christmas. The national secretary, Mrs Tom Fiere said that some branches of the league were organising petitions. Some people who were not members had written or telephoned to say that they already had hundreds of signatures to petitions and would send them on when 1 000 signatures had been collected. The league is appealing to members of the public who support the campaign to send letters or telegrams to its headquarters at Box 52572, Saxonwold.

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Chicken price slashed

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Consumer Reporter
AS the chicken price war continues in Cape Town, OK Bazaars has slashed the price of both fresh and frozen chicken to R1,35 a kg to make it the cheapest in the city. Grand Bazaars, Checkers and Pick 'n Pay are selling fresh chicken at R1,79 a kg and frozen chicken at R1,39 a kg.

Early last month, fresh chicken cost more than R2 a kg and frozen chicken more than R1,6 a kg. A spokesman for Pick 'n Pay said it was possible his chain would reduce its price of fresh chicken further before Christmas. The Argus understands that OK Bazaars is selling

at a loss.

All homelands		
1978	1970	1960
594 420	57 393	

TABLE 7: HOMELAND URBANISATION, 1960, 1970 & 1978

Table 7 shows the extent of homeland urbanisation in 1960, 1970 and 1978.

a) Homeland urbanisation

of it were more true in 1960 than in 1980, as the following
clined to less than 20% by the end of the 1960's. Other parts
from their own agricultural production. This proportion de-

3 airlines reduce fares to Europe

By Richard Paris,
Air Correspondent

Excursion fares between South Africa and London and Frankfurt are to be reduced by up to R100 by three airlines from next month

SAA and Lufthansa who together have nine jumbo flights a week between Johannesburg, Cape Town and Windhoek and Frankfurt, are reducing their 19-75 day excursion fare from R986,80 (high season) to R930 and from R887,90 (low season) to

R840 from January 1.

A spokesman for Lufthansa said the new excursion fare was expected to replace the old one from March, with a validity of 14-90 days abroad instead of a maximum of 75 days. No stop-overs will be permitted.

Both carriers said the move, at a time when most airlines in the world are losing money, was to stimulate traffic and encourage more people who were actually bound for West Germany to fly

direct, rather than on other European airlines with a connecting flight.

Only hours after the SAA-Lufthansa announcement came the news that British Airways and SAA were to introduce a new advance purchase excursion fare (apex) between Johannesburg and London, valid from between two weeks to one year, for R713,50, during the months of October and November northbound and April and May southbound.

The current Apex fares to London start at R813,60 in the low season and go up to R923,80 in high season and are valid for three months only. All Apex fares do not permit stop-overs and have to be booked and paid for at least two months in advance.

A spokesman for British Airways said the two carriers were pleased to be able to offer reduced fares to Britain that were "more in keeping with the budget traveller needs."

Mr Eberhard Gennrich, the chairman of the Association of South African Travel Agents, told The Star last night that while travel agents welcomed fare reductions for passengers, past experience had shown the only way to significantly boost traffic on a route was to cut fares by about 20 percent.

"The move by BA and SAA have a stimulating effect during their off-season periods and encourage more people to use London as a base and visit the Continent by surface transport," he said.

Price of timber to increase

2/12/80
2/12/80

In 1981 at SACHED, MOWI planned. The intention is to provide training for university students. The course is designed for students who speak English as a second language and who plan to study in South Africa.

We have discovered that many matric face many problems with their essays and knowing how to write them. This is true of students at U.C.T., U.W.C., Fort Hare etc. as it is of part-time UNISA students.

Pietermaritzburg Bureau
THE price of pine sawlogs is to be increased by an average of 23 percent from December 26 and many other timber prices are due to rise from January 1.

In a report issued yesterday Mr J B Ferguson, director of the South African Timber Growers Association said agreement had been reached recently with the directorate of forestry for revised prices of pine sawlogs

in the Transvaal and Natal. The price of sawn timber would increase from January 1, he said. Pine pulpwood will go up about R3 a ton, and the price of hardwood pulp by about R1 a ton.

Following discussions with the Central Timber Co-operative Timber Treeters Association, a substantial increase in the price of untreated hardwood poles appear to be forthcoming, Mr Ferguson said.

rise is comparative -time study. This is a second the day.

ity from being adequate much true of full-time UNISA

THE COURSE:

The University Foundation Course is being planned as a correspondence course which will initially be tested out in the form of tutorials. We propose to divide the year into two semesters:-

- Arts students would take Foundation English and one or two specialist courses other than science.
- Science students would take Foundation Maths, and Foundation Science plus possibly one other subject.

The year, therefore, is divided as follows:-

FIRST SEMESTER

8 Feb. - 12 June :

Foundation English

Two 2-hour sessions per week at an intensive level for which written work must be prepared. This course provides a basis in the use of English for thinking, discussing and formulating ideas, as well as a basic training in reading for a purpose (i.e. research skills) breaking down text book dependency, analysing what you read and essay techniques. The sessions are designed to provide basic skills for a wide variety of subjects.

Or Foundation Maths.

Two 2-hour sessions per week progressing in a systematic manner from Standard 10 Maths. through to university maths. It will include a thorough introduction to calculus and its practical applications. The emphasis will be on full student participation in discussing and solving problems and understanding what is learnt. This course provides a basis for the Foundation Science Course.

SECOND SEMESTER

20 July - 5 Dec. :

Foundation Courses in ONE or TWO of the following sub.

- Accounts.
- African Studies/History
- Economics
- Law
- Psychology
- Science
- Sociology

Each course will /...

US chickens passed, but the war goes on

120 m 13/12/80

Survey
parts in
average

By PAT SIDLEY
Consumer Mail

THE State Health and Veterinary Departments have passed the multi million rand order of chickens imported from the United States, which arrived earlier this week in Durban — despite complaints from South Africa's largest chicken producer, Rainbow, that the chickens were of inferior quality.

Both Metro Cash and Carry, and Checkers, who have bought US birds, have questioned how Rainbow came to have the chickens in their possession.

Both firms say they could not have had the authority to gain access to the consignment.

Sources in the retail industry have claimed that local producers' remarks that the chickens were not slaughtered Hallal (in accordance with Muslim law) are inaccurate, and that non-Hallal birds can be stored and transported alongside Hallal birds provided they are sealed off.

One retailer said it was unlikely Muslims would buy the birds, but claimed Rainbow had only raised the issue to stop the large Durban Muslim population from buying the imported chickens.

The consignment presently docked in Durban was imported by a broker and sources in the retail trade suggest that on this consignment at least, Checkers will be selling the chickens for less than they are paying.

Checkers have said they will make a profit on the deal.

Metro have refused to disclose what they will sell their birds for, but they are sold in bulk packages to retailers, who still have to mark and weigh the birds.

Advice to consumers is to shop carefully for chicken bargains. Most major supermarkets will be selling cheaper birds from next week, as well as many smaller stores and butchers.

Both the OK Bazaars and Pick 'n Pay dropped their prices of local chickens earlier this week.

Region	Labour force	% unemployment
Metropolitan	2 107	11,1
	1 072	8,6

(thousands)

TABLE 9: THE AFRICAN LABOUR FORCE AND UNEMPLOYMENT BY REGION, NOVEMBER, 1979

The regional distribution of economic activity and unemployment: evidence from the Current Population Survey

The Current Population Survey has published the following estimates of the size of the labour force (economically active population) and of unemployment in the four region types of South Africa in November 1979.

We must thus return a verdict of 'not proven' on the necessity thesis. This is not to say that it cannot be proven: further argument on the subject would be of considerable interest.

in terms of its influence on the size and regional distribution of unemployment.

Frozen meats will take big bite of market

SOUTH Africans are expected to eat more processed and canned foods as fresh meat prices rocket next year.

Those unwilling to change their outdoor eating habits are likely to look more and more to cheaper processed meat foods, and burger braais will replace chops and T-bones, predict major food producers.

Sales of frozen hamburger are already increasing by 25 percent each year and by 1982 frozen foods should account for more than 50 percent of the average supermarket's total turnover.

Prepared meat products accounted for only three percent of the frozen food market 10



years ago. Last year the figure rose to 17 percent and in 1981 we expect this growth to be about 30 percent," said Mr. Max Shier, managing director of the Bull Brand Foods group.

South Africans have already accepted that the days of cheap

fresh meat are over and as we go traditionally a meat-eating nation the trend will be to swing to the cheaper products such as canned and processed frozen meats.

Mr. Shier said the country was not physically capable of producing enough beef to meet home demand in normal circumstances and the problem

would be aggravated by the rapid population growth.

The population forecast is 49 million South Africans by the end of the century. This includes 36 million blacks who already consume 50 percent of the beef market.

There will have to be fantastic innovations in the meat industry to satisfy the growing demand and to utilise the dwindling supply of meat to the fullest, said Mr. Shier.

For one, we will have to take a hard look at our traditionally a total eating habits. We cannot just eat meat for meat's sake any longer.

Those braais where leftover meat goes into the dustbin let alone doggy bags - just cannot happen anymore and restaurants will have to go for quality rather than size.

Mr. Shier said the South African consumer was closely linked to the American way of life. The trend would be to swing to processed meats such as burger patties rather than the European tendency for exotic sausages and polonies.

Two other major outlets, Table Top and Renown Foods, also said they were gearing themselves for increased demand in the processed food markets.

Mr. Richard Price, marketing manager for Table Top - who claims to corner nearly 70 percent of the frozen burger market - said that in months where the fresh meat problem was highlighted in the media their sales had soared dramatically.

Too expensive

In October, which is traditionally a good month for burger sales, were 15 percent higher than they were in previous months.

This, we believe, is related directly to the amount of publicity that the high price of fresh meat was receiving then.

We still do not believe that frozen meats will ever overtake the frozen vegetable market but it will certainly get its fair share.

It is obvious that people just cannot afford fresh meat anymore.

The Meat Board is also expecting a change in the consumer's eating habits.

A spokesman said: "The high price of fresh meat will not decrease and so consumer habits are likely to change in favour of high quality, convenient processed foods like the hamburger and pre-prepared canned meat dishes."

We also believe that housewives will have to become more resourceful and show more initiative in utilising their fresh meat supply to the full.

"It will not always be a case of T-bones and rump steak on the menu but other equally nu-

44.

It goes without saying that the organisation at all, the work is likely to be grim and the attention minimal.

In summary then, principally State, management and labour these parties is manifest peculiar nature of the State of - academic arguments p

But this 'neutrality' of assumptions shared with institutions, phrased in the State a range of possibilities interests of industry, co

By 1977, follow-up studies of this same group by the same research team revealed that the death rate for both cancer and asbestosis was almost doubled. The larger contributor to excess deaths was cancer.

One of the members of this research team³⁰ has revised some of the original assumptions to take account of these new facts apparent since 1977. Using these revised assumptions on the data he has estimated that exposure to lf/cc (i.e. half the BOHS standard) over a 50 year period might increase the death rate by 25% after retirement.³⁰ Subject to the same conditions as many as 1 in 14 workers might develop asbestosis. He also believes, along with most other agencies, that for lung cancer there is no definite safe level of asbestos exposure, below which there is no risk of developing it.^{30,57} With mesothelioma there is a considerable risk for truly trivial levels of exposure.

When the terrain of assumptions and extrapolations is exhausted it becomes clear that the real problem of the hazards of industrial exposures to asbestos is one of allowing sufficient time to elapse to complete the lag period before cancers develop before it is really possible to prove or disprove the validity of any argument relating to safe levels.

The current level of exposure below which there are supposed to be no risks to health has only been in official existence since 1971. The definite proof is still between 5 and 20 years away in the future. Taken together with the improbability of there being such a safe level for a carcinogen, a study in the USA of gold miners working in mines contaminated with amosite in

is less than 2f/cc in the air is very disturbing.

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Foreign Policy Study Foundation

THE DEMOGRAPHIC, DEMAND FOR LABOUR AND INSTITUTIONAL CONTEXT

OF AFRICAN UNEMPLOYMENT IN SOUTH AFRICA : 1960 - 1980

Earlier work of mine sought to estimate the extent of unemployment/ underemployment in South Africa (Simkins, 1978a) and to investi- gate the situation of unemployed Africans (Simkins, 1978b).

This study seeks to build on the earlier work by considering African unemployment in the context of the distribution of the African population and of African employment between the four region types that go to make up South Africa: metropolitan areas, other towns in 'white' South Africa, 'white' rural areas and 'homelands'. These distributions are, of course, con- ditioned by state policy; this will be touched on at several points in the study and discussed in some detail when it comes to the functioning of the institutions in the African labour market. The study will also include a brief discussion of the effect of American involvement in the South African economy on African unemployment.

I have recently completed the distribution of the African unemployment survey, 1960, 1970, 1980. This emerged in Consumer Mail's annual liquor price guide which compiled to help consumers shop around for Christmas. The survey also showed that wine prices had increased. When shopping around consumers should take the cost of transport into account as it may be cheaper to shop at the bottle stores nearest them.

Most liquor prices have increased since last year with whisky and cane up by about R1 a bottle, while brandy and gin have gone up by about 45c a bottle. This emerged in Consumer Mail's annual liquor price guide which compiled to help consumers shop around for Christmas. The survey also showed that wine prices had increased. When shopping around consumers should take the cost of transport into account as it may be cheaper to shop at the bottle stores nearest them.

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are the present results are important of which is the to be updated in the light by age, sex and region- at estimating the

Booze price up

RDM
15/12/80
Consumer Mail 244

MOST liquor prices have increased since last year with whisky and cane up by about R1 a bottle, while brandy and gin have gone up by about 45c a bottle. This emerged in Consumer Mail's annual liquor price guide which compiled to help consumers shop around for Christmas. The survey also showed that wine prices had increased. When shopping around consumers should take the cost of transport into account as it may be cheaper to shop at the bottle stores nearest them.

● Report — Page 4

Food prices set to soar in 1981

244 STAR 18/12/80

By Charlene Beltramo

Retailers are predicting food inflation higher next year than this year's 25.2 percent and have warned that practically all household commodities will rise in price during the first quarter of 1981.

Mr Richard Cohen, a director of Pick 'n Pay, who accurately predicted this year's food inflation rate in February, said it was ominous that so many products were increasing prices so early.

"This is even before the fertiliser price increase (predicted to be 10 percent) has been announced, or that for maize," he said.

Mr Johan Willemsse of the SA Agricultural Union has already made a forecast of a food inflation rate of 30 percent next year — 18 percent higher than that predicted for the United States. However, Barclays Bank expects food inflation to run at 16 percent and overall inflation of 15 percent.

In the first week of January, the SAAU will meet to discuss a price increase for dairy products. It is expected this

will be split in two, to give a total increase of 26 percent.

Beef is expected to stabilise in price, while mutton and pork are expected to rise even more because of a short supply. However, manufacturers have warned of an increase of a "few percent" for animal feeds early in the year.

DREAM

Cheap poultry will be a dream of Christmas past and prices for fresh and frozen are expected to revert to more than R2 kg.

Rice will increase 11 percent in price next month. A spokesman for SA's largest rice supplier said this was because prices on the world market had increased by between 35 percent and 40 percent.

He said rice had increased only three times in price since 1974. These increases had all been less than 10 percent.

Paper products will rise 10 percent and fuel prices are expected to rise a similar amount late in the first quarter.

Pressure on supplies of

fish, due to high meat prices, coupled with strong, expected Government clampdowns on the exploitation of local fish resources will lead to commensurate price increases for fresh and canned fish, senior Government officials said.

Tyre and tube prices will go up 10.6 percent from January 19.

Toiletries will increase by 10 to 18 percent and discounts on detergents are being cut to retailers, so prices will rise marginally for those products.

Beer and wine are expected to rise at least 15 percent in the first few months of 1981, processed meats will cost about 7 percent more; a substantial increase is expected for canned goods and speculators are predicting a sugar price rise of about 8 percent.

Additional items scheduled to go up mid-January next year include condensed milk (six percent), milk powder (15 percent), some nuts (20 percent), oats (15 percent) and some razor blades (about 10 percent).

Agriculture: regular and casual workers - Simkins 1978a
 Table 2 1979 figures taken to be the same as in 1976,
 the date of the last published Agricultural Census.
 Subsistence farmers - Simkins 1978a, Table 13. The 1979
 figure is reduced (from the 1960 figure) in proportion to
 the population excised from South Africa by the exclusion
 of Transkei and Bophuthatswana.

1) 1960, 1970 and 1979A

Sources:

Low-pay group is hit hardest

STON
244
18/12/80

By Charlene Beltramo, Fair Deal Editor

Lower-income households are paying 10 percent more for basics than they were six months ago. This emerges from a recent report by Mr J Potgieter and Mr M Levin, of the University of Port Elizabeth's Institute for Planning Research.

They point out that in the last year, the increase in the household subsistence level (poverty datum line) for the five major centres in South Africa rose 13,4 percent. Lower income groups have been hardest hit by this, they say.

However, the report also shows that the annual growth in salaries and wages was 19 percent for each worker, above the inflation rate, from 1971 to 1978.

But during the last few years salaries and wages have moved closer to the inflation rate, with "real" drops being more dramatic in the white labour group, and black wage-earners being in the most favourable position of all.

In 1978, as an example, incomes of the white labour group dropped 2,3 percent but rose 5,7 percent for the black working population.

LITTLE JOY

But, the researchers point out, this will bring little joy to consumers who have seen inflation gulping their incomes in the last six months with dramatic increases in food prices.

The price of maize meal increased approximately 30 percent to the consumer during the last six months, adding a further R3,50 to the HSL budget, according to the report.

Skimmed milk powder increased 17 percent and cheese by approximately 55 percent — despite the controlled price increase being fixed at 15 percent in June.

Meat prices, as most consumers would have guessed, showed the most staggering increases. The price of cheap cuts, such as brisket, the Institute found, had increased by 70 percent from April to October.

At some stores, the researchers noted increases of more than 100 percent.

UNHEALTHY

"It would appear the high increase occurred mainly during the last four months, rather than the last 12 months — as stated by Dr J Lombard of the Meat Board. Indeed, an unhealthy state of affairs," the report notes.

Conversely rents and transport for blacks and coloured people remained relatively low. In Benoni and Germiston, as an example, rents dropped by R1,50 and R3 a month respectively.

In Soweto, householders felt the effect of only the first part of a three-phase rent increase of R4,35, introduced at three-monthly intervals.

Transport tariffs remained unchanged in most areas, except Cape Town, Bloemfontein, King William's Town and Germiston where it rose by R2 to R3 a month for black and coloured commuters.

Unexpected drop in price of red meat

18/12/80

S-TRM

~~3-1-81~~

July

By Charlene Beltramo

The price of red meat dropped again yesterday in the face of pressures which normally cause it to rise.

The drop is unusual because the Day of the Covenant has meant a short slaughtering week which usually causes prices to go up. And there is a festive demand.

Super beef at City Deep sold for between R2,16 and R2,37 a kilogram yesterday compared with R2,43 a kilogram last Friday.

Super lamb sold for R2,56 compared with R2,71 last Friday.

A Meat Board spokesman said 31 000 sheep had been sold at City Deep last week — double the normal amount.

But this was in line with consumption patterns for this time of the year when people generally bought more mutton, poultry and processed meats such as ham, he said.

Dr Jan Lombard, general manager of the Meat Board, admitted the low chicken prices had probably had the effect of keeping red meat prices down "but not to a dramatic extent."

He said a more likely explanation for the current low prices was the previous high prices, which had led to farmers — particularly those with feed lots — dramatically to increase production.

This had led to a healthy surplus at abattoirs.

No early SA petrol price hike likely

RDM 18/12/80

244

Own Correspondent

CAPE TOWN — Price hikes by the world's major oil exporters, effective from January 1, will not necessarily be passed on in the form of higher petrol costs in South Africa at an early date

"Any increase in the price of liquid fuel would be terribly inflationary and if we can avoid an increase we will," the Chief Director of Energy, Dr Dirk Neethling, said in Pretoria yesterday.

He was commenting on Tuesday's decision by the Organisation of Petroleum Exporting Countries (Opec) to raise crude oil price levels by 10%.

"The Opec price rise does not have to be passed on in its entirety or even at all," said Dr Neethling. It was far too early to say if and when petrol prices here would have to be adjusted. "We have a lot of homework to do before we can make any decision."

It is understood the slate reflecting the current state of the complex pricing formula between the Government and

the oil companies is pretty well in equilibrium. It is not unusual for the companies to be in a position of under-recovery for considerable lengths of time before a price increase is approved.

Industry sources yesterday maintained they would bet against a petrol price rise in the near future. They noted that the Minister of Energy Affairs, Mr F W de Klerk, had tacitly admitted the relatively easier petrol position recently with an assurance that the Government would keep the possibility of an increase in the speed limit under consideration. And the Minister of Finance, Senator Owen Horwood, has again begun emphasising the dangers to the economy posed by an inflation rate now running at about 13.5%.

Until recently, at least, the equalisation fund, established to cushion the country from the affects of erratic movements in crude oil prices, was known to be in slight surplus. Reliable Government sources have disclosed that it might have been

possible even to reduce prices by about half a cent a litre, but this would reduce the cushion against rises such as the one just announced by Opec.

The price South Africa pays for petrol is based on a mix of those charged by Opec, spot prices charged by world oil brokers for non-contracted cargoes and official government selling prices of the producing countries. Every item in the mix has gone up in price during the past four months, a process which would probably dictate an immediate price rise on purely technical considerations.

But Government and industry sources believe the need to contain inflation, coupled with the political sensitivity of the petrol price, almost rules out an early increase — although the basic price, excluding transport adjustments for inland markets, has now remained unchanged since the 41% leap in June, 1979.

UPI reports that Saudi Arabian Oil Minister Sheik Ahmed Zaki Yamani says the price of oil could well reach R40 per

barrel next year if the Gulf war continues and Western nations keep stockpiling.

In an interview with the Swiss weekly newspaper *Weltwoche*, Sheik Yamani criticised US, French and Japanese plans to increase their oil reserves.

"You will have to pay for this if this trend is not stopped," he said in the interview, held before the Opec ministerial meeting on Bali.

Asked to explain his recent statement that the world is on the edge of a new oil crisis, Sheik Yamani said this will come about "if nothing is done, meaning if the oil companies and governments really don't reduce their oil stocks."

The sheik rejected the notion that the war between Iran and Iraq has crippled Opec and said it had only interfered with some of its activities.

But he conceded that Opec's long-term programme to index oil prices and open a dialogue with the industrialised nations has been "put off for a limited time" because of the war.

and its own kind of people who live there.

The best way to start is to get a group of people together to help you on such a project. You can work with the help of your History Society or through your Cultural Society. This is the reason such bodies exist at your school. If there isn't such a society, then start one. This could be part of an awareness programme at your school.

The group working on such a project need not be large. A group of five or six people is enough. It would also be a good idea to establish contact with your typing teacher or typing students, as what you publish would look better typed.

First you should go to a library and ask the librarian if there is anything written about your area. There will probably be very little,

MORE RISES AHEAD

244

FM 19/12/80

Wholesale prices increased in the first three quarters of 1980 at annual rates of 12,8%, 12,7% and 18,9%, reports the December issue of the Reserve Bank *Quarterly Bulletin*. And in the 12 months to end-October, the wholesale price index (listed since July as production price index figures) rose at an annualised rate of 11,2% in the first six months and 19,8% in the second six months. The sharper rise in wholesale prices thus bodes ill for any immediate slackening in the rate of consumer price increases.

The *Quarterly Bulletin* notes that the rate of increase in domestically produced goods "accelerated markedly in the third quarter" with electricity tariffs, agricultural products, machinery, metals and

processed foods recording the highest rises.

As most of these rises stem from administered price increases, it appears that price control has become the most potent factor in inflationary increases in the economy. This was emphasised only this week with the announcement of a 10% rise in fertiliser prices from the beginning of next year. Although less than the rate of inflation, raising fertiliser prices will not help control food production costs.

Price increases of imported goods, which, says the bulletin, slowed in the second quarter due to abolition of import surcharges, regained slight momentum in the third quarter. According to the October wholesale price index, the annual rate

of increase in imported commodities was 14,4% compared with 16,7% for locally produced goods. This difference was accounted for by an appreciating rand, which brought down the cost of imports.

The rate of wholesale price increases can be expected to continue around the level of October's 1,7% monthly rise. Real gross domestic fixed investment is expected to grow 13% this year and the strong demand thus created for stocks and productive machinery, at a time when industry is manufacturing close to full capacity, will add to the upward pressure on domestic supply prices. And the sharp increases in the money supply will ensure that consumption demand remains buoyant.

(244) RDM 19/12/80

The price of rice up by 11% in New Year

DURBAN — The price of rice, one of the cheapest foods available, will be increased by about 11% in the New Year.

Mr H Sol, a spokesman for Wainstein and Co, one of the largest rice suppliers in the country, confirmed that the wholesale price would be increased from the beginning of next month.

He said the main reason for the increase was that the world market price had increased by

between 35% and 40% over the past two months.

He said there had been only three rice price increases since 1974. Last year the price had increased by 8% and in 1977 by 6%.

Retailers generally did not think the increases were unfair. But the general manager for Spar, Mr Brian Beavon, said rice was an important food and the increase would hit lower income groups — Sapa

How you can write a book like this

Writing a book is not as difficult as it might seem. It is very exciting writing about the place you live in. From the biggest city to the smallest township, each has its own history and its own kind of people who live there.

The best way to start is to get a group of people together to help you on such a project. You can work with the help of your History Society or through your Cultural Society. This is the reason such bodies exist at your school. If there isn't such a society, then start one. This could be part of an awareness programme at your school.

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First you should go to a library and ask the librarian if there is anything written about your area. There will probably be very little,

Local content plan raises fears of inflation

Farming Correspondent

Tractor price increases of about 40 percent will push food prices up again

Food up 28 pc this year

By David Breier
Pretoria Bureau

Food price increases over the past year have reached the gigantic average of 28 percent, according to figures released today by the Department of Statistics

Food prices increased by two percent last month bringing prices for November 28 percent higher than during the same month last year

The steepest food increases were for meat which increased from an index of 146.1 in November last year to 229.5 last month

The average consumer price index increased by 0.8 percent last month compared to October, and the increase compared to November last year was 14.9 percent

Due to the steep food price increases the CPI increase for the lower-income group was 18.6 percent compared to 16.1 percent for the middle-income group and 13.5 percent for the higher income group

This disparity is caused by the high proportion of income spent by the lower income group on food

The changeover from using imported tractor engines to locally made diesel engines, the result of an agreement between tractor manufacturers and the Government to use only South African-built Atlantis engines from the middle of 1981, will be responsible for price increases of about 25 percent, an executive of a large Nigel factory said today

And expected rises in the prices of items such as steel would take the total increase up to about 40 percent in the New Year, he said.

As the new diesel engine will also be fitted to trucks, all agricultural transport costs would be badly affected.

According to spokesmen for various agricultural control boards, farm costs were rising more steeply than average consumer prices

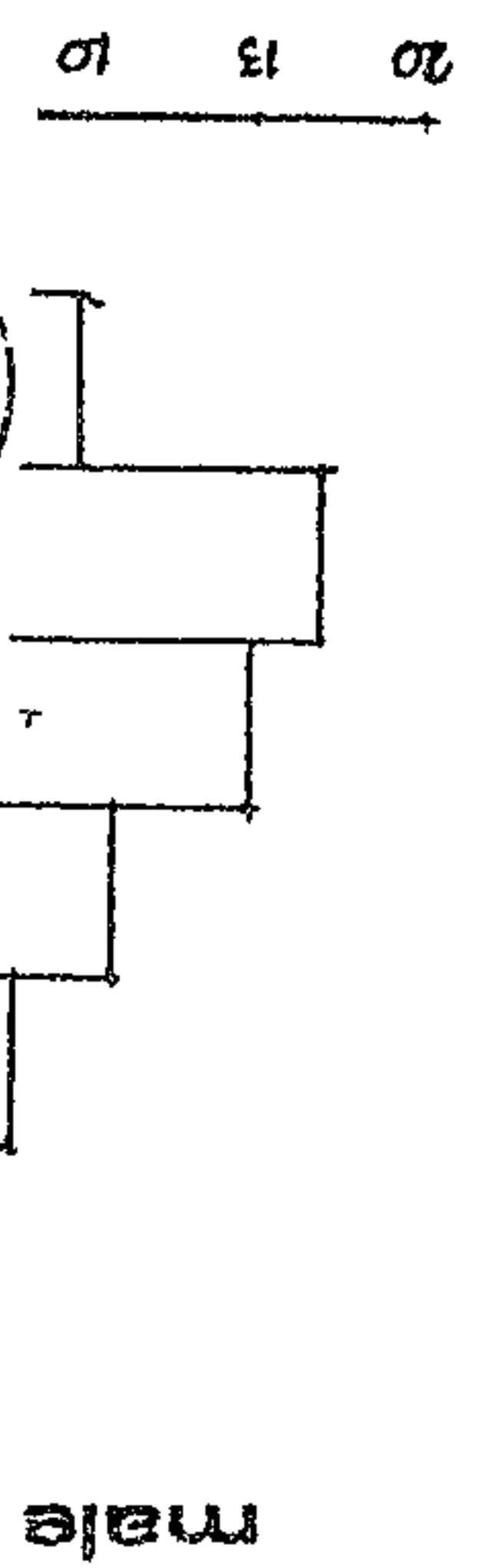
Hefty rises in food prices were therefore inevitable, said the spokesman

A top agricultural economist commented that the Government's policy of not subsidising farm costs was doomed to failure

The State, not the consumer, should carry the burden of the strategically - motivated changeover to the South African manufactured Atlantis diesel engine, he said

If the consumer was to foot all cost rise bills, he said, less well-off consumers would be hit hardest

Handwritten notes: *STIME*, *R12/80*, *\$53*, *244*, *189*



Inflation would run away with the benefits of the economic growth, the economist said
And, he continued there was good reason for subsidising some staple products such as bread, but as soon as farm costs caused dangerous new inflationary pressures, agricultural requirements should be subsidised out of tax revenue.

RDNY
20/12/80
(244)

Inflation worst in six years

By HOWARD PREECE
Financial Editor

THE consumer price index (CPI) rose by 14.9% in the 12 months to the end of November — the worst annual inflation level recorded in nearly six years. Soaring food prices are playing a major role.

A consolation, however, is that the CPI increase in November was only 0.8%, a shade under 10% annually.

However, because the CPI rose a minimal 0.3% in November 1979, this was still enough to push the running year-on-year rate up by 0.5% from the 14.4% for the 12 months to October.

The present 14.9% is the highest the CPI has been since it flickered momentarily above 15% for the year to January 1975.

It is hardly necessary to point out that overall inflation is as menacing now as it has been at any time in recent South African economic history.

The CPI rose from 186.3 in October to 187.7. It was 163.4 in November 1979.

In November food prices rose by 2% with the index up from 204.1 to 208.2. Over the past 12 months they have risen by 28%.

There are, of course, many price rises still in the pipeline.

Ominously, too, there must be the prospect of another increase in petrol prices in the first half of next year with ripple effects across the whole economy.

Thousands of words and plenty of views on the nature of the inflationary problem in South Africa have been put forward already.

My view is, simply, that if an economic boom with acute supply bottlenecks and labour shortages is added to an existing double-digit inflation level there is bound to be a critical inflationary situation.

It can be argued that some policy changes, on exchange controls, for example, might have had some ameliorating effect.

Fair enough, if that is not carried too far.

There is, however, no way from all practical experience in which economic growth can accelerate and inflation decelerate in South Africa.

Those who welcome the 7% plus growth this year must perforce accept the inflationary adjunct.

What is perhaps more worrying is that some of the policies that have been pursued this year — and here exchange controls do matter — may be ensuring that in two years' time or so we still have rampant inflation, but with much lower growth.

Logically, every so-called monetarist should be marching on Church Square and the Treasury and demanding such stringent monetary curbs as would bring the economic boom to a certain halt, but would, in theory, wring inflation out of the system.

The lack of such protest suggests that the doctrine of pure monetarism is as suspect here as it is likely to be with the Reagan Administration in the US.

Even Mrs Margaret Thatcher's Government in Britain is beginning to accept that there is a great deal more to economics than was being trumpeted 18 months ago.

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Watchdogs will fight against a Putco rise

By Drew Forrest

The Commuter Watchdog Association (Comwasa) has warned that it will oppose all attempts by the Putco bus company to increase fares.

The company said last night that, in the light of new minimum wage determinations for transport workers in Pretoria and on the Witwatersrand, it would have to look into the fare-price structure.

The new scales — the outcome of a Wage Board inquiry which followed the July strike by Putco drivers — would cost the company an extra R1-million a year, a spokesman said.

This was in addition to the 15 percent across-the-board increase granted staff in July. This amounted to R3 million.

BACK ON JOB

However, the co-chairman of Comwasa, Mr Mahomed Dangor has warned that in view of Putco's "massive profits" over the past two years, the association would fight any fare increases.

He pointed out that, as a result of Comwasa representations to the National Transportation Commission one application by Putco for increases had been delayed this year.

Meanwhile, Putco claims that the strike by about 500 drivers serving Soweto may be ending. A deputation of strikers had recommended a return to work after a meeting with management yesterday, a company spokesman said. He added that 320 drivers were already back on the job.

The response by drivers to the call had been mixed, the statement said. The sticking point is believed to be management's insistence on the selective re-employment of strikers rather than the general reinstatement they have demanded.

24

29/12/60

STP R

Droewige jaar vir armes

Deur FLIP MEYER

SUID-AFRIKANERS wat vanjaar baie vleis geëet het en gereeld by 'n dokter was, is hard deur inflasie gedruk. Maar die mense wat baie gerook en baie koffie en tee ge-drink het, het nie rede om te kla nie.

Volgens die jongste syfers van die Departement van Statistiek het die prys van vleis in Oktober met 50 per-sent gestyg as dit met die oor-eenstemmende maand in 1979 vergelyk word, terwyl mediese dienste met 22 per-sent gestyg het.

Soos die tabel hieronder regs toon, het die rokers van-jaar 6c meer as verlede jaar betaal vir elke rand wat hulle aan sigarette, sigare en tabak bestee het.

Die tabel toon ook dat die groot styging in vleispryse 'n groot invloed op die inflasie-koers vir voedsel moet hê,

want die styging in die pryse van ander voedselsoorte is baie kleiner as dié van vleis.

Die pryse van koeldrank het ook skerp gestyg, want die styging is groter as die ge-middelde inflasiekoers van sowat 14 persent vir alle pro-dukte. Vir elke R1 wat aan koeldrank bestee is, is 15 per-sent minder koeldrank gekry as verlede jaar.

Huisvesting het 11 persent meer as verlede jaar gekos, maar in gebiede soos Preto-ria, waar huispryse baie ge-styg het, sal die syfer natuur-lik aansienlik hoer wees.

Die pryse van vrugte het ook taamlik min gestyg — heelwat minder as dié van die gemiddelde inflasiekoers en die styging in die prys van drank is taamlik goed in toom gehou.

As 1980 met 1979 verge-lyk word, is R10 betaal vir dieselfde hoeveelheid drank as wat verlede jaar R9,06 ge-kos het.

Dit is nie so sleg nie as 'n mens in aanmerking neem dat dieselfde hoeveelheid vleis wat vandag R10 kos, verlede jaar maar R7,50 ge-kos het.

Die posisie lyk eintlik don-kerder as in ag geneem word dat die syfers van die Depar-tement van Statistiek net tot Oktober strek. November en Desember se voortgesette stygings in die vleisprys het die saak vererger.

'n Ontleding van Oktober se syfers toon dat die laer in-komstegroepe, wat hoofsaak-lik die swartes insluit, 'n droewige jaar gehad het. Die inflasiekoers het 'n hele 17 persent van hul geld wegge-vreet, terwyl die syfers vir die middelinkomstegroep 15,3 persent is. Die rykes se infla-siekoers in Oktober het met 13,1 persent gestyg.

Wat die onderskeie streke en stede betref, het mense van die Vrystaatse Goudveld die swaarste geleef, want hier het die inflasiekoers in Oktober op 17,1 persent te staan gekom, terwyl die Ka-penaars 'n inflasiekoers van 13,1 persent het.

Hoewel Bloemfontein naby die Vrystaatse Goud-veld is, het die stad met 'n in-flasiekoers van net 12,8 per-sent te kampe. Die gebied wat die laagste inflasiekoers het, is Oos-Londen met 12,6 persent, wat effens laer is as dié van Pretoria (12,9 per-sent).

Union denounces Putco hint of fare hike

13
S. Lewis
2/1/80
337
2/1/80
2/1/80

By MARION SPARG

THE Transport and Allied Workers Union (Taawu) yesterday condemned an announcement by the Putco bus company that fares could be increased because of higher wages negotiated for drivers

The prospect of higher fares was raised in the wake of wage increases for Putco drivers

About 800 drivers went on strike this week and Mr Wilson Manana, Taawu's president, told the Sunday Times he saw the announcement of higher fares as an attempt to antagonise commuters towards the strikers. He said the proposed increases would be "unfair"

The higher wages that came into effect this week resulted from a Wage Board inquiry after the July strike by Putco workers

'Children'

This week's strikers called for the dismissal of a white official, Mr F Voister. They said he treated them like children

Feelings were heightened in the past months after complaints that certain individuals involved in the July strike were recently "unfairly" dismissed

The Commuter Watchdog Association has vowed to fight any new increases

A Putco spokesman said that 320 of the 780 striking Putco drivers serving Soweto had been re-employed and services were improving

membership of the
mended, the revision

is realistic; and
structure is satisfactory;

equates;

and students to carry

next term is realistic;

new advisory committee
committee also makes
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(vi) whether the fin-

(v) whether the uni

(iv) whether the ava

out the task sat

(iii) whether there ar

(ii) whether the programme

(i) whether the work done over the previous three-year term
is of the required quality;
2.7 The advisory committee is reconstituted as an HSRC revision
committee at the end of the third year of the four-year term.
The revision committee is expected to comment on the following:

Beef price drops, mutton climbs by 16%

By PAT SIDLEY
Consumer Mail

A TOUCH of Christmas cheer for the battered red meat consumer — beef prices continued to drop by up to 8% yesterday

Last week Consumer Mail reported that contrary to expectations in a week with a public holiday and just before Christmas, beef prices had not risen, but actually dropped

While beef prices have dropped, the price of lamb rose by up to 16% yesterday

This week, a three-day slaughtering week, the market at the Johannesburg Abattoir was oversupplied with super beef. Prices dropped by between 4% and 8% and the Meat Board has had to buy in the surplus

Super beef fetched between R2,09/kg and R2,25/kg yesterday

On Thursday last week it fetched between R2,21/kg and R2,39/kg

Meat not sold on the market is bought by the Meat Board at the floor prices, which were recently raised

This price is much lower than the market price and is the price guaranteed to the farmer for his slaughtered animal

Prices may not drop steeply as they are governed by a further mechanism governed by the Meat Board, called the support price system. This prevents prices dropping more than a small percentage every week

Prime mutton at the Johannesburg market fetched between R2,45/kg and R2,77/kg, while last Thursday it fetched between R2,32 and R2,39

Super lamb yesterday cost between R2,75 and R2,99/kg compared to R2,21/kg and R2,39/kg last week

Fertiliser prices go up 10 percent

By Hannes Fergusson
Farming Correspondent

Fertiliser prices for 1981 as gazetted today are up by an average of more than 10 percent and by as much as 20 percent in one case.

For the crops planted in 1981 this will mean an increase of about three percent in the cost of producing food.

This will push up retail food prices by about two percent because retail prices include handling and distribution charges.

Cost and price calculations by the Board of Trade and Industries have differed considerably from last year's practice.

Potassium prices have increased by as much as 20 percent, nitrogen fertiliser by 15 percent.

Phosphates have actually come down by five percent because of improved calculations.

OVERHEADS

Overheads that were previously charged to phosphate production have now been charged to potassium and nitrogen.

The average price of fertiliser has in this way increased by about 10 percent.

The latest fertiliser price increase comes on top of food price increases which so far this year have amounted to 28 percent.

Last summer fertiliser prices were increased by 17 percent and this provided an important factor in this year's massive food price increase.

a) - Griqualand Exploration and Finance Company Ltd.⁷ Sentrust owns a further 12,48% of the shares of this company. G.E.F.C.O. mines only blue asbestos and owns the following mines and mills 100%.

- i) Coretsi Asbestos Pty Ltd which has 1 mine at Kuruman.
 - ii) Merencor Asbestos Mine Pty Ltd with 1 mine and 1 mill at Kuruman.
 - iii) Griqualand Asbestos Pty Ltd with 1 mine at Kuruman.
 - iv) Riries Farm with 2 mines and the main mill at Kuruman.
 - v) Griqualand Mines Pty Ltd with Bute mine near Vryburg.
- b) Msauli Asbestos Bpk⁷ (a) owns 100%
- i) African Chrysotile Asbestos Ltd and
 - ii) Msauli Krisotiel Asbestos Ltd which jointly operate 1 mine for white asbestos at Barberton.

In addition GEFCO owns 100% of the following selling organisations.

- a) Asreco Forwarding Agency SA Pty Ltd
- b) Central Asbestos Co Ltd (UK)
- c) Central Asbestos Co Ltd (SA)
- d) Pattens Asbestos Co Ltd Pty (SA) and
- e) General Mining and Finance Corporation have an asbestos marketing division too.

2. The Barlow-Rand Group as recently as May 1979 through their subsidiary, the Transvaal Consolidated Land and Exploration Co Ltd, bought out the mining interests of the Cape Industries Group based in the United Kingdom.⁸ Cape Industries is a subsidiary of Charter Consolidated and owned the following mines prior to May 1979. 100%

- a) Cape Blue Mines Pty Ltd which mine only Blue Asbestos and operate
 - i) the Pomfret Mine and Mill
 - ii) the Groenwater Mine at Postmasburg
 - iii) the Koegas mine which at the time of writing is inoperative.
- b) Egnep Pty Ltd which mines Amosite at Penge.

Both are now 100% owned by TCLE. In 1971 Charter Consolidated owned more than 20% interest in TCLE. No later information appeared in company reports.

410	30	181,05
410	37	229,80
410	42	283,20
411	26	319,00
411	30	182,10
411	30	212,30
411	33	234,95
515	38	232,40
515	42	257,20
515	45	274,15

Provided that the prices of fertilizer mixtures specified in the Third Schedule must be decreased by R2.20 per 1 000 kg, if supplied in powder form

No R 2644

Gy 24/12/80
24 December 1980
**PRICE CONTROL — MAXIMUM PRICES
OF SUGAR**

I, Elias George de Beer, Price Controller, acting under the powers vested in me by section 4 of the Price Control Act, 1964 (Act 25 of 1964), amend hereby as from the date of publication hereof, Government Notice R 891 of 2 May 1980 as follows

Paragraph 2 (a) of the Second Schedule is hereby amended by the substitution for the words

“Landed cost to wholesalers” is calculated by adding to the applicable port base price the lowest S A Railway charges which can be incurred from the port from which the sugar is obtained to the railway station, siding or RTS halt to which it can be consigned”

of the following—

“Landed cost to wholesalers” is calculated by adding to the applicable port base price the lowest S A Railway charges based on Tariff No 8, which can be incurred from the port from which the sugar is obtained to the railway station, siding or RTS halt to which it can be consigned”

E. G DE BEER, Price Controller

410	30	181,05
410	37	229,80
410	42	283,20
411	26	319,00
411	30	182,10
411	30	212,30
411	33	234,95
515	38	232,40
515	42	257,20
515	45	274,15

Met dien verstande dat die pryse van kunsmismengsels in die Derde Bylae aangegee met R2.20 per 1 000 kg verminder moet word indien dit in poeiervorm verskaf word

No R 2644

24 Desember 1980
**PRYSBEHEER — MAKSIMUM PRYSE
VAN SUIKER**

Ek, Elias George de Beer, Pryscontroleur, handelende kragtens die bevoegdheid my verleen by artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), wysig hierby, vanaf die datum van publikasie hiervan, Goewernementskennisgewing R 891 van 2 Mei 1980 soos volg

Paragraaf 2 (a) van die Tweede Bylae word hierby gewysig deur die woorde

“Gelewerde koste vir groothandelaars” word bereken deur by die toepaslike basisprys in die hawens die laagste S A Spoorwegkoste vanaf die hawe waarvandaan die suiker verkry word na die spoorwegstasie of -slyn of p v d -halte waarheen dit versend kan word, by te tel”

deur die volgende te vervang—

“Gelewerde koste vir groothandelaars” word bereken deur by die toepaslike basisprys in die hawens die laagste S A Spoorwegkoste, gebaseer op tarief No. 8, vanaf die hawe waarvandaan die suiker verkry word na die spoorwegstasie of -slyn of p v d -halte waarheen dit versend kan word, by te tel”

E. G DE BEER, Pryscontroleur



REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REGULATION GAZETTE No 3118 PRICE + 1c GST 20c PRYS + 1c AVB RFGULASIFKOFRANT No 3118
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POST FREE POSVRY

VOL. 186]

PRETORIA, 24 DECEMBER 1980
DESEMBER 1980

[No. 7352

GOVERNMENT NOTICES

DEPARTMENT OF INDUSTRIES, COMMERCE
AND TOURISM

No R 2643 24 December 1980

PRICE CONTROL — MAXIMUM PRICES OF
FERTILIZER

I, Elias George de Beer, Price Controller, do hereby prescribe in terms of section 4 of the Price Control Act, 1964 (Act 25 of 1964), with effect from 1 January 1981 as follows

- 1 In respect of fertilizers and fertilizer mixtures—
- (1) where the total quantity sold is 500 kg or more the maximum prices are the prices per 1 000 kg specified in the Schedules hereto,
- (2) where the quantity sold is less than 500 kg but not less than 50 kg the maximum prices are proportionate to the prices per 1 000 kg specified in the Schedules hereto plus an amount calculated at a rate not exceeding R1,10 per 1 000 kg,
- (3) (a) where purchases on cash terms are made direct from fertilizer manufacturers for dispatch ex factory during the undermentioned months, the maximum prices are those specified in subregulation (1) or subregulation (2) (whichever may be applicable) less the following rebates, provided that orders for such deliveries are placed not later than the first day of the month concerned and are accepted by the fertilizer manufacturers for dispatch before the end of that month

Month in which dispatched	Rebate of maximum prices		
	Central Area	Southern Area	Eastern Area
January	8,50	4,50	—
February	7,50	3,50	—
March	7,00	—	—
April	6,50	—	6,50
May	5,50	—	5,50
June	3,50	—	3,50
July	2,50	—	2,50

GOEWERMENSKENNISGEWINGS

DEPARTEMENT VAN NYWERHEIDSWESE,
HANDEL EN TOERISME

No. R 2643 24 Desember 1980

PRYSBEHEER — MAKSIMUM PRYSE VAN
KUNSMIS

Ek, Elias George de Beer, Pryscontroleur, bepaal hierby, ingevolge artikel 4 van die Wet op Prysbeheer, 1964 (Wet 25 van 1964), met ingang van 1 Januarie 1981 soos volg

- 1 Ten opsigte van kunsmis en kunsmismengsels—
- (1) waar die totale hoeveelheid wat verkoop word, 500 kg of meer is, is die maksimum pryse die prys per 1 000 kg wat in die Bylaes hiervan aangegee word,
- (2) waar die hoeveelheid wat verkoop word, minder as 500 kg maar nie minder as 50 kg is nie, staan die maksimum pryse in verhouding tot die pryse per 1 000 kg wat in die Bylaes hiervan aangegee word, plus 'n bedrag bereken teen 'n tarief van hoogstens R1,10 per 1 000 kg,
- (3) (a) waar aankope op kontantvoorwaardes regstreeks van kunsmisvervaardigers gemaak word vir versending vanuit die kunsmisfabrieke gedurende die ondergenoemde maande, is die maksimum pryse dié in subregulasie (1) of subregulasie (2) (nié dié wat van toepassing is) min die volgende korting, mits bestellings vir sodanige aflewings nie later nie as die eerste dag van die betrokke maand geplaas en deur die kunsmisvervaardigers vir versending voor die einde van daardie maand aanvaar is

Maand waarin versend	Korting op maksimum pryse		
	Sentrale Gebied	Suidelike Gebied	Oostelike Gebied
Januarie	8,50	4,50	—
Februarie	7,50	3,50	—
Maart	7,00	—	—
April	6,50	—	6,50
Mei	5,50	—	5,50
Junie	3,50	—	3,50
Julie	2,50	—	2,50

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Nat paper hits at action against Argus papers

Political Staff

THE Government's decision to withdraw the registration of black newspapers of The Argus Company has been sharply criticised by the Nationalist Sunday newspaper Rappot.

Rappot said in a leading article yesterday that it did not think the Government's action to enforce a provision of the law was really necessary.

The disadvantages of the Government's decision were far greater than the technical implementation of a law provision.

A STICK

'The whole episode again puts a stick in the hands of those who wish to prove that South Africa practise institutionalised violence and oppression under the protection of law,' the newspaper said.

'And for others in the affected black communities it could at best, seem like spokes in the wheels of free expression of opinion.'

Rappot said that in its opinion far more friends would have been won if

the newspapers had been allowed to resume publication unhindered.

An explanatory statement could have been issued to the effect that for the sake of strengthening the image of Press freedom the authorities would not insist on the re-

registration of the newspapers.

The impression that freedom of expression, also in black communities was not only allowed but was promoted would be a strong plus point in South Africa's counter-offensive against unreasonable and unfounded criticism.

The year consumers took a stand

Commerce had a good year — but PAT SIDLEY reports on a year of spiralling costs for consumers

THIS was a boom year for producers and retailers, but inflation and rapid, sharp increases in food prices caused most consumers to reel in dismay.

The inflation rate was running at around 13.5% with food prices contributing 25% to the Consumer Price Index.

Meat prices alone increased by 50% over the year from November 1979 to last month.

The CPI was affected early in the year by a huge rise in the price of maize and rail trans-

port which affected many foodstuffs — particularly staples eaten mainly by the country's black population.

The consumer benefited out of the introduction of laws which were enacted to curb malpractices by firms directed largely at black consumers. But abuses continued and Consumer Mail continued to be inundated by calls for help. The year was characterised by a growth in consumerism, it was characterised too by a resistance to the movement with company chairmen and finance publications referring to its alleged dangers.

Consumerism as a movement in South Africa in 1980 was marked by the recall of a faulty car which could have killed people. As a movement, consumerism got its impetus in the United States from Ralph Nader now head of a huge consumer organisation, but who made his start through publicising and taking up the cases surrounding faulty motor cars which could have, and had

been, the cause of deaths of drivers and pedestrians. Consumer Mail's editor Vita Palestrant's expose of the fault in an Audi, complained of by customers who had had close shaves, and her comprehensive expose of the oft-complained about motor industry, enabled consumers to use the results as a guide, and to reduce the potential for serious injury or death that a fault in a car could produce.

For this expose, Vita Palestrant won the coveted Checkers Consumer Journalist of the Year award.

This year the controversial egg co-operative Nepco was forced to close by concerted and sustained objections from consumer organisations, supermarkets and the Press.

But most of the characters were to surface again in the chicken row — timeously staged to coincide with the re-introduction of the Chicken Man spoof series on Radio Today and starting a rash of Chicken Man jokes, and claims to being Chicken Man.

Centre stage now are the US chickens sitting in Checkers stores — at R1 a kg less than local producers are prepared to supply them — and less to the consumer than producers are able to sell them to stores.

The Great Chicken Row began with huge and rapid hikes in the price of chickens by all the major producers, leading to allegations of cartels, price fixing and consumer-exploitation.

At the time of the first battle squawks, producers in South Africa were exporting 300 000 birds a week, and claiming prices were rocketing because chickens were short and demand increased. The prices shot up in the wake of a scandalous rise in

too long on cheap meats. A Consumer Mail investigation illustrated how only three large companies have a stranglehold on the entire meat industry in the country from ranching to the dinner table.

This showed the degree of vertical integration in the industry — an aspect to be investigated by the commission which sits early in 1981.

After repeated calls from the Housewives League and the Press for an independent investigation into all aspects of the meat industry, the then Minister of Agriculture announced the inquiry. It was greeted somewhat cynically by some who noted that many of the characters involved in the entrenched structure of the meat industry and Meat Board were to form a committee in the two-part inquiry.

As the then Minister said when announcing the inquiry, "In an industry worth R2 000-million we'll spend R30 000 to clear it, and you'll see, they'll prove us right in the end."

A meat boycott called for by the Housewives League did not seem to have much effect, though the volume of meat sales dropped slightly. Consumer action, however, showed itself politically when the workers of a Cape meat firm went on strike and called for a community boycott of red meat — one which had an effect on the Cape meat industry.

The South African Council of Churches lost its Consumer Ombudsman, Eugene Roelofse, previous director of the Consumer Council, after the council was accused of financial irregularities. The Consumer Council, accused formerly of lacking teeth removed its following director, Johan Verheem, and behaved far more incisively than it had in the past. After a year...

Maree, J. and Cornell, J.
1977 Sample Survey of Squatters in Cross
Cape Town: SALDRU Working Paper No. 10

demand on chickens produced a shortage and this shortfall was made up by the importation of limited quantities of US chickens produced in the US for less than half the price producers claim they spend on production here.

Producers defended the rises on the grounds that local producers could no longer afford to take the knocks of the chicken slump where most major producers either made a loss, or almost no profit in the industry.

They said they would have to make a decent annual return on their investments or quit investing in chicken production — a move which would force prices up higher.

1981 was the year the outgoing Minister of Agriculture Mr Hendrik Schoeman, announced the long-called-for inquiry into the red meat industry.

Last year meat prices took their annual leap at Christmas accompanied at the time by cries that meat would never be cheap again. But instead of dropping after Christmas as prices often do, the meat price kept on rising.

In the latter half of the year they started a particularly steep incline, fuelled by threats from the SA Agricultural Union that prices could reach R10/kg and various statements from time to time that South African consumers had had it good for

investigation into all aspects of the meat industry, the council decided there was nothing wrong with the industry, its prices or its policies. It defended the "poor farmers" and failed to back the reeling consumer. Miraculously when the inquiry was announced, the council gave it its support.

The Housewives League gained more respectability from its role in forcing the inquiry and grew a few more teeth, evidenced by the continual questions when Consumer Mail researchers were out doing surveys, or trying to buy a carcass at the Johannesburg Abattoir "Are you from the Housewives League?"

Their new strength was characterised by a growth in the insults they received such as being depicted as "Fat Tannies" gorging themselves on food and drink, painting themselves with expensive make-up and then calling for meat boycotts.

If the year was characterised by a growth in consumerism, it was characterised too by a resistance to the movement with company chairmen and finance publications referring to its alleged dangers.

The debate can only benefit consumers by increasing their awareness of their rights and highlighting the cases of those exploited.

(ALSO KNOWN AS: THE KICKERT REPORT AND White Paper on the Report of the Commission of Enquiry into Legislation affecting the Unemployed (excluding the legislation administered by the Department of Labour and Mines).)

14. JOB CREATION THE ILO IN KENYA.

Lecturer : to be appointed.

Ref. Selections from ILO : 'Employment, Income and Equality', Geneva, I.L.O., 1972.

15. JOB CREATION : EMPLOYMENT GUARANTEE SCHEME IN MAHARASHTRA.

Lecturer : to be appointed.

Ref. N. Reynolds : "Rural Development in Botswana". SALDRU working paper No. 13.

16. OVERVIEW.

Lecturer : to be appointed.

DEVELOPMENT ECONOMICS

Lecturer : Patrick Gardiner
2nd Semester

COURSE OUTLINE

The course is an introduction to the problems of economic development which confront both industrialised and less-developed countries. The field of development economics is extremely wide. It is also extremely controversial. In the time available (approximately 12 lectures) it will be possible only to touch on some basic issues. These will include:

- 1) The growth of population and its problems with particular reference to food, housing, education and employment.
- 2) Investment: criteria and priorities. The problems of saving and consumption.
- 3) Inter-relationships between primary, secondary and tertiary industries.
- 4) "Dual" economies: "advanced" and "subsistence" sectors.
- 5) The significance of the private and the public sectors and the nature of their inter-dependence.
- 6) International trade and foreign aid.
- 7) Some strategies for development with particular reference to less-developed countries. A consideration of some possible choices available to poor countries.
- 8) Problems of economic planning.

Recommended reading:

WILLIAMSON, O., 1975 : Markets and Hierarchies. Free Press.

CYERT, R.M. & COHEN, K.J., : "Theory of the Firm; Past Present and Future", I.E.L June, 1972.

MARSHALL, A., 1920 : Principles of Economics. MacMillan.

TOWNSEND, H., (Ed.) : Price Theory Part Four. Penguin.

3.(b) OptimisationRevision

The marginal rule
Decision-making and Linear pi
Applications

MANSFIELD, E. : Microeconomics

DORFMAN, R. : "Mathematical
mathematical Exposit
Readings."

+ BAUMOL, W., (4th Ed.) . Econ
Ch's. 5,6,7 & 12.

CHARNES, COOPER & HENDERSON

UNILEVER LTD., 1974 : Counte
ution.

+ TISDELL, C.A. : Microeconomics

+4. Pricing and Supply in "Perf

Revision only, no lectures.

Reading

MANSFIELD, E. . Microeconomics

+ TISDELL, C.A. : The Theory of Economics

STIGLER, G., (3rd Ed.) : The Theory of Price.

BAIN, J., 1966 : Price Theory. (Esp Ch.4) Wiley.

MARSHALL, A. : Principles. Book V, Ch's 1 - 5.

KNIGHT, F., 1921 : Risk Uncertainty and Profit. Houghton Mifflin.

MANSFIELD, E. : Selected Readings. Articles by K. Boulding & G. Stigler.

150 can lines ^{29/12/80} ^{store}
up 8 to 10 pc ²⁰⁰⁴ ^{15/6}

Own Correspondent

DURBAN — The prices of more than 150 lines of canned fruit and vegetables have been increased between eight and 10 percent, according to new price lists received from major manufacturers today.

Examples of the higher prices are pears up 8c a 825 g can to 73c wholesale, peaches also up 8c, guavas up 4c to 35c for 410 g and fruit cocktail up 4c to 46c for 410 g.

Sweetcorn jumps 2c to 24c for 410 g, beans in tomato sauce 1c to 37c for 340 g and bean soup up 9c to 45c for 340 g