Prices - General 1985

JANUARY - MAy

Consumers suffering
under the increasing cost of living wall be given orief relief by Escom early this year．
An increase of up to
12 percent in the price of electricity will be de－ ferred until the second quarter．

The first quarterly meter reading bills will be set at 1984 prices be cause they will include some electricity used last year．＂The consumer will
benefit from this lee－ way，＂said an Escom spokesman．
The increases will av－ erage 10 percent，varying slightly between areas and categories of con－ sumer．

The price of coal is be－ hind the variation．＂The charges for coal used to produce electricity may increase by two percent or less
＂In 1984 there was a slight decrease in coal charges because it cost us less to burn it because of a more efficient sys－ tem，＂the spokesman said．

The National Funeral Directors' Association has hit out at muncipalities for charging high cemetery fees.
In a recent issue of $F u$ neral Forum, the assocration challenges local authorities to justufy the high cost of burials

The association is particularly critical of municipalities who charge exorbitant rates for "nonresidents".
The report says many people retire in smaller towns, but expect to be buried in towns where they paid rates and taxes for many years.' , 'it

Charges for non-resir. dents increased from R66, to R800 for adults and from R40 to R500 fory children

Burial fees for rest dents increased from R28 to R70 for adults and from R17, to R45 for chil dren

## Carmakers

 push up their pricesArgus Carcespondent JOHANNESBURG - South Africa's motor andustry has ushered in the new year with a round of price increases
Market leader Toyota put up its new car prices by an average of 4,8 percent last Friday, hard on the heels of the previous day's Mazda merease of between three and seven percent
General Motors followed on Monday with price increases for all but a few of its car models; ranging from two to six percent, and Fond followed sut on Wednesday with mereases averaging 4,5 percent across the range

## FIVE PERCENT

Other manufacturers expected to fall in line soon include BMW and Volkswagen
Mr Johnathan Treagus, managing director of the VW franchise Lindsay Saker, sadd the factory had warned of an increase of about five percent before the end of December, but added that dealers had not yet heard anything official
However, prices "are bound to go up", he said, probably soon after the factory re-opens next Monday
A BMW marketıng man said the company "was looking" at the beginning of February, or possibly a week earler.

## "NO CHANGE"

have not all manufacturers wagon Some increased their prices during November and last month and are not anticlpating further increases in the pear future
r These include Alfa Romeo and Dahhatsu, whose spokesman, Mr Eon de \#los, sand "There will be no further change within three months"
ZA Mercedes Benz spokesman sald. "At the moment theré as骨


And a senior executive of IC Nissan did not expect ajuy change to Nissan prices within the next 60 days


## Farmers fear fertiliser price rise will <br> Financial Staff <br> "The unmon trusts that the authorities and

Fertiliser prices are to increase by an average of 20 percent during the first half of 1985, according to the SA Agricultural Union

This is the outcome of enquiries made by the SAAU among ferthliser producers The average increase will amount to approxtmately R44 per ton

The SAAU states that agriculture does not have the capacity to cope with such an merease These price adjustments would come at a most mappropriate tıme
"Should this year see the same consumption of fertulser as was the case during 1984, it could cost agriculture an additional R100 million per annum," the union state ment says
"In view of the fact that a large part of agriculture has over the past few years been plunged into a crisis of survival be cause of economic structure problems and droughts, agriculture presently does not have the capacity to bridge this increase in
the consumer sectors will see this development in the right perspective when negotiations regarding agricultural prices take place early this year

In the past the profitability of agricultural production was retarded substantally by a delay in agricultural price adjustments following cost increases of agricultural means of production
"Cost increases of this nature will therefore have to be reflected in producer prices soon in cases where it is made possible by marketing schemes
"The fertuliser advisory committee of the union will soon discuss these price developments and other problems involving the supply of fertulser in depth in order to ensure that fertulser will be made avalable to farmers on the most economical basis"

- The SAAU is scheduled to meet top gov ernment representatives on January 15 to discuss these problems - Sapa


## in brown bread subsidy

PRETORIA - The first stage in the phasing out of the big subsidy on brown and wholewheat bread may be announced in the budget, according to sources here
In October last year the Deputy Minister of Agriculture, Mr Gert Kotze, told a National Chamber of Bakers conference that the subsidy would ultimately have to be scrapped

He said this was not possible then because of current economic conditions, including high unemployment

Since October economic conditions have worsened, and the economy is expected to continue to shde, at least during the first half of the year

Economists warned that, with the current volatile conditions in black townships, the Government would be ill-advised to reduce the subsidy, and rase the price of brown bread

They point to the angry reaction and disturbances which have followed rent and bus increases - and say a similar reaction could be expected if the price of bread was rased

A sensitive situation could become explosive, it was stated, if the bread subsidy was sigmificantly cut - followed soon after by the expected hike in the maize price at the latest from May 1

According to the wheat board the consumption of bread, mostly brown bread, increased by 8,3 per cent last year

A major reason for the increase was the unpopularity of the yellow-white maize meal mix necessitated by last season's maize crop falure

Because of the higher brown bread consumption, the subsidy, amounting to 16 cents a loaf, for the current financial year is expected to reach about R280 milhon-about R23 milhon a month

Economists pointed out that in spite of the government's worsening financral plight and acute shortage of state funds, it was certan the subsidy would not be removed totally - but a start on phasing it out was "more than possible" - DDC

## Hospitalay and theatre fees to soar

By Sue Leeman,
Pretoria Bureau
Theatre fees as well as a levy for after-hours out-patient and emergency treatment are to be introduced at all provincial hospitals from February 1

The move has caused an uproar among provincial opposition spokesmen, who say the new fees could put medical care out of the reach of some poorer patıents
The MEC for hospital services, Mr Daan Kirstein, announced yesterday that from February 1

- All private patients, including those admitted to the teaching sections of academic hospitals, will pay theatre fees of R50 for every half hour or part thereof - as well as an additional 50 percent levy for theatre use after hours (between 5 pm and 7 am ), and at weekends and public holdays
- All paying patients will pay a levy of 50 percent on the normal tariff for outpatient and emergency tratement between 5 pm and 7 am as well as weekends and public holdays The fee for an out-patients visit was last year rased to R 20

Mr Kirstenn also announced that provincial hospitals would start insisting that patients present proof of their income

His announcement is the latest move in a far-reaching austerity drive launched by hospital service in November with the alm of trimming expenditure by R28 million
It will come as another blow to patients, who last year faced across-the-board taniff increases as well as the introduction of a deposit system
The PFP provincial spokesman on hospitals, Mrs Irene Menell, has denounced the move as "absolutely ridiculous," saying unless the income categories apphed in defining patients are revised, many poorer patients will battle to pay
It was ludicrous, she sald, to expect such people to pay for theatre fees and extra for the out-patients sector Even private doctors do not charge poorer patients R20 for a visit
"If the service was rationalised and all facilties could be used for all races waste would be eliminated and make a savings drive unnecessary"
However, the former MEC for hospital services, Dr Servaas Latsky, satd he had fought for the introduction of these new levies He knew of a case where a patient had R300 worth of treatment - including an ECG - for only R10

## De Villiers promises tough action (8) Industry

## on price-fixing

## Financial Reporter

A SHARP warning about price-fixing was given to the tyre, cement and fertiliser industries yesterday by Dr Dawie de Villiers, Minister of Trade and Industry.

He said that the Competition Board was preparing to deal severely with this sort of arrangement.
Dr De Villiers said in Cape Town: "Joint statements by competitors announcing unform price increases have recently attracted wide attention.
"Conspicuous examples of such price increases were those in respect of tyres, fertilisers and cement.
"These announcements are often made by associations representing many, if not all, manufacturers of particular products.
"Such joint price increases give rise to a good deal of justified objections.
"The question is quite rightly asked how such an apparent elimination by competitors of price competition could be tolerated within
the context of a policy of effective competition."
The big three producers in the fertiliser industry, apart from Sasol, are Fedmis, Triomf and Kynoch.
They recently-announced identical $20 \%$ price rises with a similar pattern of rebates.
The Consumer Council referred to an "unhealthy monopoly" in the industry and called for a major investigation.
Price control in the industry was abolished in January 1984.
The South African Tyre Manufacturers' Conference, an effective cartel, announced an $8,1 \%$ rise in the prices of tyres and tubes from December 27.
The cement industry is facing major competition in Natal from imports but there have been allegations that the big three domestic producers, PPC, Blue Cricle and Anglo Alpha, have been combining through Natal Portland Cement to combat imports by making price cuts amed at elminating competition.
Dr De Villers said "The Government views this development in a very serious light.
"I, therefore, deem it necessary to again invite attention to the Competition Board's announcement in the Government Gazette of Novem-
ber 30, 1984, that it was to embark upon a new and important investigation.
"Basically this investıgation embraces agreements or arrangements establishing any form of: 。 - Fixing prices (or other conditions of sale) horizontally (that is, between compettors) or vertically (for example, between manufacturers and retalers),

- Market sharing,
- Collusion on tender practices.

Dr De Villiers sadd "The purpose of this investigation is to determine whether these agreements or arrangements, with or without exceptrons, should summarily be prohibited.
"Should such a prohibition be recommended by the board and be accepted by the government, any prohibited price-fixing, market sharing or tender practice collusion would constitute a serious offence.
"I have instructed the board to give very high priority to this investigation.
"The board is currently awating comments from interested parties and I, therefore, urgently appeal to all concerned to give their full cooperation to the board.
"When the board's report and recommendations have been recéived, appropriate action could be expected soon thereafter."


-

## PETROL PRICES

# Refuelling inflation 



It may not be long before 93 octane petrol goes to R1/I on the Reef What can only be described as "the crash of the rand" is having a serious impact on the cost of imported crude And as lengthy discussions at Cabinet level come to a close, an announcement of a price increase is expected very soon, certanly before the end of the month
The enormous inflationary consequences of higher fuel prices have not been lost on government officials who will no doubt mithate a compromise for the ume being This suggests a rise of $18 \mathrm{c} / \mathrm{l}$, bringing Reef 93 octane to $81,5 \mathrm{c} /]$ The price change and 1 ts multipher effect will play havoc with the current inflation rate of $13,8 \%$ Unavoidably the rate seems set to rise to some $20 \%$ by the year end

But this will not be all Even if the rand averages around $\$ 0,45$ for the remander of 1985, there will have to be at least one more oll price rise - two if gst is increased agan in the March Budget.
Appaling as the prognosis may seem, the meluctable fact is that the rand has lost $49 \%$ of its external purchasing power in

little over 16 months, when it was around $\$ 0,89$ And it is this historic rate, according to a spokesman for the Department of Mineral and Energy Affairs, upon which the current pump price of petrol is based
As can be seen from the accompanying graph, the landed cost of 93 octane motorgas (the benchmark fuel used for price determinations) is about $35,6 \mathrm{c} / \mathrm{l} \mathrm{In}$ creasingly, however, it has become described as the "theoretical landed cost as recovered in the pump price " Therefore, if the current exchange rate were to be reflected accurately, the landed cost should be more like $70 \mathrm{c} / \mathrm{l}$ The fact that it is not, indicates an enormous degree of subsidisation on the part of government But as one "official has now put it, "there's no more cash in the kitty to subsidise the consumer at unreahstic prices"
There are some dozen components to be considered in the pricing structure of Reef fuel, from the landed cost and customs duty to the National Road Fund and the combating of pollution All are up for review Indeed, as the department's chief director of energy, Dirk Neethling, explaned "The various ministers and officials responsible for the various components of the pricing structure are busy puting their case"
Neethling admits that he doesn't expect his department will ever "sell the price increase, but we'll at least have done our best to justify tt "
Partly as a public relations exercise, the department hosted some 60 individuals representing 20 organisations, associations,
trade unions and businesses last December to hear private sector views on the effect of a "substantial increase" in the price of fuel Delegates arrived in droves for a series of one-hour meetings at which they expressed their mostly dire views on the subject
The Consumer Councll's Bernard Hellberg told officials that it would make life unbearable for the consumer with untold ripple effects To him, farmers and food prices were proving his greatest concern
The most common cry from the visitors apparently was for consistency in pricing and that increases should be made when due Many have criticised the government for its ad hoc price changes Why reduce the price in 1983, only to increase it later on, and then watt six months whle the rand continued to depreciate before taking action? Criticism was also levelled at various components of the pump price Why have a tax on a tax, for example?
Denzyl Vermooten, public affars executive of the AA, says "Our figures suggest a 16c increase in the price of fuel is justiflable But I would certanly quibble with a higher increase if nothing is done about the transportation charge of $6,5 \mathrm{c}$, since Sasol fuels are produced inland"

However, there is a degree of flexbblity built into the system which the government could use to cushion the blow For example, existing strategic stockples can be utilised, as they have been in the past And, of course, Sasol's synfuel production is obviously not subject to exchange rate fluctuations


Marketing Environments' Twine ... several increases on the way
occur either a crash in the crude onl price to about $\$ 13,50$ a barrel, or a rapid apprecration in rand exchange rate to US82,5c both unlikely
So if perks tax doesn't kill off the big corporate car, perhaps higher petrol prices will Lower fuel consumption will be the only means of reducing the impact on inflation of the higher petrol prices

## PRIME RATE Up again?

Bankers are poısed to rase prime by another $1 \%$ to a record $26 \%$ a year The only factor holding them back is the Governor of the Reserve Bank, Gerhard de Kock, who appears to be attempting a holding operation aimed at maintaining the present rate Yet like King Canute, he is being faced by the inevitable it seems, as the rand plunges to new record lows (see Markets)

Early this week De Kock made it clear that rates were at correct levels It is obvious that he wishes to prevent a rise in prime because of the psychological damage it would do to an economy reeling from a number of body blows dealt out in the past few months

It is believed bankers have been pressing for the rise for a number of days in their negotiations with the Reserve Bank as money market rates have crept steadıly higher Early this week the BA rate had risen to $23,65 \%$ from last week's $21,85 \%$

Money market sources say, however, that this week has seen a high demand for money which has further tightened hquidity after last week's move in the prime rate back to $25 \%$ This means deposit rates were already bumping lending rates again, thus sqeezing banks' margins
One market source says that unless the Reserve Bank either accommodates the market or supports the exchange rate, another rise is inevitable But the current performance of the rand, which plunged to an all-tume low of US42,30c last Tuesday at the
time of writing, is a clear indication that the currency is incapable of being supported So another jump in prime seems unavoidable
The logic behind the Reserve Bank's re sistance appears to be that the present squeeze on liquidity is seen as a temporary one since usually there is less pressure on liquidity during January However, the situation could change dramatically in February and March because of disturbances caused by the normal year-end tax payments

But in the meantime, if the exchange rate drops to, say, USA1c, as now seems highly likely, De Kock, like King Canute, will have to stand aside and bow to natural forces

## MONEY SUPPLY Inventory boost

To the acute chagrin of the monetary authorities, and the dismay of most economists, money supply contmues to soar
In November, the narrowly defined M1 advanced by over R1 billion to a total of R24,8 billion, making an annual increase of $39,6 \%$, the second highest of the year M1 consists of coins, banknotes and the demand deposits of the non-bank private sector
M2, which consists of M1 plus short- and medium-term deposits, increased by almost R1,3 bilion, making an annual rise of $28,9 \%$, while M3, which consists of M2 plus all other deposits, rose by R1,45 billion to produce a growth over the year of $24,7 \%$
The M3 measure, according to the governor of the Reserve Bank, Gerhard de Kock is the most signuficant Since April last year, except for a hiccup in June and September, M3 has risen from a $15 \%$ growth to the current $24,7 \%$
According to Ernie van der Merwe of the Reserve Bank's economics department, the November increase is merely part of the adjustment process "The increase itself reflects continued high company borrowing from the banks But this should be a temporary situation, with companes starting to rationalise their inventories so that overall demand for credit will eventually fall off
"But the sharpness in the increase came as a shock to us too I anticipate that it could be as late as May before we see an improvement in the money supply figures This would allow for a lag of nine months after the implementation of the August austerity measures"

Although other economists agree there will be a lag before the growth in the money stock starts to slow down, some are more sceptical Says Lours Geldenhuys of Senbank "We have entered a very difficult stage, one in which we will have to rethink very thoroughly the way we have gone about things in the past
"Going on previous experience it is a


## Funerat costs up and about to increase again

By Colleen Ryan

Funeral costs have increased by about 30 percent in the past three years and soaring inflation could force prices up again
Mr Norman Wilmot, executive director of a large undertaker group in Johannesburg, said a moderate price increase was likely later in the year.
He said the Johannesburg City Councll's cemetery fees would increase drastically from today
Non-residents and penssoners would be hard hit by the price rises.
Burial fees in Westpark Cemetery are to increase by about R66 to R800 for adult non-ressdents and by R28 to R70 for adult residents.

Other factors which were con-
tributing to higher costs included
The price of imported hardwoods used for some coffins had increased considerably because of the dollar-rand exchange rate

- Imported hearses increased from R32 000 in 1984 to R58 000 in 1985
- Labour costs had increased sharply
He said a cremation or burial for whites on the Witwatersrand area cost between R648 and R1 185

Costs varied, depending on the type of coffin selected, extra services rendered and the transport costs involved
The price of a burial for blacks on the Witwatersrand was between R361 and R945
Labour and vehicle costs
were generally lower for blacks' funerals, Mr Wilmot said
"There has been a slıght increase in cremations in the last few years because various rellglous denommations have relaxed therr attutudes," he sad.

About 60 percent of funerals in the Johannesburg area were cremations.
Mr Wilmot sald labour was the biggest single funeral expense and accounted for about 33 percent of the total cost
He said that metal fittings were removed from coffins before cremations - at the request of the Johannesburg Cre matorium

Other costs were transport, facilties such as chapels, doctors' fees, minsters' and organists' fees, flowers and administration charges
City bus fares thise-extra Ru, -m on yearly fuel bill

bus fares will - ncrease from Febru-" $\quad$ R4,
 company woul Transport Commission
the National
to increase its fares to increase Tramways Peninsula bus e in-
ndex fares rose by an a
cent in November. nd from work, the effects of the crease in the consumer price © Cuty Tramways had "also appealed jexәu
pey
tony \{UKシ̈7S


## R13 more to fill the tank

## Motoring Editor

THE shock petrol price increase of 27,1 cents a litre for 98 octane and 25,0 c/e for 93 octane which shook South African motorists yesterday means that the average motorist will have to pay about R13 to R15 more to fill up each time
At the old price of $57,8 \mathrm{c} /$ for 98 octane it cost about R29 to put 50 in a car At the new price of $84,9 \mathrm{c} /$ the cost will rise to R42,45
Service station operators either stand to make or lose money today depending on the level of their tanks Those with full tanks will immediately start selling at the new price and stand to make a profit on the new price times the number of litres in hand Those with empty tanks will have to get stocks in at the new prices
Those who make money will have it for only a short time and certainly not more than a week Petrol is delivered on a weekly basis to each service station and is strictly on a cash basis
According to operators I spoke to yesterday, a load of petrol usually consists of $22500 \ell$ made up of $13500 \ell$ of 98 octane and $9000 \ell$ of 93 The cost of this used to be R6 547 and R4 248 for the respective octanes-But from next week the price will have almost doubled


Hundreds of motorists queued outside service stations all over Cape Town yesterday to get th. petrol at the old price Some garages closed at 6 pm in spite of advertısing as all-night garages of motorists who arrived after that hour.

## Garages shut 'for pr

## Staff Reporter

CARS queued up at filling stations throughout the Peninsula yesterday as drivers wated patiently to fill their tanks with petrol at the rela tively cheap old price
However, not all garage managers were happy about the increased sales they were getting A Wynberg filling. station manager closed his Main Road garage soon after 4pm yesterday - and admitted openly that it was to
get "a cut of the profit"
"Don't you think we are entitled to a little something too"" asked Mr J Jacobs, the manager "It's only fair I have been trying to keep my tanks full for weeks now, in anticipation of this "
One of his customers, a very rate Mr Lionel Chambers of Plumstead, phoned to say that although he had driven all the way from town to Wynberg, he had not seen any problems at garages "until
now I usually fill up here, but scribed th. he is not going to see my business again"
A Grassy Park garage owner, Mr Hassan Jaffer, said that although he could make a "lot of money by closing now", he would stay open as it was "better in the long run"
Meanwhile in Johannesburg, garage owners last mght told motorists that electricity fallures had closed petrol pumps-except for Sa sol pumps Irate motorists de-
"advantāhad takent a 4 pm tele tin which a petrol pric

- Motor Cape T:m. plain that "all over closed at signs outs storage tan
"It is al ing' one:

，get the rr last tankful of garages，much to the ire


## refit＇

subbed the power failure as evantageous＂and said it $i$ taken place minutes after 4 pm television news bulle－ ＂which announced the new trod prices
＊Motorists telephoned the ne Times last night to com－ ain that all－night garages 1）over Cape Town＂had －ocd at 6 pm ，some with ens outside saying their rage tanks were＂empty＂ it is absolutely disgust－ $g$＂one of them said

## THE massive increase in fuel prices which came into effect at midnight could push up the inflation rate by about four percent and could undermine stability in South Africa，opposition spokes－ men warned last night．

Commerce and indus－crease unemployment try were appalled at the extent of the increase The chief economist at Barclays Bank，Dr John Cloete，sand＂They are playing havoc with the economy＂
The direct and indirect effects of the huge in－ crease could add 4 per－ cent to the inflation rate which could rise above 16 percent by midyear
If GST were increased in the March Budget， ＂they＇ll kill the economy stone dead＂，Dr Cloete said

## ＇Body blow＇

Volkskas economist Mr Adam Jacobs said＂The huge increase is the re－ flection of the battered rand It will add greatly to the already severe pressures bearing down on the economy＂
The Federated Cham－ ber of Industries，Assoc－ ted Chamber of Com－ mere and the Afrikaans Handelsin－ stituut all warned last night that the increases would boost inflation
Both the Motor Indus－ tries Federation and the National Association of Automobile Manufactur－ ers of South Africa said the magnitude of the in－ crease came as a a body blow to the motor indus－ try which already found itself in desperate tron－ ble It would also in－

Assocom said there was an urgent need for the authorities to take appropriate action in the management of the econ－ my if South Africa was to withstand any further attack on the already strained rand
The Progressive Fed－ era Party spokesman on finance，Mr Harry Schwartz，sand last might that the ripple effect of the＂unjustifiably high＂ increases would eventu－ ally hit virtually every sector of the economy and could fuel unrest

At a press conference in Cape Town yesterday， the Minister of Mineral and Energy Affairs，Mr Dante Steyn，announced that from today the price of premium petrol would jump by $27,1 \mathrm{c}$ a litre， 93 octane by 25 c a litre and 87 octane（available in－ land）by $23,4 \mathrm{c}$ a litre
This means that the pump price of 93 octane fuel will rocket from $56,4 \mathrm{c}$ a litre to $81,4 \mathrm{c}$－an increase of 44,3 percent
Mr Steyn warned that the cabinet would have to consider another price rise of at least 4 c a litre in June if the ex－ change rate did not 1 m － prove
He also announced that

The pump price for diesel would increase by $25,3 \mathrm{c}$ a litre Diesel goes
up by 12 c a litre for agni－ cultural and other non road users and by 20c a litre for wholesale road users who have permits to transport manufac tared goods and miner－ aIs
－The price of power paraffin has been in creased by 19．3c a litre and illuminating paraf－ fin by 5 c a litre

Jet fuel costs 17，8c more a litre
Mr Steyn attributed the need for the in－ creases to the rapidly de－ terioratıng dollar－rand exchange rate but noted that the higher price in－ eluded an additional ac a litre for maintenance of the road network Garage owners would also get 1，2c more for every litre sold

He estimated the fuel rises would boost infla ton by about 2 percent

However，both Mr
Schwartz and the PFP spokesman on mineral and energy affairs，Mr Brian Goodall，said an inflation rate of between 16 and 17 percent could be expected

Mr Schwartz said that in view of the already poor state of the economy，the highly inflationary in creases could spark higher wage demands greater unemployment and increased socio－po－ litical instability

Mr Goodall said the
price increases were the cost South Africa was paying for government mismanagement of the economy
The Conservative Par－ ty called the increases ＂absolutely excessive＂ and called on the govern－ ment to resign
In a statement issued last night on behalf of the party＇s joint caucus the CP leader，Dr Andries Treurnicht，said the in－ crease betrayed the gov－ ernment＇s lack of feeling for the average citizen
－City Tramways an－ nounced yesterday that it would have to increase ts fares from February 1 to cover an estimated Ry， 1 －million increase in its fuel costs
Tramways PRO Mr Bob
Krause said the company had been＂shocked＂by the increase

Turned down
Mr Krause said a numb－ ber of pleas to the au－ thorites to exempt bus companies－from the in－ creases or to increase subsidies for transport， had been turned down
－A spokesman for South African Transport Services sand last might they were examining the overall effect of the in－ creases

The effect of the 17,8 cents a litre increase in jet fuel on South African Airways was one aspect being examined

#  

SA still pays less than elsewhere

Petrol
shock$24 / 1105$ means

- months that it now compares with the

CAPE TOWN - Petrol prices in South Africa still compare favourably 'with those in most other countries, according to a chart released by the Department of Mineral and Energy Affairs. While the average price in the Republic goes up to about 82 cents a hitre, the price in Italy is close to R1,50 and the French pay R1,30.
In the UK the price is R1 a litre slightly more than in Australia but less than in New Zealand. Some African countries to the north of South Africa also pay dearly for petrol.
In Malawi the price is $\mathbf{R 1 , 8 5}$ a litre and in Zimbabwe R1,45, reports Sapa. The Star Bureau reports from New York that the price of petrol in America has dropped so much in the past
rice 30 years ago
For the first time in years garages are asking less than a dollar an Amërican gallon.
Experts say the price, adjusted for inflation, is equal to the $26 \mathrm{c} /$ gailo which petrol cost in the 1950s when America was awash with oil.
Mr Tom Kloza, editor of Oil Price Information, says several factor brought about the petrol surplus and the current price drop.

- Concerted conservation efforts, cluding fuel-efficient vehicles
New sources of petrol, such as Mexico and the North Sea.
- Attempts by the Organisation of Pe troleum Exporting Countries to push the price too high too fast.

By David Braun and Michael Chester

The drastic rise in fuel costs which came into effect today will cause a tidal wave of price increases on almost every product and service in the South African economy.
And the Minister of Mineral and Energy Affairs, Mr Danie Steyn, warned when he announced the shock petrol rises yesterday that they might not be the last this year
Businessmen, politicians and economists have reacted with despair and outrage to the 40 percent (25c) rise for super-grade petrol inland

The higher prices are likely to push the overall inflation rate to a stunning 20 percent or higher within the next few months - the worst on record
The Association of Chambers of Commerce estimates that the jump in petrol costs will have the immediate impact of pushing the Consumer Price Index from its present 13,5 percent to at least 15 percent

## Inflation rate

Chain reactions from heavier transport bills for everyone from the private motorist to farmers and busines operations could push the inflation rate up at least another five per
next nune months to a year
The Budgets of the Post Office and South African Transport Services are also now expected to call for large in creases in services and tariffs
And merchant bankers Senbank fore cast that an even higher rate of general sales ta (GST) is in the pipeline Mr Lours Geldenhuys, its senior economist, pre-
dicts that the Government will be forced to boost taxation - most likely through GST - to bring in an extra R1 000 million to close a threatened yawning gap between revenue and expenditure in the 1985/86 Budgec vear
A steep rise in arr fares is likely within the next few days - with more to come in April Mr Michael Menof, joint managing-director of Miller Weedon Travel, said an announcement by the Munster of Transport He forecast that He forecast that
Domestic arr fares will Domestic arr fares will be rased between 11 pe cent and 15 percent - International fares will go up on a sliding scale between 8 percent for return tickets to Europe and the Far East, to 10 percent for return tıckets (and as much as 25 percent on singles) to the United States
Worse is expected in April, he said, because a heavy current surcharge is planned in addition to is planned in addition to the routine a
fare increases
The final result will be that air travel costs will that alr travel costs will rise 20 percent to 30 per-
cent
Mr Menoff fears that there will be widespread retrenchments throughout the travel industry and sharp cutbacks in private and business privat
trips petrol price increases on all costs
Neither farmers nor business firms would be business to absorb the higher fuel bills

## fuel bills

- pages 3 and 13.


No - don't laugh' There is more than one motorist in Johannesburg today who is wishfully thinking back No - don't laugh ind a capture the mood of a bygone era, pretty Linda Parry (18) of Edenvale managed to ride up on a penny farthing cycle.

## Think kindly of us - garage owner

By Joe Openshaw

The most depressing place to be today was on a garage forecourt watching customers buy petrol and The dismay at the new price
This was the vlew of Mr Paul Randon, owner of garages in Hillibrow and Doornfonten, which stayed open last night and had to cope with unprecedented rush for petrol
Motorists were not the only ones with long faces on
arage forecourt
A number of garage owners who closed early yes
terday to capitalise on petrol sales today were faced with almost empty forecourts because few people bought petrol this morning
Mr David Scaife, manager of a garage on the corner of Kotze and Edith Cavell streets, Hillbrow, whose pumps were open until midnight and gave cusomers a farr chance of filling up at the old price, said that there was a traffic jam down Kotze Street and police and traffic inspectors had to control the traffic
"I am sure our customers will remember" us kindy or not closing early," sard Mr Scafe



## 'Cost to the user R3 500m'

Mail Correspondent DURBAN. - The effect of the radical fuel price increase was equvalent to the motor industry deciding on Jannuary 1 this year to increase prices by between 25 and $30 \%$, the president of the National Association of Automobile Manufacturers of South Africa, Mr Colin Adcock, sald yesterday
"This would be to recover their total potential losses caused by the rand devaluation It would obviously have been a very 1 mesponsible act on their part," Mr Adcock sald
"Thie nocrease will take R 3500 -million out of the consumer's pocket over the tnext, 12 months," he clatmed.

- I one-tume-out price increase of this magnitude comes as a great shock to the industry which is already in a beleagured state," sald Mr Adcock, who suggested a more "prudent 'step would have been a series of small oetrnl rrice increases


## Inflation rate 'is set for a $3 \%$ jump'

## By CHRIS FREIMOND Political Correspondent

CAPE TOWN - The massive increase in petrol prices could push up the inflation rate by about $3 \%$ and have serious implicathons for soce-political stability in South Africa, Opposition spokesmen warned last mght
The ripple effect of the increases would hit all sectors of the economy, the Progressive Federal Party's finance spokesman, Mr Harry Schwarz, sald
The increases could cause further unemployment and contribute to the consequent instability in diately
the country, he said
The PFP's spokesman on Mineral and Energy Ar fars, Mr Brian Goodall sald the increases were the price that the average South African consumer had to pay for the Government's mismanagement of the economy
He accused the Govern ment of excessive expendture and an inability to control the money supply
The Conservative Party leader, Dr Andries Treurnicht, said the increase was dsastrous for the economy, consumers and farmers
He demanded that the Government resign imme-

## Air fares to take off next?

Mall Reporter ${ }^{4}$
arine expenditiure $\mathrm{Be}-$ tween April and December
AIR fares may now hate to be up
Last night the South Afrıcan Transport Services were examming the overall effect of the fuel price increases, a spokesman said
Jet fuel has increased by
73 cents a hitre and ac-
is fur a large portion of last year the falling rand had accounted for an extra R50-million being spent on domestic flights by SAA
Any increases in atr fares would be announced by the Minister of Transport. Mr Hendrik Schoeman "probdbly within a few days the Sats spokesman sald


## Mail Reporters

THERE was chaos at petrol stations across Johannesburg late yesterday as motorists dashed to fill up before the big 25c/l increase came into effect at midnight - but many filling stations closed shop early so they could start selling stocks today at the new prices.
As dusk settled, thousands of motorists made a mad scramble for fuel at the "old" price and many enraged drivers - their cars block ing through roads at stations across the city - argued heatedly with garage. owners as pumps shut down
South Africans were staggered by the announcment that.

- Prices gn the Reef will go up by nearly $40 \%$ from' $63,5 \mathrm{c}$ to $88,5 \mathrm{c} / 1$ for 93 octane, - At the coast, 98 octane is to rise by 27 , 1c to $84,8 \mathrm{c} / \mathrm{F}$,


## More reports  - See Page 2

- 87 octane is up by $23,4 \mathrm{c}$,

The pump price of diesel fuel is up by 25,3c,

- Agricultural diesel is up by 12c, - Diesel for wholesale road users is up by about 20 c
- mluminating parafin goes up $5 \mathrm{c} / \mathrm{l}$
power paraffin 19,3c and jet fuel $17,8 \mathrm{c}$
And the shock was worsened with the
warning by Mr Steyn that the petrol price could rise again by $4 \mathrm{c} / I$ in June

This massive increase comes on top of the severe fringe benefits tax which is due to take effect from March 1
The petrol increase and the new fringe benefits tax represent a double blow to the motor industry, already hard hit by $10 \%$ general sales tax and punitive $32 \%$ interest on hire purchase agreements

In Johannesburg, it was like the Last Great Gold Rush last night as hundreds of motorists tried to beat the petrol price deadline - only to be told by some garage owners that "power fallures" had closed down the pumps
In Hullbrow, a garage at the corner of Caroline and Twist Streets was besieged by anxious motorists Traffic was held up in Twist Street - one of the city's main arteries - as cars stretched across the road
Reports were received from all over the Reef of garages claiming to have no petrol available for drivers anxious to cash in on the last few hours of cheaper petrol

Some motorists reported that Sasol pumps were the only ones working at garages, and that supplies from th se pumps had been cut to a maximum of R10 a car Ir ate motorists described the power fall-

## Rown

Business warns of inflation rise

By gerald reilly Pretoria Bureau

ORGANISED commerce and industry last night stressed the devastating impact of the huge fuel price increase on the country's already high inflation rate.

Both the Association of Chambers of Commerce (Assocom) and the Afrlkaanse Handels Instituut (AHI) sald the immediate impact would be a $11 / 2 \%$ boost to inflation

Assocom also clamed the indirect impact over the next nine to 12 months could be another $5 \%$
Assocom said in a state ment last night the business sector was shocked by the $40 \%$ rise in the petrol price

It stressed the strong ripple effect on all sections of the economy

There was an urgent need for the authorities to act firmly in the management of the economy if South Africa was to withstand any further attack on the already stramed rand and control inflation.
"It is critical that any consequential adjustments to Government-administered prices and tariffs of para-statal bodies be kept to a minimum '
Assocom welcomed the additional contribution to
the National Road Fund as long overdue
The infrastructure had been adversely affected in the past by insufficient funds
The president of the Transvaal Chamber of Industries, Mr Joe Annegarn, said the fuel price increase would have a spiral effect on all prices
"Of major concern to the TCI is the effect of the higher fuel prices on our already depressed industries
"In the present economic climate the effects in these increases could do uncountable harm to the industrial sector which is struggling to survive."
The increase could also slow an export-led recovery
The Automobile Assoclation said in a statement last night the National Road Fund's income should improve by R115-million to about R290-million a year because of the increased contribution from the fuel price increase.
"While the timing is unfortunate, an merease in the resources of the fund is overdue and we urge the Government to implement much-needed roadbuilding and maintenance programmes as soon as posslble"

## Bus fares to be increased soon

## By JIMMY MATYU

BUS FARES in the Port Elizabeth, Uitenhage and Despatch area are to be increased soon because of the increased price of diesel fuel
The fare increases will come into effect in mine days time - on February 1
In a statement today, Mr Carl Coetzer, managing diretor of Port Elizabeth Tramways, sand the announced increase in the price of diesel fuel used for passenger buses had come at a very bad time for Port Elizabeth and Uitenhage
Mr Coetzer said that when his company heard in Decemer that the fuel price might be increased, strong representations for relief were made through the managing directtor of the parent company, Mr Johann Barnard, to the responsible Minister and to the Department of Transport
"However, these representations, either for rehef from the increase or for higher passenger subsidies, have not been successful and we must, therefore. immediately are pare for an increase in the bus fares to be paid by bus passengers in this area"
Mr Coetzer said it was regretted that no fuel price increase could be carried by the company without an increase in fares
Details of the individual bus fare mereases were now being calculated and an announcement would be made in this regard as soon as possible, he sard
"In terms of Section 12a of the Road Transport Act, a bus operator may automatically increase its bus fares by up to $10 \%$ in order to recover the additional costs due to a fuel

## Bus fares set to <br> rise in PE area <br> 241,185

price increase," he said
Mr Coetzer said in anticipation of an increase, they had attempted to hold maximum stocks of diesel fuel and were very pleased to announce that in spite of the fuel price increase coming into operation today, the Section 12a bus fare increases would only come into effect in mine days time - February 1
He said the last bus fare increases in this area was in June, 1983 - more than 18 months ago
"In order to grant wage increases due to bus drivers at the end of last year, fares should already have been increased However, with the help of the three trade unions, whose members are employed by this company, a wage freeze has been agreed to until a normal fares increase is applied for and granted later this year," he said
"By far the majority of bus passengers on the buses of PE Tramways in Port Elizabeth, Uitenhage and Despatch area are from the poorer section of our community who cannot afford a motorcar and will be hit by this increase with immediate effect," he said


## Political Staff

NEW projects could make South Africa self-sufficient in fuel
A detaled programme of proposals will be announced by the Minister of Mineral and Energy Affairs, Mr Dand Teyn, in Parhament
At a news conference yesterday Mr Steyn sald this move was being made because of factors such as the drop in value of the rand against the dollar

## PROPOSALS

He sald that during his budget vote he would supply a dearled programme of the country's efforts in this regard
A spokesman for the Department of Mineral and Energy Affars sald the proposals considered by the Government for new projects were not necessarly for Sasol-type fuel industries only
Proposals for synthetic fuel projects to be undertaken with or without State ald had been invited from the private sector in 1979 and 1980

## 1 GAS FIELDS

A number of proposals were submitted and had been considered at Cabinet level
The spokesman said new projects were needed because existing Sasol projects had reached full capacity
This meant that unless new projects were launched South Africa's measure of self-sufficlency in fuel supphes would diminish as fuel consumption increased
Projects undér consideration include the development of gas fields such as the one at Mossel Bay

## "VERY IMPORTANT"

Mr Steyn sald at the conference that Sasol's profitability was of "cardinal importance" to South Africa If it achieved good profits it could pay back its government loans more quickly and the money could be used to finance projects such as the explotaton jects such sel Bay gas fields
In this way South Africa could become more self-sufficient in fuel supphes and no further levies would have to be made on road-users to finance projects such as the Mossel Bay scheme
Replying to a question, Mr Steyn said the Government had never considered reducing the efforts of Soekor to find natuefforts gas

COMMERCE, industry and agriculture have reacted with anger and despair to the petrol and diesel price increases
Dr J C van Zyl, chief execlutive director of the Federated Chamber of Industries, said the chamber realised the need for an increase but was still shocked at its size
"A price increase of this magnitude cannot be absorbed and has to be passed on It will cause major general price rises at a fragile stage in the country's economy "
He sard the FCI had suggested a comprehensive review of the management system for South Africa's strategic fuel supplies and pricing structure to avoid sudden large shocks to the economy

## Inflation rate

- Assocom and the Afrı. kaanse Handelsinstituut said the increase would have a drastic effect on the economy and the ripple effect would be reflected in the inflation rate
Assocom said there was an urgent need for the authorities to take action in the management of the economy if South Africa was to withstand a further attack on the already strained rand and control the inflation rate

Farmers reacted with anger and despair, saying it ger and despair, saying it
would prove a "serious setback would prove a "serious setback
to the already afflicted farming communty"
The vice-president of the South African Agricultural Union, Mr Nico Kotze, said the increases would further adversely affect farmers' fina cial recovery after the drought

## Production costs

For every 1c merease in the price of diesel, additional expenditure of R13-million was added to annual production costs of agriculture, he said
"To this must be added the increase in transport and marketing costs, as well as the ripple effect of general cost increáses"
Mr Hennie de Jager, chairman of the National Maize Producers' Organisation, said a fuel price increase of the magnitude announced yesterday could no longer be absorbed a fact consumers had to accept

- Automobile Association
spokesman Mr Gideon van Oudtshoorn said the the increase was "really absurd, ridiculous and absolutely uncalled for"
Another AA spokesman sard it was "regrettable" and "a cause for concern" that the price increase was far higher than the increase mentioned by the Minister of Mineral and Energy Affairs, Mr Dand Steyn, in private dicussion between him and the AA last year
He sald motorists faced further petrol price increases as well as rises in the cost of tyres, insurance and general sales tax
- Mr Colin Adcock, president of the National Association of Automobile Manufacturers of South Africa (Naamsa), sald Naamsa understood the difficulties arising from the decline in the value of the rand
But an increase of the magnitude announced came as "a severe shock and a body blow to the motor industry which already finds itself in trouble" "The dependence on personal transport in South Africa is high and Naamsa estımates that the announced increase in the price of petrol will result in an annual additional cost to motorists of more than R3 000million" - Argus Correspondents and Staff Reporters

Where your money goes


## $9,1 \%$ GST

6.4\% RETALLERS PROFIT


## Government sharply criticised as motorists reel under increase <br> Staff Reporter

MONTHS of rumour of a heavy increase in the petrol price still left people unprepared for the staggering announcement on the new prices.

The news late yesterday sent fuming motorists in droves to filling stations to top up at old prices, and in places queues were more than a kilometre long.
But many garages either ran out of petrol - genunnely - or shut down their pumps early to conserve stocks for sale at higher prices today.
Dozens of people who called The Argus yesterday for news of the price-rise reacted with anger and disbehef at the magnitude of the increase.
Sharp criticism of the Gov-
omy followed the shock expressed by most callers.
A transport company owner who called held out little hope of his business surviving
"Why is the Government squeezing the nation"" asked one irate caller Another wondered whether a consumer boycott of petrol products could be organised to force down the petrol price
"I think the Government must take a look at them. selves," said another angry caller.
Few "24-hour" petrol statons seemed to stay open until midnight to serve motorists before the midnight increase took effect
A kilometre-long queue built up at a Kommetyle frling station yesterday afternoon. At a
garage in Ladies Mile Road, Bergvhet, up to 40 cars wated their turn at the pumps as 7pm approached. In Kloof Street traffic backed up as queues formed from two directions to get into a station's forecourt.
In the city centre and on the periphery queues stretched for hundreds of metres.
Many garages round the metropolitan area closed early "Obviously other garages want to sell old petrol at new prices," sard the manager of one that remained open.
A Wynberg resident complaned that a garage in Man Road had closed during the afternoon with a "Sorry - we have no petrol" sign outside, although a delivery of petrol was made on Tuesday afternoon

$x^{2} x^{2}=x^{2}$
$\left.\varepsilon_{5} \#^{2}\right]^{7}$

EAST LONDON - CTC
bus fares may rise in
April, according to a company announcement yesterday
CTC's managing director, Mr Hans Kalser, sand the fuel price hike had forced the company to apply to the Cisketan and South African road transporation board for an increase
It was still too early to say how much fares would rise However, the company would continue to negotiate for the best possible passenger subsidy to ease the burden on the commuter.
"I am prepared to take the initiative to discuss the implementation of the fares with anybody with a genuine interest in the fares," Mr Kaiser sand That would include municipal bodies
township councils and tribal authorities, he sad.
Asked whether this included the Committee of Ten, Mr Kaser retterated CTC would consult anyone who had legittmate commuter interests

The fuel price hike would increase CTC's fuel bill by R1,9 million in 1985, he sald "This increase, together with the spiraling cost of wages, spare parts and tyres, will result in CTC suffering a loss of over
"We simply cannot absorb cost cost increases of this magnitude and, therefore, are forced to apply for an increase in fares," he sald
If the application was approved, the new fares would be implemented on April 1
The move follows annoucements by bus firms around the country that they are to increase fares However, the East London municipality has indicated that it does not intend to increase fares on the city's bus routes
The charminan of the Committee of Ten, Mr Mzwandule Mampunye, could not be reached for comment on the planned CTC fare hike yesterday

In Johannesburg, Putco announced hikes in its fares yesterday and appealed to employers to help workers meet the increases

The fuel price increase would cost the company nearly R20 milhon a year, a Putco statement sald

To cover this extra cost, Putco is increasing its tariffs from next Friday by the maximum allowable in terms of the Road Transporation Act," the statement said
Putco operates some 3

200 buses covering 180 milhon km a year and carries a million passengers a day
It uses 7,5 milhon litres of diesel a month
The increased petrol price came under fire in Ciskel yesterday
The treasurer of the Cisker Chamber of Commerce and Mayor of Zwelitsha, Mr R T. Mabona, sard the increase would adversely affect Ciskelan businessmen
He added the South African economy was already ravaged and Ciskeı as a developing state was going to be affected extensively
Because of difficultes Ciskeian businessmen encountered getting their goods, through the South African Rallways - not being notified in tume about the arrival of goods was one complant - they had asked firms to deliver their goods by trucks
"We are already competing with giant chamstores which get discounts which we do not enjoy The increase is ,going to ravage us," Mr Mabona sald
He added most Ciskeian shopowners still had old stocks of paraffin and were selling it at the old prices
Meanwhile, the Transvaal Indian congress (TIC) has warned that the huge petrol price hike has created a situation with all the potenthal for further social and political upheaval
It urged commerce and industry to be cautious about passing on the increase to consumers
The TIC said the blame lay not merely with "the government's grave mishandling of the economy," but it was also the result of ats desperate attempts to bolster the homelands pollcy, to meet the everescalating costs of apartheid, and to provide for the "ruthless supression" of Namibia E/The'statement sald it did not make sense to compare the petrol price to the price in other countries because "the currencies of those

## Racism fuelling 24 price rise <br> Mall Reporter

THE Councl of Unions of South Africa (Cusa) yesterday called on the Government to resign for its mismanagement of the economy, in the wake of economy, w's massive inthis week's massive
A statement by the councll's general secretary, Mr Proshaw Camay, sald it Proshaw camay, from the phenomenal increase in the petrol price announced on Thursday that the South African economy was in "serious trouble"

The statement added that while the Government would like workers to beheve that this was due to the international situation, this was only partly true "The fact of the matter is
that to fund its racist polscies the Nationalists are getting this country deeper and deeper into debt
"The Government spends about R2,7-bilion a year on maintaining apartheid"


## Inflation: bitter pill the only way out



The purchasing power of the rand is down to 34,1c compared with 1975 and could go as low as 30c this year.
Dr Johan Cloete, Barclays 'Bank's group economist, estimates that the inflation rate in 1985 will average between 13 and 15 percent.
And unless a bitter pill is taken, he can see no end to the inflation spiral with the main victims being those, such as pensioners, with a fixed income
"Inflation is a social phenomenon," he says, "a device we have developed to resolve a conflict situation temporarity"
The double digit inflation rate which started in 1974 was initially caused by an increase in the oil price.
"But instead of using less petrol pooale demanded more money to pay for it," said Dr.Gloete
"People feel that because their cost of living last year went up by 11,7 percent they want their salary increased by about the same percentage.
"The employer agrees so as to avoid a strike and puts up the prices of his goods to offset the increased costs to himself
f "Next year we do the same thing We are no better, off but we have avoided a strike"

Dr Cloete said an even higher inflatron rate was expected in 1985 because of the weakened rand compared to other currencies which pushed up the
price of imports such as petrol
He added that there were only two ways to stop high inflation - and both hurt
"One way," he went on, "is to expertence such a severe recession that there is unemployment
"A fear of losing their jobs forces people to accept a cutback in annual wage increases
"But such a recession together with unemployment is something politicians and society don't want to accept"

The other way is to persuade people to cut back voluntarily on their wage increases
"We can either do it sensibly," said Dr Cloete, "with people toning down their wage demands, reducing the cost of business and making it possible to cut back on price increases or we have a recession, which is what we are opting for at the moment.
"This is the more painful way"
Dr Cloete felt the Government could lead the fight against inflation
"As the public sector employs one out of every three persons," he sad, "it has a lot of power and could by ether decree or voluntary negotiation with its employees pay lower wage mcreases
"It could do a great deal by just seeing that the price and wage increases under their direct control are reduced
"If the Government took the lead the private sector would probably follow its example"

## THE SOUTH AFRICAN CONSUMER PRICE INDEX

1910 to 1984 (all items: $1975=100$ )


The situation for retired pepale on fixed pensions is disperate, with rampant inflation devouring the buying power of their rads.

The'. chart indicates an alarming denting in the vols

## Inflation: bitterppill the only way out



The purchasing power of the rand is down to $34,1 \mathrm{c}$ compared with 1975 and could go as low as 30 c this year, .
Dr Johan Cloete, Barclays Bank's group economist, estimates that the inflation rate id 1985 will average be tween 13 and 15 , percent.

And uhless a bitter pull is taken, hè can see no end to the minflation spiral with the main victims being those, such as pensioners, with a fixed income.
"Inflation is a social phenomenon," he says, "a device we have developed to resolve a conflict situation temporanily"

The double'digit inflation rate which started in 1974 was initally caused by an increase in the oil price. .
"But instead of using less petrol people demanded more money to pay for

"People feel that because their cost of living last year went up by 11,7 percent they want their salary increased by about the same percentage.
"The employer agrees so as to averd a strike and puts up the prices of his goods to offset the increased costs to himself.
"Next year we do the same thing We are no better off but we have avolded a strike"
Dr Cloete said an even higher inflation rate was expected in 1985 because of the weakened rand compared to other currencies which pushed up the
price of imports such as petrol He added that there were only two ways to stop high inflation - and both hurt
"One way," he went on, "is to experi'ence such a severe recession that there is unemployment.
"A fear of losing their jobs forces people to accept a cutback in annual wage increașes.
,"But such a recession together with unemployment is something politicians and soclety don't want to accept."
The other way is to persuade people to cut back voluntarily on ther wage incfeases
"We can either do it sensibly," said Dr Cloete, "with people toning down their wage demands, reducing the cost 'of business and making it possible to cut back on price increases or we have a recession, which is what we are opting for at the moment.
"This is the more painful way"
Dr Cloete felt the Government could lead the fight aganst inflation.
"As the public sector employs one out of every three persons," he sadd, "it has a lot of power and could by either decree or voluntary negotiation with its employees pay lower wage increases
"It could do a great deal by just seeng that the price and wage increases under their direct control are reduced
"If the Government took the lead the private sector would probably follow its example"

THE SOUTH AFRICAN CONSUMER PRICE INDEX
1910 to 1984 (all items: $1975=100$ )


The situation for retired people on fixed pensions is desperate, with rampant inflation devouring the buymg power of their rands.
The chart indicates an alarming decline in the value of the rand Given a par value in 1975; , it has, declined to 34e in 1985.
Retirement Association statistics show that only 8 percent of people at present can live on their retirement incomes without augmenting them
For a man who retred 20 years ago the value of money has decluned aboat 80 percent. The udividual who retred 15 years ago on R200 finds its value has fallen to R70
If a pension is not subject to periodic mereases, its buying power is lukely to be about half its intial value five years after retirement.
"What is it goung to be by $1990{ }^{7 \prime \prime}$ asked Mr Hugh Goyns, director of the Retirement Assoctation "Thes is the crunch. Things are getting steaduly worse and unflation is not beng contained. And the problem is being exacerbated by higher life expectancies

## For those on fixed pension, the outlook grows bleaker

"If people realise early enough, they can make their own arrangements to see they have a reservorr sufficient to take up some of the loss in the value of money in retirement They have to avord overspending on items they don't need
"But it's the South African way of hfe to own items like a boat and TV, giving no thought to the fact that you cannot eat these things or get interest on them."
Mr Goyns satd the association ran an employment bureau for retired people, many of whom needed to work to supplement their pensions

One man who retired on what was an adequate pension 10 years ago has been forced to seek work agan because he can't manage

Up, up and away
go the prices
Time is money, so the saying goes, and as time passes so costs rise This week the price of petrol rose by 25 c a hitre to $88,5 \mathrm{c}$, stunning consumers throughout the country It was the latest in the economic blows faced by South Africans
The Star, highlighting the soaring cost of living, looks back to the year 1976 when a litre of petrol cost less than $24,1 \mathrm{c}$ and compares prices with the present
Today it costs more than R53 to fill a 60 -litre petrol tank. In 1976 it cost R14,46 - a difference of R38,64 in ane years
A family-size car of two litre capacity now costs R13 504 In 1976 a similar model famuly car was R4 094 And it now costs twice as much to park that family car at a parking metre in the central business district In 1976 it was about 30 c for an hour, now it is 60 c an hour.
And to escape the Johannesburg rat-race and fly to Cape Town a one-way ticket nine years ago was R62 The latest price quoted is R171 for a one-way ticket

Food prices have also risen dramatically in less than a decade
Remember 1976, a tume when there was no general sales tax, white bread was 20 c a loaf and brown bread cost 16c
Nowdays GST is 10 percent, a loaf of whte bread is 60 C and brown bread is 40 c .

Milk has increased by more than 175 percent in the past decade A litre of milk was 25 c in 1976 while today it is about 69 c a litre
And the price of eggs has risen by almost 200 percent in nine years - from 43 c a dozen to $\mathrm{R} 1,26$ for a dozen large eggs

Business Times Reporter
GARAGE owners will recelve a $30 \%$ proflt boost.
A breakdown of the petrol price shows that garages can rake off $5,2 \mathrm{c}$ a 1 ltre compared with only 4 c before.
The new price gives them a margin of less than $7,5 \%$ on the 69,3c they pay for a litre of petrol, but it will mean a substantal increare in income if zales remaln unchanged.
Sales are expected to recover after a temporary fall
Bat the garage men are not happy. In the past, thelr margin
has been as high as $8,4 \%$. A spokesman for the Department of Mineral and Energy Affairs says that the proft margin for garages will be mevestigated in March.
Accepted wisdom when the margin was 4c was that a garage most sell 100000 litres a month to make a proflt on petrol.
This is the national average Such sales would yield revenue of R1000. Now 100000 utrees brings in R 5200 , from which wages of pump attendants, rent and maintenance and depreclation must be subtracted.
The department belleves that there are too many fllling stations and has a plan to control the prollferation of garages.

## $1:$

Business Times Reporters THE increase of 12 c a litre in , agricultural diesel fuel will take R162-million a year out of the farming community, says the South African Agricultural Union (SAAU)

When the diesel subsidy of sc $/ l$ is removed in June it will cost farmers another R135-million a year
A At the current price of 0 R220 a ton, it costs a farmer R440 to harvest a bectare of maize and his return is R482, leaving a profit of R42

## Subsidy

4 The fucl-price increase will boost maize farmers' costs a hectare from R70,50 to R88, reducing the profit at current prices to R24,50 Hennie Nel, general manager of the Mazze Board, says th is unlikely that a mazze subsidy will be padd this year. It has been suggested that a maize price of about R300 will be demanded by Nampo, an increase of $35 \%$

Wheat farmers are in a slightly better position Dennis van Aard, general manager of the Wheat Bcard says the fuel-price rise will lift input costs by $3 \%$ immeduately, with bugger increases to follow
"Last season we increased the wheat price by only $8,5 \%$ compared with the farmers cost increases of $16 \%$ The average return on a hectare of wheat is R375 compared with a cost of R303.5, leaving a profit of R72,5"
A $3 \%$ increase in total costs will push up input costs to R994 a hectare, so that farmers will make a loss of R18 a hectare at current prices
The average wheat price is currently R260 a ton and seems likely to be raised to more than R 300 . will increase by between eight and 25 percent from March 1.
However, South African Aurways officials say the new prices are because of "the currency adjustment factor" and not the increase in the fuel price
Fares are worked out internationally in "Fictitious Construction Unts" and it is up to each country to adjust it according to exchange rates
A spokesman for SAA said
the rand's decreasing value aganst the dollar had meant that fares would nerease by up to 25 percent in some cases

## Another increase

He could not say whether the petrol-price increase would further affect prices, but a spokesman for a major travel agency said she expected a further merease in April

Single fares to Europe, the Middle East and America will morease by 25 percent Return fares to America go up 10 percent, but by erght percent to all other destinations
People travelling from March 1 will be laable for the new tariffs even if they buy their tickets before the increase date.
However, Apex tickets bought now for flights after March 1 are avallable at the old price

5. $8,7,744$
fares 301,185 up on

## Friday

Post Reporter
BUS FARES in Port Elizabeth go up by as much as $10 \%$ on some routes from Friday

Mr F E Stamp, general manager of PE Tramways, sand the increase in fuel prices had necessitated the move

In order to minimise this effect, $72 \%$ of the passengers would face an increase of up to four cents and $13 \%$ would face an increase of $10 \%$
'Mr Stamp sad there would be no increase on those routes commonly refered to as feeder or internal services - black school pupils in Uitenhage and Port Elizabeth fall into this category

Detalls of price increases are

The cash fare in Utenhage goes up from 28c to 30c A R2 clipboard whll go up to R2,20

A 33c fare from New Brighton to Port Elizabeth will become 36 c and a R2,30 clipeard will become R2,60

The fare from Windvogel and Zwide to the city will go up from 43 c to 47 c and clipcard from R2,90 to R3,30

Mr Stamp sald that of the allowable $10 \%$, in terms of Section 12A, the company had only increased fares by an average of $8,5 \%$

- See Page 4.


#  <br> affilates of the United 

By JIMMY MATYU
ABOUT 30 members of the Port Elizabeth Women's Organisation (Pewo) today assembled outside the Port Elizabeth Tramways' New Brıghton bus depot - Bay Passenger Transport - to protest against increased bus fares

The women were watched by police who photographed the crowd One video camera was used
Some of the placards read "Down with high bus
fares", "High fares, NO", "No high wages", "We are hungry, we have no money", "Decrease bus fares" and "This is a peaceful demonstration"

Last night the women decided not to assemble outslde the Centenary Great Hall after Brıgadier C A Swart, the Divisional Commissioner of Police in the Eastern Cape, had warned on Monday that the march would amount to an illegal gathering

Today they walked to the depot one-by-one or in couples

Outside the depot, five women, Mrs Ivy Gena, the president of Pewo, Miss N Stampo, the assistant secretary, Mrs Elizabeth Hashe, the treasurer, Miss N Zini and Mrs N Mbunye were delegated to seek an interview with company of ficials

While the five women were inside the premises of the bus depot, the others
stood across the street displaying placards
Mrs Gcina and Miss Stampo later met depot officials

Mrs Gcina said they were advised to write to Mr Carl Coetzer, the managing director

She sald they had told the officials that the bus fare increases had come at the wrong time with breadwinners being retrenched and high unemployment

Representatives of six

Democratic Front - Péwo. the Port Elızabeth Black Civic Organisation (Pebco), the Port Elizabeth Youth Congress (Peyco), the Congress of South African Students (Cosas), the Motor As semblers' and Components Workers' Union of South Africa (Macwusa) and the General Workers' Union of, South Africa (Gwusa) will hold a meeting on the bus fares increases in the Gana Kakaza Hall today at. 6 pm $\qquad$ price increase announced by the Government
Because Putco's passengers represent in general the lower income group, and transport is a service essential to the country's economy, the company is appealing to employers to help workers meet the new fare increases
Putco operates some 3200 buses covering 180 million kilometres annually, and carries a million passengers a day it uses 7,5 million litres of diesel a month, which means that the 22c per litre increase applicable (inclusive of GST) will cost the company nearly R20 million a year
To cover this extra cost, Putco is increasing its economic fare tariffs from Friday February 1 by the maximum 10\% allowable in terms of Secion 12 (a) of the Road Transportation Act of 1977 This makes it possible for fuel cost increases only to be recoverable immediately, before the normal lengthy application procedures still required it is stressed that the increase does not provide for any other cost factors affecting the company
The introduction of an across-the-board $10 \%$ increase on economic fare tariffs will necessitate the use of copper currency in the system, and passengers are asked to assist by carrying the correct change where possible The following tabulations will apply to single journey cash fares

| Present | Amo |
| :--- | ---: |
| $30 c, 35 c$ | $3 c$ |
| $40 c, 45 c$ | $4 c$ |
| $50 c-95 c$ | $5 c$ |
| R1-R1,95 | $10 c$ |
| R2-R2,95 | $20 c$ |
| R3 and above | $30 c$ |

It is pointed out that the economic fare tariff - or revenue - is the tariff required to provide for operating costs and a reasonable profit. In the case of season tickets it is made up of the passenger's contribution and a discount or passenger subsidy recoverable from the Government This subsidy is intended for the benefit of workers, who are regular commuters it does not apply to single trip cash fares, which in general then reflect the full economic fare tariff
On average the passenger contribution to Putco's economic fare tariff on season tickets accounts for about $60 \%$ against $40 \%$ subsidy However, the subsidy varies considerably according to distance involved and bther factors determined by the Department of Transport The $10 \%$ revenue increase therefore will mean an increase to subsidised passengers varying between
extremes of $10,5 \%$ and $41 \%$. Some specific examples are extremes of $10,5 \%$ and $41 \%$. Some specific examples are clarified below

| 10-Trip Weekly Ticket | Passenger Fare | Subsidy | Total (Economic Fare Tariff) | Increase | New Pass Fare | Increase to Passenger |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Alex/Noord Street.... ..... . .. .... | R3,40 | R2,60 | R6,00 | 0,60 | R4,00 | 17,6\% |
| Diepkloof/City .. ............ ... ....... | R4,30 | R2,70 | R7,00 | 0,70 | R5,00 | 16,3\% |
| Dobsonville/Roodepoort | R3,50 | R1,50 | R5,00 | 0,50 | R4,00 | 14,3\% |
| Emdeni/City . ........ .. .. ..... | R5,40 | R6,60 | R12,00 | R1,20 | R6,60 | 22,2\% |
| Evaton/City........... | R7,50 | R12,50 | R20,00 | R2,00 | R9,50 | 26,7\% |
| Meadowlands/City... . ............. | R4,90 | R4,10 | R9,00 | 0,90 | R5,80 | 18,4\% |
| Feeders (Soweto) ........ .... ....... | R2,10 | 0,90 | R3,00 | 0,30- | R2,40 | 14,3\% |
| KwaThema/Station..... . ..... ..... | R3,50 | R2,50 | R6,00 | 0,60 | R4,10 | 17,1\% |
| Vosloorus/Boksburg Ind. ......... | R3,50 | R5,50 | R9,00 | 0,90 | R4,40 | 25,7\% |
| Tembisa S/Noord St ........ .... . | R7,40 | R5,60 | R13,00 | R1,30 | R8,70 | 17,6\% |
| Tembisa S/Edenvale.. ... ....... . . . . | R4,50 | R3,50 | R8,00 | 0,80 | R5,30 | 17,8\% |
| Tembisa S/Alex. . ..... ..... .. ....... | R4,90 | R6, 10 | R11,00 | RI,10 | R6,00 | 22,4\% |
| Eldorado Park/City..... .. . .... ... | R5,50 | R4,50 | R10,00 | R1,00 | R6,50 | 18,2\% |
| Ennerdale/City ........... ......... | R7,30 | R10,70 | R18,00 | R1,80 | R9, 10 | 24,7\% |
| Westcol/Bree Street ...... . ..... . | R3,80 | 0,20 | R4,00 | 0,40 | R4,20 | 10,5\% |
| Garankuwa S/Calles. | R4,40 | R9,60 | R14,00 | R1,40 | R5,80 | 31,8\% |
| Erasmus/Calles ........ . . ..... . | R4,50 | R7,50 | R12,00 | R1,20 | R5,70 | 26,7\% |
| Mabopane/Groenkloof ......... .. ..... | R7,10 | R12,90 | R20,00 | R2,00 | R9,10 | 28,2\% |
| Soshanguve/Groenkloof .. .......... ... | R7,00 | R12,50 | R19,50 | R1,90 | R8,95 | 27,1\% |
| Belle 'Ombre/Feeder... ...... .. ...... | R2,40 | 0,60 | R3,00 | 0,30 | R2,70 | 12,5\% |
| Belle 'Ombre/Mon Park ... ... ..... .i... | R4,60 | R1,40 | R6,00 | 0,60 | R5,20 | 13,0\% |
| Marabastad/Kwaggafntn............ .... . | R8,60 | R18,40 | R27,00 | R2,70 | R11,30 | 31,2\% |
| Marabastad/Ga-Seabe............... | R9,00 | R28,00 | R37,00 | R3,70 | R12,70 | 41,1\% |
| Mamelodi W/Callles .. ....... ..... ...... | R4,50 | R4,50 | R9,00 | 0,90 | R5,40 | 20\% |
| Ekangala/Springs <br>  | R8,60 | R11,40 | R20,00 | R2,00 | R10,60 | 23,3\% |
| Atteridgeville).................. ..... ........ .. | R2,10 | 0,90 | R3,00 | 0,30 | R2,40 | 14,3\% |
| Saulsville/Calltes . ....................... ... | R4,60 | R4,40 | R9,00 | 0,90 | R5,50 | 19,6\% |
| Stage 51 (Belle'Ombre/CBD) .............. Stage 52 (Belle'Ombre/ | 0,45 | R3,00 | R3,45 | 0,30 | 0,75 | 66,7\% |
| Loftus/Walker) Stage 21 (Wonderboom St/ | R1,60 | R2,45 | R4,05 | 0,40 | R2,00 | 25\% |
| Mayville)......................... ............. | R0,45 | R3,00 | R3,45 | 0,30 | 0,75 | 66,7\% |

Scholar fares, which ore sub-economic and for which Putco receives no subsidy, will go up $10 \%$.

By BILL
GODDARD
EAST LONDON－A milk price war has erupted in Gonubie which has enabled some stores to slash 30 to 35 per cent off normal re tail prices－a saving of between 25 and 30 cents on a litre

The dramatic price cutting，which has seen the retall cost of one－ intre cartons drop to $55 c$ ，has been brought about because of a clash between wholesale sup－ pliers

Shopkeepers say that Model Danry of East Lon－ don and Prospect Dairy of Komga have been en－ gaged in an on－going bat tle to establish them－ selves as the major sup plier in the town and as a result have enabled re－ tall prices to be reduced to by－gone levels

A leading price－cutter in the town，Mr A Loureiro，said yesterday that shop－keepers had to pay 72c a litre for milk from Model Daıry and 70c a litre from Prospect Dalry
＂Then a third party came on the scene－ Cross Agencies－who offered us milk at 61c a litre，＂he sald

Mr Lourenro said the East London－based firm of manufacturers＇repre－ sentatives were market ing milk under the Hill view brand label－a product which the marketing manager of Model Dairy，Mr Pierre Gonneau，yesterday con－ firmed was nothing more
than mulk from his dary which was being offered under another brand name

A director of a super－ market，Mr Lionel Giese， sard he bought some Hillview cartons and sold them at the same price＂a type of loss－ leader＂

Store－keepers who predominantly stocked Prospect Dary milk then approached the managing director of the Komga supplier and pointed out that they could obtan milk at a much cheaper price

This move was fol－ lowed by a slıght price cut by Prospect Dary which has enabled some of the large stores in the town to slash therr sell－ ing price to 55c a litre

Offictals of the Darry Board sald there was no－ thing they could do ab－ out the wholesale－retanl price war because Gonu－ bie fell within the boundaries of the East London area which was not governed by price control on milk．

Mr Gonneau denied that Model Darry was in－ volved in the price war and said it was purely a matter between Pros－ pect Darry and Cross Agencies
＂We merely supply and pack the milk for Cross Agencles and they handle the marketing and distribution，＂he sald


Three brands of milk selling in Gonubie－the prices of the two left and centre have been slashed

The head of Cross Agencies，Mr Roger Ran－ dall，would not say whether or not，he had made the same offer to retanlers in East Eondon， nor would he say if he would supply them if they asked for stocks at the 61c price

Several East London shopkeepers who were found to have Hillview brand milk in their stores sald they were payıng 72c a litre

Many of the shop－ keepers in Gonubie see the price cutting of Hill－ view milk as an attempt to squeeze out Prospect
＂ss del Dairy couldn＇t ver ell cut the price on $l$ ir own brand name herwise there would $h_{\text {．}}$ e been an up－ roar frot shopkeepers in East 1. zdon，＂sard one shop ov ier

## Internal air fares up

CAPE TOWN－South African Airways domes－ tic and international air fares and cargo tariffs will be increased by be－ tween eight per cent and 15 per cent from tomor－ row，the Minister of Transport Affars，Mr Hendrik Schoeman， －announced yesterday

The Progressive Federal Party＇s spokes－ man on Transport Affarrs，Mr John Mal－ comess，said the in－ creases seemed to indi－ cate that the government was fightıng harder for inflation than against it． －PS－SAPA

More details P6

# Taxi owners to $0^{0} \mathrm{sinf}^{2}$ for (44) fare iñcrease 

EAST LONDON - Tax operators in East London have agreed to increase fares to a flagdrop rate of R1 and 80c a kilometre, and have applied to the Road Transportation Board for approval

Mr Ivan Butler, spokesman for a local taxı fleet, said taxı drıvers had started feeling the pinch since the announcement of the petrol increase last week when 98 octane fuel was increased by $25 \mathrm{c}, 93$ octane by 27,1c and diesel by 20 c a litre
Another East London taxi fleet owner, Mr Buks Smith, said he had been forced by the increased petrol prices to put in an application for a R1-flagdrop charge and 80c a kilometre

At present his charges are 60 c a flagdrop and 50c a kılometre
"I have three cars going all the time and another three on standby and I am losing nearly R100 a day," he said
"It is going to cost me an extra R75 to have my meters changed once I have been told what increase I am allowed to charge," he said
He said he had on
occasions spent R3 to
pick up a fare and the customer had had to pay only R1 for the trip because it was so short. He had not charged from the rank to wherever he had to pick up the fare, but would now be forced to do so

Mr Smith said he had also noticed that the number of private taxi operators had declined, and he believed this could be because of the increased operating costs

Another taxi owner said he had only one vehicle which operated from a rank in the centre of town near a supermarket and he had also filed a similar application to the others
He said that with GST and fuel-price increases over the last two years, he had found it difficult to survive on his own

He sald his fares were governed by the Road Transportation Act which only allowed a small profit margin

Miss Helen Treston, senior transport admlnistration clerk with the Road Transportation Board in East London, said it could take some time before the applications were considered - DDR

## Sharp rise ${ }_{3} 3 / /{ }^{2}$ in air fares cargo tariffs ${ }^{\text {²u }}$

THE Minister of Transport Affairs, Mr Hendrık Schoeman, yesterday announced big increases in domestic and international arr fares and cargo tar1 ffs

Mr Schoeman announced that domestic passenger fares would rise by 11 percent and domestic cargo tariffs by 15 percent International rates would go up by eight and 10 percent respectively
The new tariffs come into effect tomorrow
The Official Opposition has reacted with shock to the increases

The Progressive Federal Party's spokesman on Transport. Mr John Malcomess, said the "enormous increases" in domestic tariffs seemed excessive
In the last South African Transport Services bud| get 38 percent of the SAA's expenses were spent on "flying operations" If half was spent on fuel, the fares should go up by no more than 8 percent, he said

## 'Fighting for inflation'

"This government appears to be fighting harder for inflation than against it," he said
From Friday fares from Cape Town to Johannesburg would go up from R222 to R247 (single first class), from R197 to R219 (single business class), and from R171 to R190 (single economy class)
The flexifhight return and late night singles on the Cape Town Johannesburg run would go from R206 and R90 to R228 and R95 respectively Standby singles would go up from R137 to R152

London fares would go up from R4 010 (first class), R2 648 (gold class) and R1 052 (Apex) to R4331 R2 860 and R1 137 respectively

To New York the fares increase from R4310, R2 050, and R1 460 to R4 741, R2 255 and R1 606
Mr Schoeman said the hikes had become unavoid able because of rising operating expenditure, mann ly as a result as the weakening rand against other international currencies, particularly the US dollar - Poltical Correspondent and Sapa

- Bus fares rise Unions 'shocked', page 3

Passentir boycott buses sfor
Passengers protesting against increased fares boycotted Putco buses and set up roadblocks in kwaNdebele this morning, Putco's public relations officer, Mr Pat Rogers, said today.

The increased fares came into effect today after the rise in the price of petrol last week.

Mr Rogers said kwaNdebele had the highest tarrif increase, with passengers on long-distance trips having to pay R12,70 instead of R9 weekly.

|  |
| :---: |

(2,

[^0]|  әs．ıм риоо пәдм sәự！ aq गq！issod se poog <br>  <br>  |  <br>  <br>  －urnsuos әqi әsipisqns of urese sn fuem sdnosg jomisuos <br>  |  <br>  <br>  incustig دW <br>  －пеле деәи әреш әлец әм， |  <br>  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | ¢ $\varepsilon^{\prime} 6$ | － | － | － | － | － | － | － | uowios ubipouos |
|  |  |  | 5t＇6 | － | － | － | － | 66＇8 | $6 \varepsilon^{\prime} 6$ | 66＇6 | （polood）sumpde uerojy |
| eәsxano sәatməsпоч | ，،000 LEEY |  | － | 09 ¢ $\varepsilon$ | or＇t | $66^{6} \tau_{*}$ | 618 | － | b＇$\varepsilon$ | ＇t | squ pous |
| s 2q 10u pinoqs 1I， วप 1еәu suiseupind |  |  <br>  | － | OS＇9 ${ }^{\text {＊}}$ | os＇$\angle$ | 66＇9 | 66＇8 | $69^{\prime} 8$ | E9＇8 | 59＇8 | yoois duny |
|  |  |  | 5s＇t | 09＇$\varepsilon$ | $00^{\prime}$ | ${ }^{66^{\prime}} \tau^{6}$ | $6 E^{\prime} \mathrm{b}$ | － | 61 ¢ | 0¢＇v | уппч |
| 1 pesn inq pal．sodxə <br>  |  <br>  | tuoxy snidans әqı sर́nq paroq aप1＇s1s00 voyionpord siz | 69＇b | ${ }^{09} 9^{\prime}$＊ | － | $66 . \varepsilon$ | S6＇$\varepsilon$ | $58^{\prime} \varepsilon$ | $68^{\prime} \varepsilon$ | － | sanil $\times 0$ |
| L，＇pies ziminnt |  |  | 81 ＇b | 09＇$\varepsilon$ | $6 z^{\prime} \varepsilon$ | $66^{\prime} \tau_{*}$ | $66^{\prime} t$ | － | $6 L^{\prime} \varepsilon$ | $66^{\prime} \varepsilon$ | se6oxnos foeg |
|  <br>  | roineniss sniduns <br> －plaosd пәәq osie әлeq әM， |  <br>  | － | 09＇$\varepsilon$ | Or＇t | ${ }^{6 \prime} s^{\prime} \varepsilon_{*}$ | $6 \varepsilon^{\prime} \varepsilon$ | － | 60 ＇t | 60＇t | ：0xsing |
| ismasnoh ${ }^{\text {did }}$ ing |  | －uotesifiqeis joj plos jeum | $8 \varepsilon^{\prime} \varepsilon$ | 09＇ 8 | 61 | ${ }^{6 S^{\prime} z_{*}}$ | － | 88＇$\varepsilon$ | $65^{\prime} \mathrm{E}$ | $6 z^{\prime} \varepsilon$ | j099 Surmors |
|  reussaupsnq אuy， | ＇рәıIEIS дм әлачм <br>  |  <br>  | $87^{\prime} 8$ | － | － | 66＇L | $61^{\prime} L_{*}$ | $66^{\prime} 8$ | $88^{\prime} 6$ | 0911 | ｜0214u93 Duuora xoow |
| －000－89\％／2LE |  |  | sc＇L | os＇s | $8 \chi^{\prime \prime}{ }^{\text {c }}$＊ | 66＇9 | $68 . \angle$ | ${ }^{86} \mathrm{C}_{4}{ }^{4}$ | $60^{\prime} 4$ | 01.2 | yoels ouoq－1 |
| ， $000 \mathrm{L984}$ y 1 uo <br> 3 £86T u！su01 086 I | xis $1 \times 2 \mathrm{u}$ วqı doy Knq 7 ，upip <br>  |  <br>  | 60＇11 | Os＇L ${ }^{\text {c }}$ | 06＇L | 66 L | － | 5 z＇6 $^{\text {c }}$ | $49^{\prime} \mathrm{L}$ | 66.11 | Y0015 depll |
| rodxa preoq әपL， |  | －geam jo smiduns epnq | $68^{\prime} \angle$ | 00＇s | $86^{\prime \prime}$＊ | 09＇s | 61＇9 | 88＇s | － | 60＇L | －u\％9 \％गय |
| odxa oi pəıeıosวu |  |  | $86^{\prime} \square^{*}$ | 00＇s | $86^{\prime \prime \square} *$ | 09＇s | 6s＇9 | 82＇s | 88.9 | $65^{\prime} 5$ | opisdol $^{1}$ |
| әп¢ Кпм Sis siqu， |  | jo әıisoddo әqi St qeem jo uort | $8 \varepsilon^{\prime} \varepsilon$ | 09＇$\varepsilon$ | 0z＇$\varepsilon$ | ${ }^{60}{ }^{\prime} z_{*}$ | 66＇b | $8 \varepsilon$＇ | ＋0＇s | 0z＇b | Qumu foeg |
| Kıisnpui ә［очм әчi อq7 Joj Kqueduris of Kiessejau si hi， －paqins Ki！itqe 8 ut loəd qim norssoje． <br>  | ssoi e panjonut qunoosip aqd， səotıd <br>  <br>  วuekubiow pnew $k$ g |  <br>  suopigian omqnd pieog rean i48it os sejind <br>  <br>  | 亳总 |  |  |  |  |  |  | 管窝喜 |  |
| $f=(20 n+2)(n+2$ |  |  |  |  |  |  |  |  |  |  |  |


$\qquad$ + •*






Mr du Toit sald that, despite excellent precautions, the condltion of stored supples must inevitably deteriorate and so must its sale value.
He added that the advantages of exporting the surplus, as opposed to marketing it locally, had increased because of the changed exchange rate.
The Housewives' League feels that the meat should either be sold to local consumers at a price lower than fresh meat or stored for use when conditions might be worse

## SUPERMARKETS

A survey reveals that large supermarkets are selling meat at higher prices than small butcheries
The Housewives' League reports a fall in the auction price of meat to its end-of-November level and this has been passed on to consumers by retailers
But prices' are still high and have resulted in consumer resistance despite Meat Board at tempts, to sell more beef.
Consumption of beef declined
by, 0,8 percent between June 1982 and July 1983 while there was à noticeable rise in consumption of mutton and pork -
12 percent in both cases
In recent years there has been a big'increase in the consumption of chicken. Between 1970 and 1982, consumption of red meat rose by only 14 percent, consumption; of chicken rose by 272 percent. ${ }^{2}$

- See Page 11.

| Government has rejected representa. tions from Putco to secure elther an exemption from the steep fuel price merease or a subsidy to avoid burdening passengers with fare increases <br> "We therefore have no alternative but to pass the price increase onto our passengers," says Pat Rogers, Putco's public relations chief executive "The implications of the fuel price rise for the black consumer gives cause for concern Putco operates about 3200 buses which cover 180 m klometres a year and we carry about a million passengers danly" <br> It is not clear, he adds, what the increase will be, but the increase in cost to Putco is R1m a year for every 1c rise per litre of fuel <br> Rogers further says Putco will apply for an increase in fares effective from February 1 However, they are unable to say at this stage how individual routes and trips will be affected |  |  |
| :---: | :---: | :---: |

BASIC building costs, which influence market-eosts in the property field, are heading for an annual esing Industries Fed about 15 percent, says the Building Industries Federation
"The public will have to brace itself against an merease in the second half of the year, particularly in the light of rising costs of raw material components," says the executive director, Mr Lou Davis
However, bulders could be forced to absorb mor
onditions
This is already shown by fierce tendering for work, where the difference in tender prices is sometimes hundreds instead of thousands of rands
High interest rates are limiting the amount of house bulding, a pattern likely to continue for the rest of the year
Bulders in the additions and alterations market since benefit from the downturn in home bulding sunce home owners were likely to keep their homes rather than sell in a depressed market

LATEST in the round of pitic
ncreases comes from the Lumber Millers Association - an average 8\%

The increase will affect the cost of bulding and furn! ture, the two largest consum ers of timber
Because of increased pro duction costs, soaring inter est rates and the high cost of transport, timber growers private and Government have rased therr selling prices by $8 \%$ and this has been passed on to the con sumer by the lumber millers The industry is worth R300 mullion a year
The last increase in timber prices was $10 \%$ a year ago Price increases have always been below the inflation rate, says Aples du Toit, deputy manager of the Lumber Mill ers Assocation
The higher price of tumber should mean an increase of about $0,5 \%$ in the cost of building a home, says Lou Davis, executive director of the Building Industries Federation of South Africa

## Warning

He says bulding costs generally could rise by between $12 \%$ and $14 \%$ this year Thas compares with $12 \%$ last year but he warns that once the economic climate improves, costs will go through the roof" Tender prices, howeyer, are at their lowest for many years because of com petition in the industry
Siggy Redelinghuys executive director of th Furmture Traders Associ ation, says most retalers have farly large stocks, so the increased price of timber is not expected to have an immediate effect, but all new production will carry a higher price tag,

What will probably hap
pen is that increases of $2 \%$
will be phased in over about four months They are unlikely to be any higher because of competition


## Passenger rail fares are to rocket by between 20 and

 30 percent from Wednesday.The Minister of Transport Affairs, Mr Hendrık Schoeman, announced today that

- First class suburban and mainline fares are to rise by 30 percent
- Second class mainline fares are to be increased by 25 percent - Third class suburban and mainline fares are to go up by 20 percent. - SA Transport Services Road Transport fares are to go up by 12,5 percent

The increases will further boost the inflation rate, which was already expetted to shoot up to a record 20 percent this year following the 40 percent rise in the fuel price

Reacting to the increases the Progressive Federal Party spokesman on transport affairs, Mr John MaIcomes, said the Government "must have gone absolutely, bloody mad"
He sard the 20 percent rise in third class fares was almost pleading for urban unrest

He accused the SATS of grabbing more than its due in terms of the fuel price increase A large part of the SATS rail network was electrified, he said -"
-Mr"Schoeman sard the inc were owing to circumstances beyond his control, and were much to his rebret. :
> "Apart from such factors an the rand/dollar exchange rate and the downswing in traffic, the recent increases in electricity costs and the fuel price have necessitated the adjustmints with effect from Wednesday.
> "Electricity and fuel comprise 15 percent of SATS's operating expenditure; and it is anticipated this will rise from R908-million to more-than R1 205-million a year," he said $\$$

> The recent increase in fuel prices, as well as the merease in the price' of tyres and the influence of the weak rand/dollar exchange rate on the 1 m port price of spare parts made the crease on fares unavoidable
> -An example of how the new fares will increase tariffs is the fare bowen Naledı in Soweto and Johannesburg A weekly third class ticket will increase from R2,80 to R3,30 A monthly ticket ,will rise from R11 to R13,50
> $\therefore$ The cost of a weekly first class tucket between Pretoria and Johannesburg will rise from R16,50 to R21,50

> An 11 percent increase in arr fares was implemented last week.


## Pharmacists defend soaring medicine costs

By Olga Horowitz

At a time when the sick feel they are paying exorbitant prices for medicines, retall pharmacists defend their rates with chapter and verse from their price lists
A retail pharmacist showed me some cost prices, excluding GST and a dispensing fee 49,77c for a single capsule to stimulate the heart (up to six a day are prescribed), 45,3c for a certam duretic, $46,92 \mathrm{c}$ for one ant1-duabetic tablet (one or two a day,) and more than R24 for a 10 ml vial of insulin three to four times more than insuln cost four years ago A frequently prescribed tablet to control
high blood pressure and irregular heartbeat costs $91,6 \mathrm{c}$ - one a day - and a broncho-dilator tablet 66,68c for two a day

One pharmacist threw open at random his book of prescriptions
A woman had been prescribed a month's supply of medicine for a chronic respiratory problem complicated by an infection The bill was R137,25 excluding tax The cost to the pharmacist of all the items was R84,75 The difference of R52,50 comprised his gross profit margin of R42,10 and a professional fee of R10,40 for dispens ing seven items including the cost of containers and 15 c for a copy of the prescription for the medical and clam

The gross profit, he do on a lifeline medicine said, had to cover rent, such as insulin), find the salaries, dehvery costs, electricity, insurance, stationery and telephone
Today, being a mem ber of a medical benefit society does not give immunty from the shock of soaring medicine costs
People on vital medi cation for respiratory problems, blood pressure heart conditions, angina arthritic disorders and diabetes find their medical and allowances increasingly inadequate
Many, such as pensioners and those on fixed incomes, who need life support medication and cannot afford to jom a medical and society, have three alternatives - to cut down on their medication (which they cannot
energy and bus fares to get supplies at Provincial hospitals, or ask the pharmacists for a cheaper, generic equivalent of the prescribed medicine These are limited, but do exist
"Doctors, imitiators of the treatment, are mostly sufficiently responsible, espeeially where there might be a financial problem, to prescribe only what is necessary for the patient," sald Mr Jack Blum, president of the SA Association of Retal pharmacies
"Pharmacists in their turn are worried when chents cut down on prescribed doses, lest the sıck jeopardise their already frall health"


2

lime rrincess or $\sqrt{\text { vales }}$

## , Outrage over new rail fares

Staff Reporter
TRADE unionists and community organizations volced outrage and shock yesterday at the 20 to 30 percent increase in rall fares which comes into effect tomorrow
First-class passengers' fares will increase by an average of 30 percent, second-class by 25 percent and third-class by 20 percent

However, the increases - which affect both suburban and main line fares - are as high as 33 percent for thirdclass and 35 percent for first-class passengers on some routes

## Road fares up

In addition, SATS road passenger fares will go up by an average of 12,5 percent

Spokespersons for several organizations warned that the increases, which follow a flood of price increases in the past few weeks, could cause a backlash of protest and unrest from angry communities whose 1984 wage increases had already been overtaken by cost-of-living increases
A spokesman for the General Workers' Union. who described the increase as "provocative in the extreme", pointed to
recent bus, fuel and rent increases "Workers sim ply cannot shoulder this burden any longer," he sald

A spokesman for the Food and Canning Workers' Union sand he did not belleve there was any justification for the increases

## 'Asked to pay'

"The public is being asked to pay for the costs of the new Constitution," he said
The general secretary of the Federation of South African Trade Unions (Fosatu), Mr Joe Foster, said that while the increases were not unexpected, "one would have theught the government would have had a better sense of judge ment than to increase fares now when people face so many other increases"

Mrs Sheena Duncan, national president of the Black Sash, sald the government should not be surprised of the increase led to further expressions of anger

The Trade Union Councll of South Africa condemned the increases, saying they would cause tremendous

## 

To page 2

"This section of our community can least af ford any rise in the cost of living, and has already been terribly affected by retrenchments and unemployment," a spokes man sard "Tucsa believes that fare increases should have been avord ed by grantıng all pas senger transport ser vices exemption from the fuel price increase and we urgently appeal to the government for this ex emption to be granted '
The Progressive Fed eral Party spokesman on Transport Affarrs, Mr John Malcomess, sard yesterday "This latest inflationary increase will spell economic disaster for millions of South Africans Those worst affected are not al lowed to express their opinion by voting against the government '
The New Republic Party spokesman on transport affairs, Mr Vause Raw, said the latest increases would hit the public "like a typhoon leaving what is left of famıly budgets blown to smithereens"
© Table showing increases, page 3



## 







 | $\infty$ |
| :--- |
| 0 |
| 7 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |
| 2 |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 | By COLIN HOWELL


 ersave New Səucf $冖$





为



風飛运解


cob Wessle， 26 ，near
三菅宿
the period
This after having asked the Government for R825－ million

From tomorrow，rall fares would go up bv be－ ween sio and $30 \%$ and road lares by $12,5 \%$ ，the Minister of Transport Af－ fars，Mr Hendrik Schoe－ man，announced in Cape Town yesterday

The announcement comes in the wake of a $40 \%$ fuel price rise last month followed by arr fares in creases of between $8 \%$ and $11 \%$ and wide－ranging bus tariff increases

Mr Schoeman said that owing to circumstances ＂beyond his control＂，he was compelled to introduce rall and road fares adjust－ ments
But a spokesman for SATS said last mght．＂The matter hasn＇t been final－ ised yet，but we expect to be given between R400－mil－ lion and R430－milion less than the R825－mulion we asked the Government for＂

And this amount is a massive R210－milion less than the R605－million hand－ ed out by the Government for SATS＂＂socio－economic services＂in the current financial year
The Progressive Federal Party spokesman on Finance，Mr Harry Schwarz，last nıght told GERALD RELLLY of the Mall＇s Pretoria Bureau． ＂We have asked for a cut back in Government spend－ ing－not in essential socio economic subsidies which would threaten the stability of the country
＂Certan socio－economic expenditure incurred to maintan stabinty is essen－ thal and this includes subsi－ dies to cheapen commuter urban ral fares
＂I find this remarkable and disturbing that when the country is caught up in an inflationary spiral，the costs of the majority of the country＇s workfores are to be rased to the extent they have．
＂It is incredible they can do this in the middle of a depression，＂Mr Schwarz said
Apart from factors such as the rand／dollar ex－ change rate and the downswing in traffic，the recent increase in electri－ city costs and the fuel price had necessitated the adjust－ 0 ments，Mr Schoeman said He said electricity and fuel comprised $15 \%$ of SATS＇operating expendr－ ture It was expected this bill would rise from R980－ million to more than R1 250－million
And，at a Press confer－ ence in Johannesburg，the SATS＇assistant general manager，passenger ser－ vices and road transport， Mr Barry Lessing，sald SATS will be getting R450－ million less than we hought we＇d be getting


Kiddies hero－Noddy of Toyland－might have a car the same colour but the price bears no comparison ing Ferrart Dino was one of the 60 famous－name cars which came under the hammer last night at an auret hek warehouse in Bedfordview East

## Robbers in a Rolls <br> \author{ London Bureau 

}LONDON－Two smartly－

# Kaunda denies link in move on Mandela 

dressed armed robbers yes terday stole diamonds worth R700000 from De Beer＇s London headquar－ ters－before calmly mak－ ing their getaway in a Rolls Royce

The robbers entered a lift with four security guards who were carrying the dia－ monds in two small bags－ then calmly held them up with a pistol and a shotgun．

Police said the robbery was over in seconds as the two men drove off in a waiting maroon Rolls Royce

They were obviously professionals Nobody was hurt but they made it clear that they would shoot if they had to，＂sand Scotland Yard

## A whole

## By GREG STRUTHERS

FOR Ellis Park it will be a whole new ball game－in fact， so new that it has dever been played before
Plans to invent a unique summer ball game to be played at the Superbowl on Wednesday nights from November were announced by Ellis Park Stadı－ um charman Johan Claasen yesterday

The sport will not be affils－ ated to any local or internation－ al sports bodies

We haven＇t finalised the

By BARRY STREEK

CAPE TOWN．－Zambia＇s Presi－ dent Kenneth Kaunda yesterday emphatically dened any involve－ ment in the latest moves to release the jailed leader of the African Natıonal Congress，Nelson Man－ dela
He sard Mandela should be re leased unconditionally and denied trying to influence the ANC to ne－ gotiate about＂limited objectives＂， such as the release of Mandela
Dr Kaunda was contacted yes－ terday after newspaper reports that the release had been discussed at length with him and he was a ＂key figure＂in lengthy negotia－ thons in a deal to have Mandela released
It was also reported that he was pressurising the ANC to accept ＂limited objectives＂

Dr Kaunda yesterday sald that
rules yet but it will be a game
although he had urged Mr P W Botha to release Nelson Mandela when they met on the Botswana border in 1983，he had not discussed the matter since then

Regarding the key issues of An－ gola and SWA／Namibia，Dr Kaunda sald he saw no reason why he should meet agan with Mr Botha
＂On Angola nothing is happen－ ing South African troops are still there On Namibia nothing is hap－ pening These are subjects we dis cussed with South Africa and be－ cause there is no movement，there has been no contact between us because I don＇t see any reason why we should meet now－because we have not seen any fruits in terms of the effort we put into this
－The interview－Page 7
new ball game
full of blood，sweat，action and colvur，＂sadd Eilis Park Staủ1－ um manager Robert Denton
＂The Amencans have Grid－ ron and the Austrahans have Australian Rules Football，and we believe there is a market in South Africa for a summer game that will in no way con－ fluct with rugby or soccer
＂We are still drawing up the rules of the game．It will be a simple game with simple rules that will probably involve pass－ ing or throming a ball by hand． It will also be a high sconng
game
Denton was not concerned that the game was likely to clash with the highly－popular Benson and Hedges naght crick－ et series
＇Sure there will be competr－ tion with might cricket，but we will market the sport like you market a new model of a mptor car＂

The introduction of the new sport is a move by the stadium owners to help the Superbowl pay for itself The matches are expected to be televised

By $1 A A^{-}$
Lonc：
LONDON． yesterday other sting Princess ${ }^{-1}$ ish，self－ce． pecking 的： It follux ＂shampoo about her $=$ newspaper hairdresser
Shanley vealed that natural ${ }^{\text {E．}}$ has＂mour
And $\mathrm{Fl}=-$ nists，ange creasing e evi－tempe impatent indifferer Prince $\mathrm{C}_{7-1}$ enraged ； when she－ slopes in L month in it men lea Charles rassed and pose 1 will now

The mas sald she show that trousers＂ was sinuw talent fo trums＂
It sald damn＇if Charles
ang ce again the Rand Danly Mail brings anothere is an ing competition for readers to wath the final Smurnoff all－expenses trip to Durban to watch he Falsta International Jockey Test on Saturday，February 16

The lucky winner will get free dir thekets for two wo nights at the five－star Maharant Hotel VIP treat ment at the Test，PLUS R100 betting money
On show will be a Springbok team aptaned bs Basil Marcus，competing dgatos wome of the world＇ best jockeys
tion the brtter ，品i general man－
agor fur $h$ h

 $\sim$
0
0
0
0
0
0
0
0
9
9
0
0
0
0

 sesp siqu：pies［iounos $40^{3}$
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0












 syfulef spoos feyf seas mol

ares ，






 pəure［q yooys I！ey



 lutely ridiculous．

 गlfsexp 004


囊

 －

 josir sualqoxd oqui sutu
 ара DTEREdmodia uo pauriq




Binqsouneyor－buolesd
qsenueyor－diopsabnıl ，ค







 severely whe our cost Kixa paruur uaqa sisis sery SLVS子nว $\kappa$ pisqns another lesser tariff in－
crease around October last
year
 о09яเy 00＇s¢y 00＇0zเy

 unawowoola

椖



Monthly
Sasurevor－diops．annen

Weekly



$\qquad$
路磔 1nssзad

## 

## SS甘า0 anooss <br> SS甘70

## 㖾召 <br> ธัตัด

| $0$ |
| :---: |
|  |  |
|  |  |

##  <br>  <br> OL פunasjnnyhor <br> 

ol פynasэnnyhor

## SS甘70 」sมll

##  <br> ஃ\％\％8\％

怘召荡呙
8888 \％ig
商趿

OL פчnasannthor
忍思恐恐召召忍















|  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  <br>  |  |  $8{ }^{\circ}{ }^{\circ} \circ{ }^{\circ} \mathrm{C}$ |  |  |
|  웅행항잉 |  |  |  <br> $888 \%$ | Tix영 당ㅇㅇㅇㅇㅇㅇ |  |
|  |  | 弐 |  |  |  |




# Train travel not the cheapest any more <br> JOHANNESBURG - It East London the differused to be cheaper to go ence for a single journey <br> from factors such as the <br> Th/s after having 

by train - but today's 30 per cent increase in ral tariffs has made arr and road travel more economical in some instances
If you use a normal economy flight or a large car to get to your des tination, you will still be paying more than if you went on a second class train fare - but if you fly on a midnight flight or use a small cer you will beat train prices
Expenses on a train such as bedding and meals - will also push up the total cost compared to arr travel where food is inclusive
Similarly, road travel costs could be increased of the traveller decided to stay over
Comparing the three choices - ranl, road and air - using Johannesburg as an example to
is

- By car small R51,62, medium R73,61, large - R90,82
- By train second class - R79, first class R112
- By arr normal economy class - R143, late night - R71,50
The Transport Minister, Mr Hendrik Schoeman, yesterday announced rall fare increases of between 20 and 30 per cent and road transportation increases of 12,5 per cent
Third class fares on suburban and main lines go up by 20 per cent, first class fares by 30 per cent, 'and second class fares on main lines by 25 per cent
Announcing the increases yesterday, Mr Schoeman said "Apart
rand/dollar exchange rate and the downswing in traffic, the recent increase in electricity costs and the fuel price have necessiated the adjustments
"Electricity and fuel comprise 15 per cent of Transport Services' operating expenditure and it is expected that $1 t$ will rise from R980 million to more than R1 250 milion a year"
A staggering R400. million cut in the government's expected subsidy to the SATS for "socio-economic services" for 1985/6 has also emerged as a major reason for the increase
The SATS, which expects an R888-million loss on passenger services for 1985/6 only expects to recelve a R395million subsidy from the State Treasury for that period
asked the government for R825-million


## Eggs are also going up

 on the non-stop price in crease merry-go-round, and it is reliably learnt that cigarettes are expected to be hit by an excise duty increase possibly today or FridayThis could not be confirmed by the Department of Customs and Ex cise in Port Elizabeth

But a spokesman for a national supermarket chain sald there was no smoke without fire adding that the higher government tax could be slapped on with today's normal weekly deInveries

Eggs the poor man's protein go up in the Eastern Cape by as much as six cents a dozen for extra large on February 18 - DDC

*, The stars intikute the cheapest prike for thas permeulor item.

## Pric $6^{6 / 25} 51244$ Stem <br> Price shocks coming

Consumers already reeling from petrol and rail-fare price rises are in for more shocks. Prices of tea, rice, toletries and household goods are set to soar in the next two months, say supermarket spokesmen. And a shopping basket survey shows prices of some goods have already risen by as much as seven percent since December. The Star, highlighting the soaring cost of living, will closely monitor the prices of basic commodities over the next few months and tel consumers of rises. A snap survey of prices of 20 basic household

By Maud Motanyane and Jennifer Tennant
supermarkets and hyperstores on the Reef last week (see above). The average cost of items included in the shopping basket is R45,75. This does not cover the 10 percent general sales tax payable on some tems surveyed. The average price of rump steak is $\mathrm{R} 8,67 / \mathrm{kg}$; but the cheapest price surveyed was R8,46/kg. Coffee now costs R4,91 for a 250 g jar, an merease of 6,5 . percent from December, when The Star surveyed prices of basic foodstuffs. In the previous survey
coffee was R4,61 for 250 g
The price of rice has risen in one month by 7,4 percent from R1,36/kg to R1,46/kg.
Frozen chicken now costs R2,43/kg. In the
December survey, the price of a frozen chicken was $R 2,39 / \mathrm{kg}$.

The price of choice butter has risen slightly since December when it cost R2,29 for 500 g . It now costs R2,31 for 500 g Consumers will save by keeping their plastic salt contamer and simply refilling it from a plastic bag: the average price of a 1 kg plastic salt
contamer is 86 c , while

# Shock tises in bread and inizize <br> diween 12 percent and <br> On top of today's rall fares 

## Cigarettes up too

## RISING PRICES 2

increases of 20 to 30 percent, South Africans now face further economic blows - several basic items are expected to join the spiral

Prices of consumer goods, including basic foodstuffs such as bread and maize, are to rise during the next two months

These rises do not include the effeet of the petrol price increase The full effect of this has yet to filter through tot consumers, who face more rises later this year
Increases in transport tariffs apd other services offered by the South Afr1can Transport Services are expected within the next two weehs and will add to rising costs.

## RISING PRICES 1

Other commodities such as tea, rice, tolletries and household goods, are also expected to soar

An increase of as much as 30 percent in the price of maize, a staple food for thousands of consumers, is expected within the next month

And bread may rise by at least 4 c a loaf
The wholesale prices of several items rose during December and January and the effect is expected to filter through to consumers this month

Consumers can expect increases in - Rice, an increase of 25 percent - Tea and coffee, up by be-

## 15 percent

© Cereals, up by 15 percent - Toiletries, an increase of between nine percent and 12 percent

- Detergents, up by 13 percent
- Household cleaners, an increase of about 12 percent

Other goods to rise in price will include poultry, cooking oll, cold meats and frozen vegetables

Over the past few weeks the prices of petrol, domestic and international arrfares, liquid gas and foodstuffs have rocketed
Petrol rose by 25 c a litre to $88,5 \mathrm{c}$ a litre on January 23

This was followed by an increase in air fares - See Page 15.

## And now postal tariffs are $\begin{gathered}\text { Postal tariff are expected } \\ \text { to rise shority This seems }\end{gathered}$ RISING PRICES 3

 inevitable in the light of the annual report for 1983/84 of the PostmasterGeneral, Mr HO Bester, which was tabled in Parliament yesterday.He said the Post Office could not continue to absorb the losses on uneconomic post and telegram services, The Post Office budget is to be announced on

March 4.
The wating list for telephones is steadily increasing and now stands at 225000 applications.

Limited resources for extending the system and the sustained demand for additional telephone services would resuit in a greater backlog in the

1984/5 fmancial year, said the annual report.
Expenditure on the expansion of the telecommunications network amounted to R826 million during the 1983/4 financial year - an increase of 15,1 percent over the previous year.
The Post Office provided an additional 176176 telephones during the 1983/4 financial year.

Tobacco importers, wholesalers and distributors have confirmed that the price of cigarettes will be increased from tomorrow

Smokers will now pay an addltional 2 c on a packet of $10,4 \mathrm{c}$ on a packet of 20 and $6 c$ on a packet of 30 cigarettes

The prices of certain imported clgarette brands will increase by about 9 c to 12 c a packet

## 'Milk increases necessary for survival'

A rise in price producers receive for milk is imperative If darry producers are to survive, says Dr Louis Theron, charrman of the National Dary Committee of the ISouth African Agricultù̀ral Unıon

- In Pretoria yesterday he sald last year producers had already indicated to the


## RISING PRICES 4

Dairy Board that milk prices were not keeping up with production costs

Producers' prices are normally adjusted once a year Because darry producers are unable to react quickly to in-
creased input costs, they have suffered

It has been' estımated that producers are lósing between $2 c / l$ and $3 c / l^{\prime}$ at present prices.

'The Dairy Board arecommended a milk price increase of $5 \mathrm{c} / \mathrm{l}$-last November, but this was refused


RIOT POLICE were on guard at the entrance to Soshanguve near Pretoria following rumours that commuters were going to boycott Putco buses in protest aganst the new fare increases which came into effect on Friday.

According to rumours in the township, the bus boycott should have started on Monday morning At 6am yesterday not police were on standby at the local taxi rank and the main bus terminus in the townshup

Early yesterday not pohce were stull on guard at the entrance whule the local police patrolled the township

The local station commander, Major S Soko, sand "everything in the township was normal" and that commuters boarded buses as usual yesterday. He sadd the not police were on patrol

Commuters boarded buses as usual although they complaned about the high fares they were asked to pay They also complaned about the gross shortage of buses between the township and other areas

The commuters said buses were always "overcrowded" dunng peak periods and said they had complaned to the authonties to introduce more buses, but nothing has been done about the bus shortage Senete $6[2185$


## Municipal Reporter

An 18 -month bus-fare freeze and incentives to persuade companies to introduce staggered hours to spread the load on peak-hour buses are being considered to encourage more Johannesburg commuters to use public transport

Mr Danie van Zyl, chairman of the Johannesburg City Councll's transportation committee, yesterday announced a massive "back to the the buses" drive which will include a R70000 advertising campargn

He sald improvements to the park-and-ride service and the pas-
sage of buses through rush-hour traffic would be announced withn a few weeks

Mr van Zyl said bus fares would be frozen until June to attract bus passengers
"If we get a good response, fares might be frozen, or raised only slightly, during the next 18 months
"If there is no response by June, we must consider increasing bus fares for the following year," Mr van Zyl said yesterday

He said the recent petrol price rise meant a trip to the city cost 13 c a kilometre in a medum size car, compared with 7,3c a kilo-
metre by bus using an average coupon

Mr Les Pettey, general manag. er of the transport department, said it was too early to gauge the effect of the petrol price rise on bus patronage
"I have reports that some buses are fuller than before," he sald

Mr Gert Tighy, a senior transport department official, said a recent experiment showed that 16 percent of employers who introduced staggered working hours reported productivity increases

He said most employees were keen on staggered hours bur there was resistance from employers


1

## By DIANNA GAMES

and GERALD REILLY
THE stage for spiralling inflation especially in foodstuffs - was set even if the rand strengthened, a major supermarket chain predicted yesterday
:- And consumer booues havewarned of the impact on the living standards of the lower income groups of the Government slashes food subsidies in the new innancial year It is feared that a financially embattled Government will adopt crisis measures in the coming Budget, meluding possible shiarp cuts in State subsidies
I A series of meetings between consumer bodes and the Maze Board is also expected, preceding an announcement of a buge increase in the maze price from May 1

- Food retalers were this week given price merease figures on supermarket goods - expected to be effective by March --which indicate that consumers face a probable inflation rate of at least $20 \%$
$\therefore$ 'On basic foods, rice will uncrease by $25 \%$, poultry by $13 \%$, milk blends, creamers and soups by up to $15 \%$, snack foods $91 \%$, spices $8 \%$, tunned fish up to $12 \%$, toothpaste and sweets $10 \%$, and soap $16 \%$
Tea and coffee will rise by between $10 \%$ and $15 \%$ with a massive $45 \%$ increase for Rooibos tea.
Checkers spokeswoman, Ms Peta Lomberg, sadd the sale of tax-free items had increased noticeably and that a $30 \%$ "yel-
low brand" sales increase had been noted in the past six months

A spokesman for Dun and Bradstreet, business information collectors, said 2800 firms were forced into liquidation in 1984 and indications were that this would increase to 3300 thas year

He sad there had been a massive $20 \%$ increase in default judgments, with their value rising from R1 800000 m September 1983 to R5 100000 in September last year
Several estate agents sard the past four months had brought a noticeable drop in house sales with many people, hut hard by the bond rates increase, preferring to rent. One agent said houses were staying on agents' books a little longer, but more and more sellers were lowering their prices
But major clothing shops reported that annual sales - with prices dropped by half and often more - were going well
Mr V B Hammond, managing director of Edgars, said price cutting in thes year's annual sales was "far fiercer" than previously, partly due to the fact that many stores were more overstocked this season
And Mr Jmmy McKenze, senor general manager of Barclays Bank, said while the size of the bank's network made it difficult to have exact figures, it seemed the number of overdraft applications had levelled off
He said the mpact of the high interest rate would be felt in the next few months - See Page 4


# Drugs can cost 400 pc more on script 

244 , 2 , By Olga Horowitz $>$ fur $2 / 8$
High bills for causing extra grief and financial hardship for the chronically sick, a Johannesburg pharmacist says

He sand "A factor you did not melude in your survey on costs in The Star this week was the scheduling of drugs between medicines which may be bought over the counter and those which can be sold only on doctor's prescription
"Drugs on Schedules 1 and 2 may be sold freely over the counter
"Drugs on Schedules 3 to 7, including Schedule 4 birth control pills and a popuiar Schedule 5 pankiller, cannot be sold without a doctor's prescription
"The pankiller I have in mind costs about R4 50 for 20
"Every time you want a supply, however small, you have to go to a doctor and possibly pay him Rio for the visit
"Then there is a mandatory dispensing fee of R1,35 and 10c for a copy of the prescription for the medical add claim
"All this brings the cost of 20 tablets to the region of R16
"In effect the patient pays 400 percent more for the product than he would do if the pharmacist were given discretion to hand it out "It would seem that the laws concerning medicines are tallored
for the doctor and not for the public or the pharmacist," he sald The pharmacist claimed that in Spain, Hong Kong, Greece and a large part of Europe many drugs scheduled in South Africa for sale on prescription were freely available to the public

Over now to a doctor
"The most important argument aganst self-administration of painkillers is that this has caused untold harm by damage to kidneys This is why the Medicine Control Council is so strict in scheduling drugs and their usage"
The doctor added that not all doctors charged a fee for a request for a presciption
He clamed it was the pharmacists themselves who were manly responsible for the high cost of medicines
"The manufacturers have a mark-up of 20 percent," he went on
"By the time the product reaches the patient the cost of the
product has increased by more than 100 percent
"The pharmacist's mark-up is 50 percent plus a dispensing fee of around R1,50 for every item
"In my view this mark-up is not justifiable
"Is there any justification for charging R1,50 for taking a bottle off a shelf and slapping a label on it ${ }^{\prime \prime}$ "


## йp！sqns peəıg

| Spisqns e sאed $\kappa$［ <br> ＾िpsqns peәıq әч <br> о7 sәрюәр ұшәиидәлои <br> yi［udy ul əseajout pnoo <br> iq umodq jo әoud әчL <br> puru <br> әой е ио әргэр от чұиои <br>  <br>  <br> ＇sцұuou мәј ұхวu әц <br> әseərout of pəұәәdxa s！spoo <br>  <br> ＂، anssodď＇xวpun <br>  <br> osip әй pue uoḷequur qitu dn <br> dәәу үои әле sәшоәuI，，pie <br>  <br>  |
| :---: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

ว．nsso．Id＂\％ospng


 әप7 07 peal pjnoo＇suflxef［rex pue
 －noo＇sesta əousd pooz pres $\partial \mathrm{H}$


 Кq әuipap pinom səıtury әұцим pue yoeiq jo sowooui วч


 Креәдs e poipard sisturuog
















 The pace of car price rises appears to AB prices s smaller than they otherwise would hav q IITM Sosia raqi．ing teqi s！doj odoq ueo





 its January 8 th increase， $\mathrm{VW} /$ Audi an December，rose again by 4,2 percent on Mon
day．And yesterday，less than a month afte se again by 4,2 percent on Mon u！eбе ұə人


THE 50 PERCENT increase in hospital tariffs during weekends and after hours will aggrava-te-the problems of medrcal experts in the black community

Reacting to the new increases which came mto effect on February 1, the Health Workers' Association and the Azanian People's Organisation"s health secretariat expressed concern about the drastic effects of the high fees on the health of the black community
-A sungle person earnmg - between R23-R48 a week and classffied as H5, will pay R10,50 instead ot R7 after hours and at weekends

Private patients have to pay for operations at

## By SINNAH KUNENE

the rate of R50 for a half hour or less
"Together with the high daily rates of hospitalisation, this will make the cost of operatoons fall beyond the means of most people," an HWA spokesman sard

He sard some of the effects of these high fees could mean that

- People will hesitate to use the facilties after hours and at weekends adding to the, problem of people seeking hospital attention too late
- Doctors would not be able to observe the progress of their patients to ensure they survive over weekends.

He said this was partrcularly mportant in babres with dehydration or jaundice, where critical changes could occur within one or two days
"He dypeal to the authorities to reverse this disturbing trend in the health services," said the HWA spokesperson
An Azapo spokesperson sad the increase "shows the insensitrvity of the authorttes"
"Coming at a time when inflation, unemployment and drought is rampant, it can only compound the problems facung the people," he sad.
"Health care is a basic human right and it is the Government's responst blity to provide it to one and all free of charge"

## Business is tough, 'but people have to eatorn

BUSINESS is tough this was the message gained from a survey of business trends conduct. ed last week
The survey showed business, excepting food , sales, was generally slow in January

Mr Ken Coote, oper ations general manager
for a national chain of department stores, said sales in furniture, apphances and televisions were bad as a result of the goverment clampdown on payment terms and the increase in deposits He said there had been no drop in food sales and clothun was "holding it's own"

Mr Alan Baxter, senior buyer in the Western Cape for a national food chain, sald his company had had a strong Janu ary, with sales 20 percent up on January 1984
Mr Michael Stak managing director of a national clothing store which also has food departments, sard "Business has been tough Food sales have held up reasonably well people have to eat"
Ms June Kritzinger, deputy managing director of a national retail discount store, said sales were up 24 percent on ldst Janaury She sald the beginning of the
month had gone well be cause of to the holiday makers, but mid-January had been disappointing
Mr Clive Downton, regional manager of a national liquor retailing chain, said business was quiet, although the beginning of January had been busy with the holi-day-makers
Mr Brain Howard executive director of a national furniture chain, said "Nationwide sales have dechned since last year In Janaury we had a surge on fridges, stoves and video recorders, as these are imported goods and people want to buy before the prices rise"

EAST LONDON - Taxis serving the Buffalo Flats, Braelynn and Eziphunzana routes raised fares yesterday following the petrol price hike
The East London Taxı Association announced 10c hikes on all the routes

The fare on stage 1 (Parkside, Pefferville, Parkridge and C C Lloyd Townshıp) is 50c while that of stage 2 (Buffalo Flats) is 60 C
The fare to Buffalo Flats extension (Ghost Town) is 70c with other extensions being 90 c

Fares between stages are 50 c , except from Parkside to the furthest Buffalo Flats extension which is 60c
Off route drops will cost an extra 20 c Meanwhile delegates
a report back meeting of the Mdantsane and Districts Taxi Associaion agreed that fare increases be suspended untll a later date
'It was resolved that ny member who in flated fares was doing so on his own without the approval of the associa tion Commuters who were charged more should refuse to pay and report the offender to the police and the excoutive of the associa tion
The fares would remain the same between Mdantsane and East London, namely 80 cents over the week and R1 over the weekend Feeder services would stay 30 cents for Mdantsane proper and 40 cents for distant zones during the week, but rise to 40 and 50 cents over weekends - 50 cents

Pretoria Correspondent
The prace of milk will go up by $2 \mathrm{c} / \mathrm{l}$ on Monday.
Supermarkets have confurmed that their milk suppliers have told them therr price will rise by about three percent According to supermarkets the merease results from the weak rand and the cost of importing packaging

The increase will affect all milk products, mcluding maas, yoghurt and buttermilk.

A supermarket spokesman said that further milk price increases were expected as the new price did not take into account the higher cost of petrol.

An inflexible no-small-change rule by the South African Transport Services (SATS) has led to wide discrepancies between train fare increases announced a week ago and actual increases
The Minster of Transport Affairs, Mr Hendrik Schoeman, announced on February 4 'that first class thckets were to rise by 30 percent, second class tickets by 25 percent and third class tickets by 20 percent
But a SATS spokesman yesterday sard tucket offices no longer worked with copper and five cent cons, and fares were increased to the nearest 10 cents This, he sald, reduced costs
In the majority of examples of new fares supplied by Sats, the no-small-change rule has worked to the advantage of the commuters, but some third class fares - which were to have risen by only 20 percent - have rocketed by a massive 33,3 percent

For example, a third class single ticket between Johannesburg and Krugersdorp went up from 60c to 80 c - an increase of 33,3 percent The fare between Berea Road and kwaMashu also went up by 33,3 percent from 45 to 60 c



MR BUKWENI will retaliate"

## Boy dies after eating grapes

CAPE TOWN - Police belleve a mine-year-old Villiersdorp boy may have died after eating grapes sprayed with insecticide
Jannie Williams of the farm Schoongesicht died on Monday He apparently had eaten unripe grapes on a nearby farm - DDC

EAST LONDON - Taxı- would reman pz unti men who inflated fares such time as members of between Mdantsane and his association decided King Willam's Town would be taken to court Mr L M Bukwenı, chair man of Mdantsane, East London and Districts Black Taxi Association said yesterday

Mr Bukwent was react ing to a statement released to the press by Mr John Damane, Mr Headman Mbatha and Mr Duhase Kewute, of King William's Town Taxı Association who said that fares between King William's Town and Mdantsane had gone up on Friday from R2 to R2,50

The men said Mr Bukwent had no right to speak on their behalf as they were from King William's Town and had nothing to do with Mdantsane

Mr Bukwent sald he was speaking on behalf of the members of his association

What he said in the press was the decision of the association taken at a meetıng held on February 10

At that meeting it was decided that fare 1 n creases be suspended until further notice and that commuters be consulted before an increase was made

He said the fare to King William's Town
otherwise

The three men from King Willam's Town should have approached the executive of his asso cration concerning the fares to King instead of going to the press, he sand
He charged that any member of his associa tion who transgressed the fare rules would be prosecuted

He appealed to members to stick to the correct fares
"Greed would lead to your downfall," he sadd

He sald those who wanted to know the latest developments in the taxi industry should attend meetings

Mr Bukwenı said it was unfarr of certan taximen to unilaterally increase the fares because his association might retallate by reducing the fares
"Sometımes changes in fares do not bring the desired effect, but the opposite," Mr Bukwenı sald

He appealed to commuters to avold taxis that were charging higher fares, adding that it was not far for the already burdened commuter to be saddled with extra charges on fares - DDR


# SA inflation 

may hit $17 \%$

Financial Reporter SOUTH AFRICA＇S inflation rate is like－ ty to reach $16 \%$ to $17 \%$ in the coming months before start－ ing to come down again later in the year．

This is the view of Dr John Cloete，chief economist of Barclays National Bank
He said this high level of inflation could put re－ newed downward pres－ sures on the rand－or at least restrain any up－ ward movement．

Dr Cloete repeated his long－held belief that some form of wage／price policy in South Africa offered the best hope of reducing inflation sub－ stantially while minimising the damage to the real economy in terms of output and jobs．
However，strict mane－ teary and fiscal policies would also have to be pursued
In Barclays＇Business Brief for February，he sard the annual salary and wage increases agreed upon between em－ plovers and employees were an important deter－ minant of ecunotulc ac－ tivity ．
They manly deter－ mined the extent to which private and Gov－ ernment consumption ex－ penditure，which between them comprised the larg－ er part of total demand， hence of the total product produced，were increased each year．
＂Thus，average saba－ nee and wages were in－ creased by about $15 \%$ during 1984，which，after deduction of the inflation rate of $11,7 \%$ for the year， represented a real in－ crease of $3,3 \%$ ．
＂It was this substantial real increase in salaries and wages．that was manly instrumental last year in lifting private and Government expenditure by some $5 \%$ and real


JOHAN CLOETE．．．in－ flation at $17 \%$ ？
gross domestic product by some $3,6 \%$＂
But the annual salary and wage increases had not only contributed to an important extent to the level of aggregate eco－ nome activity
They had also constitu－ ted the basic source of the annual mereases of the money supply
＂Indeed，money basi－ call comes into being in the process of the annual salary and wage negotia－ tons．＂
It was，of course，true that the banks had a say in the setting up of these annual salary and wage contracts because they were normally the ones to finance the money clams allotted to em－ ployees until such time as the joint product could be sold．
＂In a situation where they compete with each other，however，the say of the banks is not as great or as final as is generally behaved．＂
He said the central bank could take the view that the banks were busy financing money clams not arising from 10 － creases in the volume of goods and services pro－ duce．
＂（They）are merely re suiting because the value or prices placed on the goods and services have
been mereased，thereby generating inflation．
＂If the central bank should，however，refuse to provide the additional cash to the banking sys－ term，except at exorbitant penalty rates which the private banks and their customers cannot afford to pay，then employers have no option than to lay off workers and cut back on production，as their wage contracts are nor－ mally concluded for a year ahead
＂In other words，refus－ al by the central bank to valdatate the wage con－ tracts immediately leads to unemployment which，in the South Afr－ can situation，in particu－ lar，is not acceptable by society and its represen－ datives in Government
＂The central bank，ac－ cordingly，normally has little option but to vail－ date the predetermined wage increases and ac－ companying price in－ creases established in the economy each year，at least to a greater or less－ er extent
Dr Cloete argued that， in the final analysis，both excessive increases in the money supply and in in－ flation originated in the annual salary and wage contracts negotiated be－ tween employers and em－ ployees in the conomy
＂Either our employers and employees，both in the public and private sectors of the economy， will have to exercise the necessary self－disciplune when allocating money clams to themselves，or the central bank will have to impose the neces－ sary discipline＂
Thus would be by＂re－ fusing to finance such ad－ ditional money clams created and in due course force the necessary cut－ backs in wage and price increases through unem－ ployment and business insolvencies＂
Dr Cloete sad＂Adp－ tron of the second option will be very costly for the economy and could even end in disaster if the un－ employment created should ate rise to serious




 "Mr Barnard is mistaken it view that petroleum compa
 0
0
0
0
0
0
0
0
0
0
0
0
0
$\#$
5
5
0
0
0
0
0最
 93 ) is not correct as all the gr.
of petrol viz 87,93 and 98 ron


 cause separation. "It is true that water in








 crude oil"

## 

hence the inital 3,6 cents a lutre "Due to the adverse rand/dollar exchange rate, the price which主

 was agreed with Government that

from January 11985 , all


 sources would all dearly luke to





 to save valuable foreign ex"Alcohol is furthermore used as
a blending component in all 93

## 

 ron fuel sold in the Transvaal and parts of the oFS and Northern nent，lead，which has a concom－
＂Mr Barnard is mistaken in his

 crease in the price of petrol 5
5
0
0
0
0
0
0
0
0 octane petrol（should probably be 93 ）is not correct as all the grades
of petrol viz 87， 93 and 98 ron pet－ of petrol viz 87,93 and 98 ron pet－
rol are being produced


 cause separation
＂It is true that water in suff．
cient quantity will cause the alco－









hence the inital 3,6 cents a litre
incentive on indigenous fuels第
 Sasol（and other producers）was
receiving for 1 ts products had 1 m － proved to the point where Sasol
 was agreed with Government that the benefit of the 3,6 cents a litre
could be suspended with effect
＂Normally，the ultimate aim of



＂Nations without crude oll re－ sour ces would all dearly like to
have synfuel industries which can






 ＂The $3,6 c / 1$ incentive was insti－ tuted because it was patent that
號

 0
0
0
0
0
0
0
0
0
0
0
0

 믈 ＂It was never envisaged that
Sasol Two and Sasol Three would


 emic ＂However，what is pertmently
relevant is that all producer

号 ＂Sasol＇s prices are therefore

 protect South Africa against boy－ cotts and to ensure we had fuel，
The Star Thursday February 14 and

ADMINISTERED PRICES One shock after another
 In the past few months price increases have come thick and fast. We have seen the $10 \% \mathrm{~m}$ crease in the price of electricity in January with another increase to follow later in the year.
The effects of the massive $40 \%$ hike in the petrol price are still rippling through the economy. This alone is expected to raise the inflation rate by some three percentage points within nine months after having massively misallocated resources
And there are more administered food price shocks on the way. For example, a maze price hike of up to $30 \%$ is expected The result of this, in particular, will be compounded by government subsidies on bread and other staples that are now likely to fall away
The latest example of the drastic implications of a sudden cut in subsidies has been seen in the transport industry, seriously affecting Sats Rail fares have increased by between $20 \%$ and $30 \%$, while bus fares have gone up by a minimum of $12,5 \%$ Postal tariffs and mulk prices are also set to follow the splralling trend.

These administered prices, as well as others, are proving the main thrust behnd our rising inflation rate More than $30 \%$ of the consumer price index (cpi), by weight, is made up of prices which are controlled in one way or another through
$\square$ Prices administered by control boards, making up $16,37 \%$ of the index,
$\square$ Price controlled industries, $4,22 \%$,
$\square$ Central, provincial and local government, 4,14\%, and
$\square$ Other State business undertakings, $6,68 \%$

For the last elght years administered price rises have outstripped average increases as recorded by the cpl Indeed, a number of businessmen assert that the administered price mechanısm has accelerated the rate of inflation (see graphs).

True, price rises in themselves are not all bad they have an important

The series of price hikes rippling through the economy are in large measure the results of the failure of government's structure of administered prices. While it is commendable that subsidies are being cut, reform must go even further: and privatisation should be a major component of it
part to play in adjusting demand. As JCI economist, Ronne Bethlehem, explains "The present SA price increases are part of internal economic adjustments acting to choke off demand Because we are so preoccupied with the damage of inflation there is a danger we may forget that rising prices have a job to do"
Anglo American's Aubrey Dickman agrees' "What we are seeing is not pleasant; but it is inevitable and must be allowed to exert its affect. I see no way of avoiding this kind of medicine and any attempt to suppress increases is wrong Nor should rising prices be matched with increases in wages."


The ability of the market to redistribute resources effectively is severely hindered Among a number of examples of distortion in the economy, there is the regulation of the farming communty The prices of many of both their inputs and outputs are administered Because the support of food production is seen both as a strategic necessity and a political expedrent, a great many of the factors of production are subsidised, and distribution is controlled as well
The upshot is that the producers are not encouraged to react to market de mand, but rather to production incentives Commodities have to be subsidised if they are overproduced, while the far mers have to be subsidised If there are shortages And they, like many operators in industries benefiting from admimistered price control, are not subject to competition - one important factor necessary to encourage efficiency

On the other hand, business leaders will point to


the fact that many prices in the private sector are rising at a slower rate than the average rate of inflation Two man factors contributing to this contrast are, of course, a reasonable degree of competition, leading to efficiencies, and an ability by the private sector simply to respond quickly to market forces. Oversupply is corrected here, not by subsidies, but by reducing prices, and shortages by higher prices
Raymond Parsons, chief executive of Assocom, says that, unlike the US, certan pricing decisions by State corporations and marketing boards - because of their domınant monopoly position - have wide effects on a small economy "The myth that these are once-and-for-all effects has been exploded by the persistence of inflationary

## kantor comments

## FUEL PRICES

## Oiling the free market



Brian Kantor is a professor of economics at the University of Cape Town, and a frequent contributor to the FM on economic matters,

It would seem high time that direct price competition was allowed in the market for fuel

The justification for price controls over fuel prices was, as I understood it, a strategic one When the oil price quadrupled in 1973 and Opec assumed control over the crude oll supphes, it was argued that the difficultes of supplying oll to SA against the embargoes imposed by Opec countries required that onl companies operating here be compensated for their difficulties by a guarantee of a satisfactory return on their investments

Sustaning and guaranteemg this return meant, it was assumed, the elimination of price competition This never seemed to me to be a good argument when SA was originally faced with oll boycotts It is surely a less satisfactory argument now that a sigmificant supply of onl is produced domestically Furthermore, Opec's share of the world oll market has declined significantly and oul has become very much a commodity traded in the market place.

Besides, the difficulties, if any, of attracting onl to SA can always be adequately compensated for by the offer of higher prices, which SA consumers of onl would naturally have to pay Nor is there a need for the Ministry of Energy and Mineral Affairs to intervene between the oil companies and their customers in a vain attempt to balance
supply and demand Market prices can always achieve that

Competition between existing oil companies, accompanied by the possibility of additional entrants to the market, would be the appropriate method for ensuring that the price of petrol closely approximated the cost of production and delivery, while providing sufficient return on capital
Strategic interests can be satisfied, as they are being satisfied, by stockpiles and domestic production
But the recent increase in the petrol and fuel price should be understood as primarily a fiscal measure The increases restore to government the taxes it used to collect from expenditure on petrol and other oll-based fuels Before the price increase, all that the government collected in taxes of one kind or another on fuel were being given back to stabilise the price in the face of the increase in the costs of onl
Petrol had become, at $\mathrm{R} 1=\$ 0,43$, a significant expenditure rather than a revenue item in the government accounts The sums involved are staggeringly large, and the effective increase in taxes on fuel for a full year will now bring in over R2 billion
But despite the fiscal imperatives, sudden shocks to the petrol or any other price of the kind administered to the economy recently should be avolded. These shocks, though not higher prices, would be eliminated if price controls over the petrol price and other associated prices, including transport fares, were removed.
Government need only determine the tax on fuel A competitively determined price for petrol would tend to rise and fall automatically with the rand cost of
acquiring oil and distributing its products The price of petrol would not be uniform and would differ as the individual oll companies attempted to expand or protect partıcular markets
If realised returns on capital were satisfactory, additional investments would be made, if returns turned out to be inadequate, existing capital could, if so desired, be disposed of to other oll companies

There is also every reason for government to avoid the temptation to use price controls to hold back some prices and accelerate others in ways that are politically popular; because this will only work in the short run, while causing great economic damage in the longer term

A major beneficiary of the increase in the landed cost of onl is Sasol. Quite correctly, Sasol receives the equivalent of the landed cost of imported oll

Now the company has largely been financed by the SA taxpayer. The increase in the price of oll, and the profitability of Sasol oll production, will obviously increase the value of its assets

Such price increases would surely be far more acceptable if the SA taxpayer were to benefit from the profit earned as a result on what amounts to their stake in the company. The obvious way for them to realise these benefits would be for Sasol to be privatised. The proceeds of sale could be used to reduce government debt and so reduce the interest and tax burden of such debt
Indeed, if the whole of Sasol were privately owned, a much larger proportion of any extra profitability from producing and distributing oil in SA would return directly to government in the form of higher taxes



Assocom's Parsons ... inflation feeds on expectations
expectations in SA"
He believes appropriate anti-mflationary policy in SA rests on three pillars - monetary policy, fiscal policy, and an administered prices policy
"Experience has shown that a policy on administered prices is an essential element in a balanced anti-inflationary strategy in this country," he adds If important State corporations are permitted to carry self-financing through tariff increases to indefensible lengths, they are largely insulated against the discipline of monetary policy It also strengthens their role as "transmitting" or "propagating" factors in the inflationary process and inflationary expectations

A failure to impose discipline on admınistered prices creates the perception among businessmen and the general public that those who administer prices, and those who benefit from them, are immune to economic discipline.

One way to solve the problem would be to keep admunstered prices below the rate of inflation Parsons says that British PM, Margaret Thatcher, land down as part of
her anti-inflationary campaign a durective that State corporations keep tariff increases to well below the rate of inflation

In response, the Britush parastatals managed to organise their affairs to comply with this gudeline
"It may have been crude, but it worked," says Parsons He adds that, in the months ahead, if SA is to cut inflationary expectations, it will be imperative for administered prices to be
$\square$ Increased at below the rate of inflation, $\square$ Adjusted regularly, if necessary;
$\square$ Phased in over a period, where relevant, $\square$ Averaged out over the business cycle, $\square$ Implemented after full consultation with the private sector, and
$\square$ Subjected to more stringent market-related tests, where feasible

While the recent $40 \%$ increase in the petrol price was a special case, it could, nonetheless, have been better dealt with using some of these guidelnes Jan de Jager, director of the Federated Chamber of Industries information services, says "Many of the administrative price increases stem from the fact that the enabling legislation of parastatals requres that they should run their operations at neither a profit nor a loss This is not a market-related approach for pricing policy Indeed, it is where the rigidity in prices emanates
"If a loss occurs because of lower sales, pnces are increased to make up the costs That is not the way a private economy should work."

The structural rigidity mherent in the production and marketing of price controlled commodities makes the removal of subsidies, paradoxically, highly disruptive The case with Sats last week is a prime example Correct though it be to phase out subsidies, their departure should be accompanied by a more radical change in the way the organisations themselves are run

Removal of subsidies, for instance, should run hand in hand with policies to privatise as much of government and parastatal services as practicable, to encourage


JCl's Bethlehem ... 'rising prices have a job to do'
competition Without reform of this kind, existing inefficiencies are simply passed on to the end-user Privatisation would also tend to increase consumer choice

UCT's Brian Kantor is highly critical of price control (see box) He points out that it encourages consumption and reduces investment Parastatals should be privatused and exposed to competition "Let them set their own prices in a competitive environment," he insists
In the case of Sats, it should be broken up into its component parts, each becoming a private organisation'prepared to compete with the other

Another important aspect in selling off corporations such as Sasol, Iscor, or Escom, is that the country's public debt could be reduced considerably The interest burden on government debt would, of course, be reduced
Ultumately, a policy of general privatisation is an essential tool in the fight to stabilise prices and improve the general efficiency of the economy It has already been declared government policy All that remains now is to begin implementation

GOVERNMENT SPENDING Tax hikes inevitable

It looks very much as if taxes will have to be raised this year. The blow will fall either in the Budget on March 18, or progressively during the course of the 1985-1986 fiscal year.

This is likely to happen even if government expenditure does not merease in real terms in the 1985-1986 fiscal year and despite fiscal drag which could merease government revenues by R 3 billion more than expected

The minumum estimated deficit for 19851986 is R4,5 billion, according to economists from two leading banks. That figure as-

Government's deficit for $1985-1986$ is certan to be in the region of R4,5 billion. This assumes spending levels will see no real increase, and takes in the extra revenues from fiscal drag The consequences are predictable.
sumes no real increase in spending, increased taxes from fiscal drag, and the carry-over from this year's deficit of around R3,8 bilhon


A deficit of R4,5 billion for $1985-1986$ is $4 \%$ of projected gnp, on equal to a $4 \%$ pub-lic-sector borrowing requrement (PSBR) in modern terms Yet, Funance Minster Barend du Plessis said the 1885-1986 PSBR would be $3 \%$ in a speech at the recent Frankel Kruger investment conference in Johannesburg

A 3\% targeted PSBR in money terms is R3,5 billion, leaving a shortfall of R1 billion from the projected minımum deficit of $\mathbf{K} 4,5$ bilion in the 1985-1986 year This must be financed by either tax increases or spending cuts




## By Peter Farley <br> Investment Editor

Transvaal packaging customers are heading for a series of substantial price uncreases following the purchase of independent Marathon by Anglovaal-controlled Consol
And whle profit margins at the three majors - Nampak, Kohler and Consol - have been severely eroded in the past couple of years, some R25 million could now be added to their combined operating profits thus year
The price of corrugated packaging has drifted steadily down over the past 10 months, from a peak of nearly R1 500 a tonne in the first half of last year to between R1 100 and R1 200 at present
This is despite a near 10 percent paper price increase last October and an inflation rate currently well in excess of 13 percent

A recovery of these costs now appears inevitable But customers also seem set for a "double whammy" with another major
paper price increase scheduled for April that is, this time, almost certan to be passed straight on in increased packag. ing prices

Throughout the country corrugated packaging prices have been held down in the areas where the independents sprung up - notably Durban, the Eastern Cape and around Cape Town - only to be sharply marked-up once the independents either folded or succumbed to overtures from one of the majors

The Transvaal corrugated market is estimated to be around 150000 tonnes a year, with Nampak holding a dominant 40 -plus percent, Kohler a Inttle over 30 percent and now Consol with slightly more than 20 percent

Marathon survived, despite intense pressure and competstion from the majors, for a little over a year And despite remonstrations to the contrary was be ginming to acheve the volumes necessary for a bottom-line profit

MD Mr Tony Crosby says that
output was on target for just over 1100 tonnes in February, with orders on hand suggesting almost 1500 tonnes in March
And he points out that though this was not a substantial market share, their lower overheads meant that they were able to sharply undercut the majors' pricing structures
This is evidenced, he sadd, by the fact that Consol increased the offer to Marathon's parent SA Bias twice, before it was flnally accepted And he pointed out that this bidding was done completely blind, as Consol executives did not visit the operation untll after a price had been accepted

Hardly the sort of baling-out operation suggested by Consol management

In the end the price of R10 million - which though it restrains SA Bias for five years only precludes Mr Crosby for two years - is an expensive way of increasing market share But it is an extremely cheap means of vastly enhancing overall margins

The Housewives' League has called for the reintroduction of price control on fresh milk and an investigation into its distribution
-The call comes after reports that the wholesale price of fresh milk will rise by 2 c a litre on Monday because of the weak rand and the crost of importing packaging

The league's national president, Mrs Joy Hurwitz, said it would now urge the reintroduction of control, which was lifted in 1983 "Increases might not be passed on to consumers by all retalers Some supermarkets have sald they will absorb the rise
The price of bottled milk will not be increased, according to Mr Nic Pieterse, group marketing manager of a major đistributor
He sald supphers of milk in cartons have had to increase their price by between $21 / 2 \mathrm{c}$ and $3,2 \mathrm{c}$ because of the rand/dollar exchange rate "And we had to merease the wholesale price by 2 c a litre"
. Mrs Hurwitz sad the retail price of milk had contmued to rise since it was decontrolled "Milk bas become a luxury in many households, yet it is one of the most basic necessities of hife, partucularlyfor growing chuldren
"We have always sald the price of mulk should be kept to a minmum, and production and distribution costs cut The distributors zare making a profit and the farmert are strugging Milk is clearly one area where middlemen are benefiting "
-qMol adej Kq yeax Sel

- wisin al pafepmajl yoog
 иопиерти! әч, spuəil Yoog


DIEPKLOOF residents yesterday threatened to boycott Putco buses if the company introduced another fare increase "within the next few weeks."

The residents threatened to take this stand at the Diepkloof Civic Assoclatıon's (DCA) meeting

The DCA's transport committee told yester-
day's meetung that Putco was set to ralse ths fares again 'within the next feu weehs" The meeting was told that the bus company had already applied to the Road Transportation Board asking for a green light ${ }^{2}$ to effect hikes of between 30 and 40 percent - the third Putco fare increaseinthree months


The MINISTER OF CO-OPERATION The MINISTER OF NATIONAL EDI,
AND DEVELOPMENT.
The information for 1982/83 is not avall able, as this information is only collecte:
every two years The information tin 1983/84 is presently berng processed Muizenberg beach-front: water-slide * 18 Mr P H P GASTROW asked the
Minster of Law and Order.
 The City Council of Johannesburg is the licensing authority for Soweto Upon en-
quiry the Councll indicated that the re-
quested information was not avalable and
 * 15 Dr A L BORAINE asked the Minis-
ter of Manpower 'дачғачМ ( $\mathfrak{l}$ ) Whether, with reference to his reply
to Question No 10 on 1 February
1984, the investigation by the Nat1984, the investigation by the Nat-
tonal Tramng Board into apprenticeronal Traming Board into apprentice-
ship and artisan tranning in South
Africa has been completed, if not, (a) Africa has been completed; if not, (a)
why not and (b) when is it anticipated
 were the findings;

result of the investigation, if so, what
action? צGMOdNVN AO YGISINIW aLLł
tThe DEPUTY MINISTER OF IAll
AND ORDER
(1) No, no record that such a complant (2) No, net on an official basis $Q c_{c}$ ! OII landed cost $19 / 2 / 8$, $* 19 \mathrm{Mr}$
of M R HULLEY
asked the Minister
(1) Whether he will furnish the House

(2) in respect of the latest specified date for which figures are avallable, (a)
what was the landed cost in South Africa of crude oll in United State
dollars per barrel, (b) what, in respect of 93 -octane petrol, was this cost expressed in cents per litre at the pump and (c) what elements com-



 after the Report has received due
consideration

 ииаидорәләр/чэнвәรал

* 16 Dr A L BORAINE asked the Minis-
ter of National Education.

What percentage of the gross national product of South Africa was spent on edu-
cational research and development in the
field of science in 1982-83?


## Consumer Report

THE price of eggs will rise by 8c a dozen for extra-large, 7c 'for large and 2e for medium from today, according to the Boland Poultry Association.
Prices were last increased in June 1984.
The association says there are fewer large eggs now.
"We are importing fishmeal because of a local shortage," said Mr William Carter, chairman of the association. "This is inferior quality and has created a protein problem which is affecting the size of eggs."

LABOUR COSTS
Other reasons for the price increase are increased packagmg and labour costs, said Mr Carter.
Medium eggs were beng increased by only $2 c$ to persuade consumers to buy them and not large eggs, he said.
"The adverse effect of imported fishmeal on egg sizes has created a shortage and we have increased the price of ex-tra-large and jumbo eggs from today," said Pıck 'n Pay chief buyer, Mr Allan Baxter.

The price of a dozen large eggs will be increased by 6 c from March 4, he said.
"INGENIOUS"
"We have been assured that the quality of fishmeal will improve and soon there will be sufficient extra-large eggs," said Mr Baxter.

Mr Bernard Helliberg, assistant director of the Consumer Council, said: "The excuses',being offered are becoming more ingenious by the day.
"People must start regarding eggs as a luxury."

| The MINISTER OF CO-OPERATION | The MINISTER OF NATIONAL EDU- |
| :---: | :---: |
| CATION |  | Ircensing authority for Soweto Upon en- able, as this information is only conlected every two years The information for

$1983 / 84$ is presently being processed Muizenberg beach-front: water-slide $\underset{\substack{\text { * } \\ \text { Minster of Law and Order }}}{\text { Mr P H P GASTROW asked the }}$
(1) Whether any member of the fouth
 Murzenberg beachfont drea in Janu-
ary 1985 , , if so, (a) when. (b) from
s. whom and (c) what was ( $(1)$ the neture
of the complants and (11) his response thereto
 Afrcan Police apprached ant owner
or operator of the said water-shde on an offical bassis in that month, if soo
(a) when, (b) why and (c) with what result?
tThe DEPUTY
AND ORDER
minister of law
(1) No, no record that such a complant
 Whether he will furnsh the House
with information on the landed cost
With information on the land , if not,
in South Africa of crude oll,
why not, if so.
in respect of the latest spectifed date
for which figures are avalabte. (a)
for was the landed cost in South
Africa of crude old
Unted State Alricars per tarrel ( $t$ ) what in respect of 93 -octane nether wan the

$\stackrel{n}{4}$


TUESDAY, 19 FEBRUARY 1985


Apprenticeship/artisan training: investigation

* 15 Dr A L BORAINE asked the Minis-
ter of Manpower
(1) Whether any memher of the touth

 whom and (c) what was (1) the nature of the complaints and (it) his respon-
se thereto, se thereto,

 an official basis in that month, if so,
(a) when, (b) why and (c) with what
result? result?
†The DEPUTY MINISTER OF LAW
AND ORDER
juredduos e yons zeyt projas ou 'on (I) No, no record that such a complaint
was lodged, could be traced
 (24) 244 Hill landed cost and $Q .61 / 2 / 86$ $* 19 \mathrm{Mr}$ R R HULLEE asked the Minister
of Mineral and Energy Affars
 with information on the landed cost
in South Africa of crude onl, if not.
(2) in respect of the latest specified date for which figures are avalable, (a)
what was the landed cost in South Africa of crude oll in United State dollars per barrel, (b) what, in re-
spect of 93 -octane petrol, was this



 1984, the investigation by the Nat-
ional Traming Board into apprentice(e) tou ur sapiran uesine pue duys


 YGMOdNVW GO YGLLSINIW ${ }^{\text {OLLL }}$
(b) The report with findings and recommendations will soon be sub-
mitted to me as Minister of Manpower for consideration
 Any action necessary will be taken
after the Report has received due
consideration
 јиаидорәләр/чэ.ввәзәд
*16. Dr A L BORAINE asked the Minis-
What percentage of the gross national product of South Africa was spent on edu-
cational research and development in the
field of scicnce in 1982-83?


## 

The Department of Health and Welfare will be publishing a teachers gurde on
"Smoking and the Respiratory System" in conjunction with all Education Depart-
ments, for distribution to all primary and ments, for distribution to all primary and
secondary schools in the Republic

In addition, a pupils workbook will be
developed and should be avalable by the developed and should be avalable by the
end 1985

Mr A B WIDMAN Mnr Charman, aris?ng out of the hon the Minister's reply, I
want to ask him whether he does not think the time has come for official actuon to be tahen to warn the public of South Africa
dganst the dangers of smoking?

* 11 Mr D J DALLING asked the Minis-
ter of Foreign Affars.

Whether, with reference to his reply to
Question No 4 on 1 February 1984, the Question No 4 on 1 February 1984, the
Government has recelved toon from the Government of Bophuthatswana in connection with the agreement entered into between the Republic and
Bophuthatswana relating to (a) the relayBophuthatswana relating to (a) the relay-
ing by the SABC of Bophuthatswana TV signals to areas within the Republic and/or
(b) any ancillary matter; if so, what was (b) any ancillary matter; if so, what was
the (1) gravamen of the communication
$\dagger$ The DEPUTY MINISTER OF FOREIGN

## (a) and (b) Yes

$\dagger$ The MINISTER OF PUBLIC WORKS.
R107 839857

## Soweto

* 14 Mrs H SUZMAN asked the
Co-operation and Development:
of Co-operation and Development:
How many trading licences were oper-
ative in Soweto as at 1 January 1985 ?


| \% |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |

(1) (a) and (b) No It is not pract
(a) and (b) No It is not practicable
for the Department to hold country-
wide camparins in order wide campangns in order to combat
specific hazards singly However, the specific hazards singly Howerer, the tunities present themselves in various
syllabi to make pupils aware of health hazards Smokng, as well as other
dangerous habits such as drug abuse dangerous habits such as drug abuse
and the absuse of intoxicating liquor are being dealt with in the syllabuses
for gudance Also. pamphlets on various health topics are compiled in close co-operation with the Depart-
ment of Health and Welfare by the ment of Health and Welfare by the
interdepartmental Advisory Committee for Health Education on which
the Department and other departments of Education are represented (2) No
tDr M S BARNARD Mr Charman further ansing out of the hon Minister answer. will the hon Minister ple ase tell us 4 " would
help his department if his colleague neat to

|  |
| :---: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

149 ing-reated problems can be alter-
ed dramatically by legislation
but rather by continued education and information
Busise "uहயup
 unos to गiqnd әul urem ol әunl si 31 yur

The CHAIRMAN OF THE HOUSE Orqueston eariter today On what occasion the hon the Minister did not reply, and I pre-
sume that he does not want to do so now
Mr A B WIDMAN Mr Chairman, can I
then ash the hon the Mimster whether he intends replving'
Mr M A TARR Mr Charman, further


Cape Peninsula meat-controlled area
*21 Mr P A MYBURGH asked the Min-
ister of Agricultural Economics
Whether with reference to his reply to
Question No 14 on 11 July 1984 , Question No 14 on 11 July 1984, the Natinvestigation into the proposed extension of the Cape Peninsula meat-controlled
area, if not, (a) why not and (b) when is it anticipated that it will be completed, if so,
(1) what were the findings and (1) when will the decision of the Meat Board to extend the controlled area be implemented?

The MINISTER OF AGRICULTURAL
ECONOMICS
Yes (a) and (b) fall away
(1) The Natronal Mat
(1) The National Marketing Council rec-

147 TUESDAY, 19 FEBRUARY 1985
ternational list price reflects cur-
rent international crude onl costs as well as refinery costs and refinery profits. The landed cost plus wholesale profit margin of
93 octane petrol amounted to 58,513 RSA cents per litre at an
exchange rate ratio of R1,00 to
USA 0.465 Dollar in January USA 0.465 Dollar in January The wholesale margin is based
on a scientufic economic analysis - de of yuzsard te syunoure pue
sisfipue otuouooa oypuars e uo proximately 15 per cent on assets without provision for tax
and interest on capital em-
ployed The present comprehenployed The present comprehen-
sive price composition of 93 oc-
tane petrol is as follows tane petrol is as follows


 $\overline{54.513}$ or $66,9 \%$ of coast price 58,513
 mined on a cost plus basis but in
terms of the international list terms of the internatonal prodSingapore and Bahrem The in-

Pump price at Witwatersrand Rallage and pipelme costs to Reef Service station profit margin Pump price at coals

Servke station profit margin Wholesale price

Less Customs and excise duty Equalisation Fund Lead Fund Levy

State Oll Fund Levy
Landed cost reflected in price
Actual landed cost including wholesale profit margin
Unit loss

Unit loss which is financed as a price
equalisation factor from the sale of stockpiled supplies pled supplies

Advertisements/sponsorship by tobacco
companies: legislation
*20 Dr M S BARNARD asked the Mins-
er of Health and Welfare
(1) Whether he intends introducing legislation relating to (a) advertisements
tor the smoking of tobacco products tor the smoking of tobacco products
and (b) sponsorship of sporting and other events by tobacco companies, if
not, why not, if so, (1) what will be
(1) (a) No
145 TUESDAY， 19 FEBRUARY 1985 14，
The MINISTER OF CO－OPERATION
AND DEVELOPMENT．

Apprenticeship／artisan traming：investigation
（1）Whether，with Whether，with reference to his reply
to Queston No 100 on 1 February
1984，the investigation by the Nat－





（2）whether any action is to be taken as a result of the investigation，if so，what
action？ צヨMOdNVW дО




Any action necessary will be taken
after
consideration Report has received due

＊ 16 Dr A L BORAINE asked the Minis－
ter of National Education．


spect of 93－octane petrol，was this
cost expressed in cents per thre at the
pump and（c）what elements co cost expressed in cents per ilire at the
pump and（c）what elements com－

かわI
of Mineral a Energy Arars

（2）what was the rand cost per barrel of


The MINISTER OF MINERAL AND
ENERGY AFFAIRS：



＊13．Mr R R HULLEY asked the Minister
What was the total amount pard out in the 1983 －88 financial year in housing sub－
sidies in terms of the Public Service Act， No 54 of 19577 ＊＊＊
†The MINISTER OF PUBLIC WORKS
R107 839857

## Soweto

＊14 Mrs H SUZMAN asked the Minster
of Co－operation and Development
 been recelved from te oonly－
ment of the Republic of Bophu－
thatswana concerning the relay－ thatswana concerning the relay－
ing of the stganal of the Bophu－ thatswana television service to
agreed target areas in the RSA
（11）A meeting between the Govern－
ments of the Republic of South

Whether，with reference to his reply to
Question No 4 on 1 February 1984，the Government has received any communca－ tion from the Government of Bophutha－ tswana in connection with the agreemen
entered into between the Republic and Bophuthatswana relating to（a）the relay－ nignyy the SABC of Bophurhatsswana
 the（I）gravamen of the communication
and（11）response of the Government？

AFFAIRS
the DEPUTY MINISTER OF FOREIGN
（i）A communication has recently
Bophuthatswana．television signals
$* 11 \mathrm{Mr}$ D J DALLING asked the Mnis－
ter of Forelgn Affars．
(a) and (b) Yes

Mr A B WIDMAN Mnr Charman，arss－
ing out of the hon the Minster＇s reply I әч the trme has come for orfficial action to be
taken to warn the public of South Africa aganst the dangers of smoking？
（1）
149 TUESDAY, 19 FEBRUARY $1985 \quad 150$

| (b) No I do not believe that smok- | ommended that the controlled ared <br> ing-related problems can be alter- |
| :--- | :--- |
| of dramatically by legislation | of Cape Peninsula not be extend- |
| ed |  |
| but rather by continued educa- | (11) I decided that before I finally decide |
| tion and information | on the Meat Board's request that the <br> controlled area of the Cape Peninsulad |
| (2) No | be extended, the bodies concerned | Should investigate the possibility of

extending the slaughtering facilties
in the Western Cape
Anti-smoking campaign
*22 Dr M S BARNARD asked the Mını-
ter of Education
(1) Whether his Department (a) is hold
ing or (b) intends to hold an ant1
smoking campaign at schools falling
under tis control, if not, why not if
so, what is the nature of the cam
paign,
(2) whether he will make a statement on
the matter?
(2) whether he will make a statement ©n
the matter?
†The MINISTER OF EDUCATION
(1) (a) and (b) No It is not practuralt.
for the Department to hold countri for the Department or hor to combl,
wide campagns in ord
specific hazards singly However the specific hazarts is using whatever oppor ?
0
0
0
0
0
0
0
0
0
0
0
0
0
5
5
0
0
0
0
0
0


 ui paiduro are soidot q\#eay snours



 ther arising out of the hon Minster's ancurt will the hon Minister please tell us if it woul
help his department if his colleague next $\$ 1$

## Escoms's East Cape tariff  <br> ruatalx $1 / 5$ <br> CAPE TOWN - Escom electricity tariffs for the Eastern

 Cape show the highest percentage increase in South Africa over a 10 -year periodThis emerged from a White Paper on the report and recommendations of the Commussion of Inquiry into the Supply of Electricity in South Africa, tabled in Pariament yesterday
In 1982 the price of Escom electricity was, however, still cheaper in the Eastern Cape than in four other regions

The report states that in terms of the total cost to consumers, electricity cost each Eastern Cape consumer $416 \%$ more in 1982 than in 1972 (a rise from 0,536c a kWh to 2,763c)
The next highest increase over this period was on the Rand and in the Free State ( $404 \%$ ) while the Western Cape ( $230 \%$ ) had the lowest rise

In the Border region, the increase was $239 \%$
Percentage rises for the two other Escom regions for ${ }^{\circ}$ which statistics are available were Natal $288 \%$ and Northern Cape $326 \%$
It was suggested to the commission that a tariff policy, which comes as near as possible to supply at cost be, accepted
Transmission costs to certain reference points could then be established, so that each consumer's transmission ${ }^{\text {. }}$ cost would include his share up to the nearest reference point plus the additional cost between the consumer and the reference point
Rises in electricity tariffs should occur only once a year - in January - and should include the coal price adjustment for the following year and should be valid for the whole year
To reduce administrative costs and elimınate inconsistencies, the report recommends reducing the existing seven regional distribution undertakings to three $A$ two-tier control structure is recommended, consisting of the Board of Control of the Electricity Supply Corporation (Escor) and a management structure
An Electricity Amendment Bill is to be introduced electricity supply in South of Parhament to rationalise electricity supply in South Africa "as soon as possible" bottles, Douglasdale Darry in Bryanston has put up the price of its bottled milk by 2 c .

The wholesale price of fresh milk supplied in packages went up by 2c a litre yesterday because of the effect of the weak rand on the cost of 1 m porting packaging

Douglasdale Darry also increased its prices per ? bottled litre from 68c to 70c

Mr Duncan Dewar, a spokesman for Douglasdale Dairy, said the increase was to cover the increased cost of petrol
A spokesman for Nel's Dairy, Mr Andre du Tort,' saíd its bottled milk'would remain at 68c and he knew of no other dary other than Douglasdale Dary in the region which had increased its bottled mulk price

The price of bottled mulk would not be increased, according to Mr Nıc Pieterse, the marketing manager of a major distributor

He said suppliers of milk in cartons had had to increase their price by between $2 \frac{1}{2} \mathrm{c}$ and $3,2 \mathrm{c}$ because of the rand/dollar exchange rate "And we had to increase the wholesale price by 2c a litre"

The retall price was not controlled, and whether consumers would be affected would depend on whether retailers could absorb the increase


Political Staff
PARLIAMENT. - All three opposition parties in the Assembly yesterday criticized the new transport increases, saying they had not been entirely necessary and would increase the cost of living.
Mr John Malcomess, chief opposition spokesman, said the increases would not have been necessary if the government had paid SATS compensation for its losses on socio-economic passenger ser-1 vices.
Mr R F van Heerden, the Conservative Party's spokesman, said the increases were "shocking" when taken to ${ }^{-}$ gether with recent air and rail fare increases and the massive rise in the price of petrol and electricity.

## 'Deficit'

!
Mr Vause Raw, chief spokesman for the New Republic Party, said the country could have expected better than a "defiet"" budget.
Mr Halcomess congratulated SATS management and staff on their achievement in the current year as a profit seemed on the cards "despite a severe economic downturn".
Mr Van Heerden sad farmers would be hit by the 12,5 percent increase on livestock transport, sugar cane, power paraffin and diesel.
"The shock"waves will spread further in the next few weeks and further increases can be expected in the price of food as well as manufactured goods.

## Bright spots

"Add to" all this another increase in petrol, an increase in GST which is certainly going to follow, the high interest rates which are being paid at present and the picture looks bleak."
Mr Raw said the only bright spots in the budget were the achievement of the SATS personnel in conveying an increased traffic load with a 16 percent reduction in staff and the saving on capital budget.

- Sapa reports Mr Schoeman as announcing in the House that the SWA/Namıbian administration would assume full responsibility for rail and road services in the territory from April 1.
- He also announced that the financial and organizational struc ture of SATS would be investigated by Dr W J de Villiers, chairman of the recent commis sion of inquiry into Es con.

|  | $\cos ^{2} 824$ | SOWETAN, | sday, February 21, 19 |
| :---: | :---: | :---: | :---: |
|  |  |  |  |
|  |  |  |  |
| ANOTHER bus fare increase is on the cards. |  |  |  |
| This time it comes intoeffect on November 1 |  |  |  |
|  |  |  |  |
| and Putce has already |  |  |  |
| submitted applications to the National Road |  |  |  |
| Transportation Board. |  |  |  |
| The chef PRO for mitted to the Transpor- the overall 24,2 percent effected last month othe |  |  |  |
| Putco, Mr Pat Rogers, yesterday confirmed | tation Board | which was to be effected | "Because the laid pro- |
| that applications for a | Efiected | petrol price hike but wa | cedure does not allow |
| further 15,1 percent increase had been sub | The applied percentage, he sard, was part of | divided into two parts of | cation at a tume, provi- |
| crease had been sub- |  | which 9,1 percent was | sion was made for costs |



# Now Operation  Hunger mistive find another R6m 

## Own Correspondent

JOHANNESBURG - Operation Hunger has announced that despite massive private sector aid and support totalling R4,5 million, it faced the "overwhelming prospect' of having to find R6 million in the next 12 months

A few months ago Operation Hunger announced it would have to cease its feeding operations of selfhelp schemes to more than half a million people in drought-stricken regions because it had run up a R15-milhion deficit

At a press conference in Johannesburg this week Mrs Ina Perlman, director of Operation Hunger, said since two weeks ago when she had compiled a budget for the next year two appeals for aid for another 39000 people had been received
"Do not be fooled by the recent rans," she said, pointing out that the drought still persisted in many areas and that the floods had increased the Inst of people in despair

And in an alarming disclosure she also announced that appeals from urban areas were streaming in largely because of the economic recession resulting in retrenchments and unemployment

## Warning of disaster

"In Port Elizabeth we anticipate having to spend almost R500 000 In Riverlea, here in Johannesburg an emergencv committee has been established to cope with a new and urgent hunger problem"
Mrs Perlman warned that in view of retrenchments the coming winter could produce "one of the worst disasters in history" if Operation Hunger could not go on meeting its targets
However, Operation Hunger has worked out a plan of action to put its finances on a sound footing
The chairman of Operation Hunger's Business man's Action Committee, MrJonny Frankel, said the intention was to approach private sector companies both histed and unlisted, to pledge fixed sums of money over a few years towards Operation Hunger
Companies would also be asked to approach their employees to donate a fixed sum every month from their salaries and that the companies would match therr employee contributions rand by rand

It had also recelved the go-ahead from the government to approach public sector bodies on the same basis, such as Escom, Iscor, the South African Transport Services and semı-government institutions such as Sasol

The chairman of Operation Hunger, Mr Mervyn Kıng, thanked the private sector and the public for having "responded superbly" to calls for assistance by Operation Hunger
"The good news is that some 150000 people have, with the assistance of Operation Hunger, reached the point where they have been phased out of emergency famıly feeding schemes in certain areas


PORT ELIZABETH - A capaenty crowd at New Brighton's Rio Cinema yesterday called on police to keep out of the townships during a stayaway planned for March 16, 17 and 18
The stayaway, described as a long black weekend, is in protest against increased prices and bus fares
Called by the Port Elizabeth Black Civic Organization and Port Elizabeth Women's Orgamization and attended by about 2000 people, the meeting unanımously expressed the view that police interference provoked violent and uncontrolled situations
The planned stayaway will involve the boycott of PE Tramways buses on these dates, no shopping in the city on the Saturday and Monday, and African workers - excluding doctors, nurses and hospital staff - are called on to stay away from work

The meeting resolved that police escorting delivery vehicles should travel in separate vehicles rather than in the delivery vehicles as the latter provoked violent clashes with youths

Asked to comment, the police liason officer for the Eastern Cape, Lieu-tenant-Colonel Gerrie van Rooyen, said police would protect vehicles in the manner they thought best He did not wish to comment on other claims


碞

In:
蛆


三 No Whether his Department provides any
financial assistance to tobacco farmers if
so，（a）whyt，$b$ to how many and（c）what
was the total amount of assistance pro－
vided in the tatest spectfed 12－month
penod for which figures are avalable？
The MINISTER OF AGRICULTURAL
ECONOMICS．
 eare jeyen way equon
eare efnsuruad aden

 （1）（1）



 ister of Agricultural Economics：
ECONOMICS MINISTER OF AGRICULTURAL




 （1）







 Whether his Department has taken any O．Mr R P C ROGERS asked the Mims－
ignultural Economics （1）Mr R P C ROGERS ashed the Minis－
 （b）From 1 Apnl 1985.
（2）No，not at this stage ＇S86I ILIV I wols（ 9 （


| $0 L$＇69＇sureyv uitaiog 762 ＇uon <br>  |  |
| :---: | :---: |
|  |  |
|  |  sanffy umo |
|  | 08 ＇sireyfy hodsue．j |
| S6＇siryjy foodsuex | $81 \varepsilon^{\text {＇İPIO PUE Met }}$ |
|  | E9Z＇ $8 \downarrow$ Z＇ $6 E Z$＇ $8 E Z$＇LEZ <br>  |
|  | † $\angle 1$＇surureal pue uoneonps |
|  |  |
|  | pue zuzudoparad＇uonerado－0つ |
|  |  |
|  |  |
|  | sumffy jizuà |
|  |  |
| －ronpa pue ıurudopara＇uonexado－0才 |  |
|  | 9LZ＇syriom riqnd |
|  |  |
|  | E8I＇081 <br>  |
|  |  |
| 992 ＇99］＇uomeonpa reuonen |  |
| 992＇991＇uorienteg reuorien | sunff иmo |
|  | E9\％＇LL＇ssirejf |
| 592 ＇ 991 ＇$\downarrow \angle$＇ 89 ＇uoll <br>  | LEZ＇uoneonpa feuonen |
| ：Sumffe praua | 6£t＇sıreyjv кinaug pue jerouw |
|  | LOZ＇66I＇Iәр．О рие ме7 <br>  |
|  | 0ヶて＇əoueurg |
| Sti＇uoneonpa puonen |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

vor


 N tion．

 IR，Sandton，were provisionally de－
clared to be national monuments on
 Yes The so－called Weber House and
the Old Laboratory，both situated on
The MINISTER OF NATIONAL EDU－
CATION
（1）Yes The so－called Weber House and

 uotpues ui sannadord кue дачюәчм（z）




$$
\begin{aligned}
& \text { Sarr Wool Board } \\
& \text { MA Warr Board } \\
& \text { Tobacco Board } \\
& \text { Meat Board }
\end{aligned}
$$



$\qquad$

 Potato Board $\quad 2124546$ SDIWONOJG TVYחlinoIaOV do galsiniw aul

## L



The MINISTER OF AGRICULTURAL
ECONOMICS．
 or the latest specified 12－month or other
period for which figures are avalable，in

 $\langle\boldsymbol{L}$ ‘ə๐иәэəの -d SNW'preureg Health Services and Welfare, 171, 333
 Law and Order, 318
 Education and Traning, 174
 Constitutional
ning, 218 Development and PlanAgncultural Economics, 352

Barnard, Dr M S-
$9 \angle 2$ 'syiom गqqnd
Bamford, MrBR-
Local Government, Housing and Works,
180,183 Education and Culture, 240, 288 Budget, 179, 288 Transport Affarrs, 77, 263
Own Affarrs National Education, 237 Mineral and Energy Affairs, 239 Justice, 160, 312, 319, 328 Finance, 240
 Co-operation, Development and EducaAgricultural Economics, 352 Andrew, Mr K M
General Affars - $\mathrm{N} \boldsymbol{\mathrm { H }} \mathrm{dW}^{\text {‘haspuy }}$

## QUESTIONS UNDER NAME OF MEMBER

Foreign Affars, 69, 70
 Water Affarrs, 32 Transport Affars, 95




 -r a dw 'sulitea









 Burrows, Mr R M-
General Affarrs
Co-operatoon, Development and Educa-
ton, $68,74,165,265$
Mineral and Energy Affars, 167
National Education, 166, 266
Own Affairs
Education and Culture, 178, 287




 on（z） or altered into a permanent declara－
ton
（2）





－nga TVNOLLVN do yallinin aull




 Tobacco
Meat Board


 preog euvueg
preog serion


 BOARD
 ：SDIWONODG TVZחLINDIBOV IO HGLSINIW 2 LL



 | sugqndoy our ur suonipuos |
| :---: |
| 10 |



$\rightarrow \stackrel{\sim}{\infty}$ 古
$\qquad$ ON の啇 ずゃ コール
 Wi̛mueginitior



(c) R 966604
L6t 89 I zとા (9)
01を £โ9 L9てd (e)
The MINISTER OF AGRICULTURAL



t86L jo podsar u！uofitim LSO It（E）

 －
등클

Hon $\begin{aligned} & \text { struction of roads，if so，（a）what } \\ & \text { total amount has been or is to be so }\end{aligned}$


to Question No 17 on 15 February
1984，the National Road Fund has

 pund proy fruopen $^{\text {pan }}$



What was the value of the Republic＇s

$$
\Theta
$$

$\begin{array}{ll}\cdots & \cdot \\ \cdot & \cdots \\ \cdots & \end{array}$

The MINISTER OF AGRICULTURAL
ECONOMICS





 TVYחLInDI\＆DV ao yGisiniw ati for agricultural purposes as a result or ur．
baear？ What is the estimated area that was lost
for agrcultural purposes as a result of ur－
349
 310 Mr R W HARDINGHAM asked the
Minister of Agncultural Economics synuspooy snidins
 （a）R8 791，587 million ECON MINISTER OF AGRICULTURAL
 0SE


## 










#  

 Board which is made up of 42 highly-qualified pharmacists," sathe distributor.
 - arnisejnueux







 ut "SI!





 nications : Leaps Munim! presentin is $_{\text {is }}$ Post Office budget, sad he had tried to make the burden for the ordinary consumereas light as possible
However, he sad, capital expenditure to create infrastructure was essential for progress and the tariff mereases were therefore "in the national interest"
From April 1

- Local phone calls will go up from 8 to 10 c
 - Trunk call rates will increase by as much as 25 percent but by a lesser percentage for long distances
- Overseas calls will cost R4 a minute - up from R3 52 a minute
- Although local calls from payphones whll not cost more, dialled trunk calls from such phones will merease by 10 c or 20c per three-minute period deypending on distance. - Telephone rentals go up by R2 a month, as do Protea 'and Disa-type exten-
 Fion rentals
- The cost of
mailing a standardised letter to an inland destination goes up from 11 to 12 c - and a new 12 c stamp has been designed for release on April 1
- The full range of parcel 'rates goes up For example, a surface-manl parcel of 100 gm , now costing 71c, will cost 85c.
- Registering a postal artı-
cle wull cost 55 c instead of 45 c
- The surcharge for express -delivery goes up
from R1 10 to
R1 50
- Post office
box and private
bag rental rises
by as much as
25 percent
- Telex calls go up from 8 to 10 c a unt.
O Inland telegrams will cost
6c a word (previously 5 c and and
the handling fee goes up from
R1 to R1 15
o Overseas telegrams will
cost an extra 6 c a word
The new macreases mean that
Post Office services will cost
about 50 percent more than
they did three
years ago
Dr Munnik
told Parlament
of more to
come He sald
"It has been
found that tariffs will probably
have to be adjusted during
1986-87 as well, to an extent of
about 10 percent."

 frankly 1 on＇t know how much
more the consumer can bear
 ${ }^{2} M$ đ doqs 07 suros



$\qquad$
 ＇y Yuundilig pres＇sosuey






$$
\begin{aligned}
& \text { countries during the year. } \\
& \text { The automatic exchan }
\end{aligned}
$$






 $\frac{(0) 4}{6}$ （

| quuow jed <br> 64 | 號 | 1VIN38 3NOHd：3I |
| :---: | :---: | :---: |
| $\begin{gathered} \text { pIom lad } \\ \substack{ \\ \hline} \end{gathered}$ | pan 等d 31 | swvyoulil sショsyano |







net nucrease of 300000 tele－
phones during，the present
financial year，＂he went on．

 $\sim$
0
0
0 Dr Lapa added that the esti－ reduced from 245729 to
232000 in the past year，said PARLIAMENT－The watt－
ing list for telephones was SOUOUA TOf OUITRM IOMD H 8c for 1,375 seconds（ $\mathrm{R} 3,52 \mathrm{a}$－Standardised inland letters 10 percent in the 1986／87 year． Ho
0
0

 0
0
0
0
0
0
0
0 a record Rost Office in Parlia－
for the Post
ment yesterday． $0 .{ }^{2}$
0
0
0

 cost more to make a phone
call or opsta a letter．
Those are but two of many PARLIAMENT－It will soon
cost more to make a phone －xә әq pliom suotieu






Dr Munnik said unrest in





0 B
0

青 0
踢





Uセวய




## Pun 0

 00
0


4．t of




R
）

| 㩊 |  |
| :---: | :---: |



| 2¢กuเแ 0 |  |
| :---: | :---: |



## 

LOCAL
$\sim$


SHdVYOBTII ONV SISOd





 －


| (\% $\%$ 'br) uoIt <br>  |  |
| :---: | :---: |
|  |  |
| [im sepe. әsefsod pue jovied 'urex |  |
|  |  <br>  |
|  |  |
|  |  |
|  |  |
|  |  <br> -SUOT |
|  | -estuesio dounsuoo dofeum pue |
|  | suotun әред 'quəuritired ut uew |
|  | Ieivueutf 'spsiuouoje 'Sxisnput |
|  | рие әреля pasiuesido Кq peuwiop |
|  |  |
|  | L IIJd甘 U0 \% |
|  | ue \%6 uөәмұәq Kq dn |
| 0807 Ode 5e8deप -01H0 |  |
| 7SOd 7e47 queurounou |  |
|  | ue s,Кердәısәк peдәәлі |
|  |  |
|  | Hełs [EDIt! ${ }^{\text {a }}$ |




|  | $\stackrel{\bigcirc}{\square}$ |
| :---: | :---: |
|  | $\begin{aligned} & \stackrel{F}{0} \\ & 00 \\ & 0 \\ & 08 \end{aligned}$ |



## OPPOSITION politicians, economists and consumer organizations have condemned the Post Office tariff increases announced yesterday as inflationary and unacceptable. <br> Opposition spokesman Cape Town Chamber of

## Increases set for April 1

Own Correspondent
JOHANNESBURG - Aprıl Fool's day will bring a 25 percent increase in some telephone tariffs, an increase in postal costs and a new 12 c stamp to replace the current 11c one
The Minister of Communications, Dr Lapa Munnik, announced extensive increases yesterday during the reading of the Postal Budgetin Parliamest, which is expected to come into force on April 1
The extra one cent on the 31 cent stamp represents an increase of nine percent for standard postal items

Dr Munnik announced increases of 25 percent in the telephone unit price for local and trunk calls fromelght to 10 cents, about 14 percent for automati cally dialled overseas calls - R3.52 a mınute to R4 a minute, 29 percent in telephone rentals-from R7 to R9 a month, nine percent in standard postage - from 11c to 12 c , about 20 percent in parcel tariffs, and 20 percent in telegrams

Mr Alf Widman, said he was "shocked and disappointed". He said Dr Lapa Munnik, Minister of Communications, could have avoided the increases by budgeting for a deficit instead of a R68million surplus
He said Dr Munnik had expected a deficit of R131-milion this year but had finished instead with a surplus of R29,4 milhon This meant the Post Office was R160-mıl lion better off than at had expected to be
New Republic Party spokesman Mr Brian Page described the Post Office budget as a "bad news budget", but said it was gratifying that Dr Munnik had kept increases on everyday items, such as letters, down to a minimum

## 'Inability'

The PFP spokesman on finance, Mr Harry Schwarz, said "The government is setting the worst possible example by failing to exercise control over administered prices"
The government could not expect the private sector to curb price rises if it continuously demonstrated its own inability or unwillingness to curb the prices of vital services and commodities, he sald
The president of the Afrikaanse Handelsinstitut, Mr Leon Bartel, deplored the extent of the increases, while Volkskas economist Mr Adam Jacobs sald the increases would add a fur-

Commerce, Mr Brian McLeod, warned that the increases would have a ripple effect through the entire economy
"They are totally unacceptable with the economy in its present predicament," he said
The nereases would provide another boost to the inflationary spiral and this was to be viewed with great alarm, he said The Consumer Councl said in a statement that they newed the tremendous rise in Post Office tariffs with extreme disapproval - especially considering the quality of service consumers had to put up with

The council sard it was clear that the Post Office tariff structure needed to be reviewed at a high level

The government's con cern about greater productivity should be applied to Post Office personnel as well by changing their current working hours

## System

Service hours in particular needed to be carefully looked at because, according to the present system, personnel worked a 39 -hour week with an hour for lunch on weekdays
The counchl felt that service should be avanable between 13 h 00 and 14 h 00 when townspeople needed to do business at the Post Office
Other aspects which constituted a cause for concern were the scope of certain tariff in

$\omega$

CARE TIM is


OPPOSITION politicians, economists and consumer organizations have condemned the Post office tariff increases announced yesterday as inflationary and unacceptable.

# Increases set for April 1 

## Own Correspondent

JOHANNESBURG - April Fool's day will bring a 25 percent increase in some telephone tariffs, an increase in postal costs and a new 12c stamp to replace the current 11c one
The Minister of Communications, Dr Lap Munnik announced extensive increases yesterday during the reading of the Postal Budget in Parliament, which is expected to come into force on April 1
The extra one cent on the 11 cent stamp represents an increase of nine percent for standard postal items

Dr Munnik announced increases of 25 percent in the telephone unit price for local and trunk calls from eight to 10 cents, about 14 percent for automat ipaly dialled overseas calls - R3 52 a minute to R4 a minute, 29 percent in telephone rentals - from R7 to R9 a month, mine percent in standard postage - from 11c to 12 c , about 20 percent in parcel tariffs, and 20 percent in telegrams

Opposition spokesman Mr All Widman, said he was "shocked and disappointed". He said Dr Lava Munnik, Minister of Communications, could have avoided the increases by budgeting for a deficit instead of a R68million surplus
He sard Dr Munnikhad expected a deficit of Ri3l-million this year but had finished instead with a surplus of R29,4 million This meant the Post Office was R160-mil hon better off than it had expected to be
New Republic Party spokesman Mr Brian Page described the Post Office budget as a "bad news budget", but said at was gratifying that Dr Lunik had kept increases on everyday items, such as letters down to a minimum

## 'Inability'

The PFP spokesman on finance, Mr Harry Schwartz, said "The government is setting the worst possible example by falling to exercise control over adminsteared prices"

The government could not expect the private sector to curb price rises if it continuously demonstrated its own inability or unwillingness to curb the prices of vital services and commodities, he said.
The president of the Afrikaans Handelsin stitut, Mr Leon Barter deplored the extent of the increases, while Volkskas economist Mr Adam Jacobs sand the increases would add a furthe twist to the price spiral
By falling to keep the increases below the inflation rate the Post Office had made a negalive contribution to the fight against inflation $A$ 17 percent rate was likeby by mid-year and an even higher rate threat ene if general sales tax was raised in the main budget, he warned
, The director of the

Cape Town Chamber of Commerce, Mr Brian McLeod, warned that the increases would have a ripple effect through the entire economy
"They are totally unacceptable with the economy in its present predicament," he sard
The increases would provide another boost to the inflationary spiral and this was to be viewed with great alarm, he sard

The Consumer Council said in a statement that they viewed the tremendou rise in Post Office tariffs with extreme disapproval - especially considering the quality of service consumers had to put up with

The council sand it was clear that the Post Office tariff structure needed to be reviewed at a high level
The government's concen about greater productivity should be applied to Post Office personnel as well by changing their current working hours

## System

Service hours in particular needed to be carefully looked at because, according to the present system, personne worked a 39 -hour week with an hour for lunch on weekdays
The council felt that service should be available between 13 h 00 and 14 h 00 when townspeople needed to do business at the Post Office

Other aspects which constituted a cause for concern were the scope of certain tariff increases and the constantby growing telephone installation back-log
It was particularly unwarranted to increase telephone rentals by 285 percent at a time when the country was sutlering from the effects of a recession, the council said
According to econo-
mist the increases could be:holat straw for sure
cum, - teetering " it

## League: 21 ${ }^{(2 n u 4}$ pe hike ont food

JOHANNESBURG - Houseihold monthly budgets, since the beginning of the year, have climbed by as much as 21,16 per cent - and in money terms that much $\mathrm{RF}, 35$ to an average household on basic means says the Housewives League.
Figures collected by the league show an increase of 18,3 per cent and 21,16 per cent in two different supermarkets on a standard list of 27 basic items from February 1984 to February 1985.
This is well over the February inflation rate of around 14 per cent and does not include the recent 40 per cent petrol price increase, 6,5 per cent beer increase and the cigarette price increase.
The league's president, Mrs Joy Hurwitz, said price increases were forcing people to change their shopping and eating habits.
She said people were finding it increasingly difficult to keep to a budget because of large price fluctuations and sudden large expenses like tax and petrol.
She said housewives who would normally shop monthly were now having to do so weekly and
others daily because of the budgeting difficulty.
The total price of one list showed an increase from R36,95 to R43,65 and the other from R34,74 to R42,09.
Taking the cheapest of each item, regardless of the brand, some increases over the past year were:

- Rice ( $\mathbf{1} \mathbf{k g}$ ) - 89c to R1,15
- Oil (750 ml) - R1,52 to R1,99
- Mealie meal ( $\mathbf{2 , 5} \mathbf{~ k g}$ ) - 89c to R1,23
- Margarine ( 500 g ) -88c to R1,19
- Tea bags (100) - R1,39 to R1,85
- Instant coffee (750 g) - R2,99 to R3,29

- White bread from 45c a loaf to 58 c , brown bread 29c to 38 c
Eggs (dozen) - 92c to R1,30.
The survey was conducted among three major supermarkets and prices varied widely with be tween R1,15 and R1,65 being charged for rice, R1,85 and R2,49 for 100 teabags and R4,79 and R5,69 for 1 kg skimmed pilk powder. - DDC


# Petrol price 'no excuse for food price tises ${ }_{5}$ <br> In that period Checkers in- 

\section*{By Maud Motanyane

## By Maud Motanyane and Jackie Unwin

The recent increase in the price of petrol should not be used as an excuse to increase the cost of basic foodstuffs, says a director of a large supermarket
An internal study by Pick ' $n$ Pay has shown that t'e increased petrol price has affected the cost of deliveries by only 0,01 percent
But a survey conducted by The Star on February 28 showed increases in the prices of basic household products and food
One of the reasons for this is the poor rand exchange rate which has affected the price of imported raw materials such as candle wax, tea, and packaging
'A 2 kg gack of Tastic rice has gone ut by an average of 55 c , a 250 g "pack "of Joko tagless tea $^{2}$ bags by an average of 61c, a 450 g , packet of Prices candles by an average of $15 \mathrm{c}-$ an in-

crease of 22 percent
The Star is conducting an ongoing price survey of 75 basic products, including meat, vegetables, tinned food, household cleaners and toletries.
Three supermarkets have been selected They are Pick 'n Pay, Benmore Gardens; OK Bazaars, Rosebank, and Checkers, Kıllarney Mall. Spar, Blackheath, has invited The Star to include it in the next survey
The prices were first recorded in the first week of February and the second survey was on February 28
creased the prices of 26 of the items surveyed, OK Bazaars increased the prices of 22 items and Pick 'n Pay raised the prices of 18 items
A 500 g block of Rama margarine has increased by an average of 4c, a litre of milk has gone up by ic on average Despite the recent 2 c increase in the production costs of milk, Pick 'n Pay maintained the old price of 69 c
A packet of 20 imported Camel cigarettes went up an average 7 c and 20 Benson and Hedges went up an average 3c A litre of fresh orange juice went up an average 6 c
A 750 g tin of Clifton went up an average 16c A large jar of Black Cat peanut butter ( 810 g ) went up an average6c.
${ }_{2}{ }_{2}{ }^{\text {knlogram of }}$ I\&J frozen hake fillets went up "an"average 9c. Twinsavers 200 tissues went up an average7c. Surf 2 kg washing powder went up an average 48c.

## 15 pc water tariff ${ }^{6}$ rise for the Reef

A 15 percent increase in Rand Water Board tariffs will come into efféct in Sandton and Roodepoort from, April but will affect the rest of the Reef only from July
Mr Dale Hobbs, chairman of the Rand Water Board, sald today that board tariffs would inerease by 15 percent from April 1
' Accordng to spokesmen for Johannesburg, Randburg and 'Krugersdorp mumicipalites, the increase would be considered in the forthcoming budgets which come into effect on July 1.

ANTICIP'ATED
The spokesmen sad board tariff increases in the middle of councils' financial years were anticipated in previous budgets.

- A Spokesman for the Roodepoort City Council water department said the increase in water prices would come into effect on about'April 1.
Mr Jack Kendall, Sandton town engineer, 'sald he would recommend to the management committee that tariffs for residents be increased as soon as possble.
Mr Hobbs sald the increase was due to hagh interest rates and rises' in the' cost of water, electricity, coal añd chemicals.
, coal and
'He said the board was budgeting for a R6'million defictt to keep increases as low as pössible.


Gold
. London open. $\$ 290,40 / 290,90$
0
Zurich open $\$ 290,20 / 290,70 \quad$ A
Hong Kong close $\$ 291,26$


## No capital return for three years

 Why sugar industry puts up price againBy Duncan Collings
Deputy Financial Editor The South African sugar industry will record a shortfall of Ri57 mullion in the 1984/85 season ending in April this year and is headed for an estimated R200 million shortfall in the 1985/86 season.
However, the industry will not rase further loans in either of the two years but will absorb the shortfalls, says SA Sugar Assoctation general manager, Mr Peter Sale.

Mr Sale outlined the state of the finances of the sugar industry at a press briefing at which the 14 percent increase in the industrial price and 12,5 percent increase in retall price of sugar was announced.
The shortfalls are based on a formula whereby allowed cost of production uncludes roughly a 16 percent return on capital and thus the true picture is that in the current season actual costs of production and income were nearly in balance and a small shortfall is anticipated for next year.

## RECORD CROP

- But the industry has had no return on its capital investment for three years and is already indebted to the tune of R327 milLon, and Mr Sale says that in his opinion the industry has reached the limit of its borrowings and thus will have to absorb the shortfalls.
The crop for the current season, ironically, will be a record ? 34 milion tons The drmestic
rket will take 12 mill a tons
export
In view of the depressed state of the world sugar market, the local industry will not be exporting all that it has available and has started stockpiling sugar.
. There are currently 500000 tons stockpled which is virtually the capacity of the sugar export terminal in Durban, but no decision has yet been taken to increase storage capacity by erecting the proposed fourth storage facilty
The industry will lose R277 million on its exports in the 1984/85 season and exports the following season will conthaue to run at a sımilar loss, says Mr Sale, unless there is a dramatic and, at the moment, unexpected increase in the world sugar price

Further down the line Mr Sale is confident that the world sugar price will increase agan as a number of world sugar producers withdraw from the market as they will not be able to absorb the losses on their exports.

On the export front the 70000 tons a year export contract to supply Israel with refined white sugar comes up for renewal shortly and if negotations are succesful a bulk white sugar export storage facility will have to be erected
The existing terminal handles only unrefined raw sugar.
The domestic market ran at a R76 milhon surplus last year after a loss of R193 millon the previous year, and ther 'akıng into account the ', ${ }^{2}$ in nrunced increa:
an estimated R20 million surplus next year.
Mr Sale sard that all of the undustry's loans - the majority of which are denominated in US dollars - have been covered and the industry therefore recorded no foreign exchange losses.

But rising interest rates have hurt the industry and interest last year was R47 million and will probably rise to R50 million next season.

The cost of interest is included in the estimated loss figures for ths and next season.

## LOCAL INDUSTRY

Referring to the latest price increases, Mr Sale sald that it is true that while the world price remans extremely depressed, at present sugar could be mported into this country and sold for less than local sugar, but as soon as the world price recovers, which it must do shortly, this will no longer be the case.
He pointed out that one cannot sumply mothball the local industry while imports are cheaper and then re-activate it agan when the world price once more rises above the local cost

He points out that the local industry directly supports 186000 people and indirectly more than another one million

He says that if the local industry were endangered it would destory the structure of Natal and Kwazulu and would swing an average of R180 million in foreign exchange earnings into a R 500 millun deficit based on the rurrent vorld price for imports of an:
 another shock for consumers - an increase in the price of bread

The general manager of the Wheat Board, Mr Dennis van Aarde, sand there was a strong possibility that a higher bread price would be announced

Millers and bakers have been pressing for higher margins for the past five months

They could be granted a substantial
retrospective increase because of the
recent fuel price rise, sald Mr van Aarde

The Government was paying an annual subsidy of R280 million on the price of brown bread and was unlikely to raise it further, said Mr van Aarde Bread prices will morease again in October when the Government grants wheat producers their annual increase Brown bread presently costs 40 c and is being subsidised by 14 c a loaf The price of white bread, which is unsubsidised, is 60 c

$\therefore \quad \underset{$|  Maud Motanyane and  |
| :---: |
|  Jackie Unwin  |$}{ }$

${ }_{3}$ A spoonful of sugar won't ${ }^{2}$ help the medicme go down $i$.this time. The increase in the rretail price of sugar announced on Thursday, which will result in an increase of \$. about 12,5 percent in the con-
i'sumer price, will have a ripple effect on about 200 house' hold shopping items.'
$3_{i}$ The retall price of sugar has - increased by 39,88 percent over ' a 12 -month period.

There is no price control on $\therefore$ either the wholesale or retail prices of sugar, but it is estimat-- ed that the retall price of a $2,5 \mathrm{~kg}$ pack of whte sugar will go up by about 25 c from about R1 96 to R2 21, and that of a 1 kg pack of brown sugar by about 9 c - from about 73 c to 82 c
But at least some of the manufacturers of sugar-based products sadd their prices would not rise any further at the moment because the sugar price rise had been anticipated and built into
'this year's pricing policy.
!' 'Disastrous Drought' This is the second sugar price increase within six months
Mr Ian Smeaton, charrman of the SA Sugar Assocation, said the price adjustment in September 1984 was necessary to provide some alleviation to the industry following the serious financial problems resulting from the disastrous drbughts.
He sald the new price mCrease will bring the industrial selling price up, to the level of the estimated cost of production for the 1985-86 season

Mrs Joy Hurwitz, president of the Housewives League, said "I fall to see why in a recession we must have an increase in this commodity There has been an over 300 percent increase in the sugar price in the past 10 years
"In a recession an increase of this size is unacceptable whatever the state the sugar industry is in. Consider the state consumers are in. We cannot afford an increase of this size
"I hope and pray we are not going to have similar rises with maize and bread prices, which
are -
are next on the list ". .
Mr Bernard Hellberg, assis-i tant director of the Consumer Council, sald. "In a sense we are dealing with a luxury but we are afrad that we will probably see the soft drink manufacturers :using this as justification for a price increase in their product. even if it contans artificial sweeteners.
"The increase will affect bis-" cuts, jams and sweets But you can survive without them."
Mr Rıchard Cohen, a director of Pick 'n Pay, said the price increase was not unexpected.
"One has a lot of empathy for the sugar farmers but on the other hand it's another nall in the coffin of inflation and the man in the street
"We have certain stocks of sugar and while these last we will keep the prices down It is difficuit to say how long this will be"
Miss Peta Lomberg, Checkers' public" affairs manager, said "Any sugar increase at this time will fuel inflation because it has repercussions on so many other products
"We do have some stocks and we obviously woll hold the price for as long as we can depending on the quantities people buy.
"The increase could start impacting on the other products in anything from two weeks to two months, depending on the product and how far production is ahead of demand."
Mr Phillig Botha, deputy general manager (local market) of Langerberg Koop Canned Products, sald- "Although this is a substantial increase we will have to absorb it because our last increase - an average of 5,8 percent - was only on
March 1" March 1."
Mr P Beyers of Cadbury Ltd sald "The increase was expected and this was taken into consideration when we worked out our pricing policy this year Some products have already gone up and others will go up in the near future"
But Mr K Blumberg, chairman of the'Sweet and Chocolate Association, said he had no mandate to comment for the whole industry but the price of sugar would most defintely be passed on to the consumer

price
up next
week
THE petrol price will rise by up to 1,7 cents from Monday and there is the alarming possibility of two other price rises before the middle of the year
According to an AA spokesman, Mr Grdeon van Oudtshoorn, the higher rallway tariffs imposed in the SATS budget last month could add another cent a hitre from April 1
A spokesman for the Department of Mineral and Energy Affarrs sald in the City yesterday that exact figures had still to be finalized
But he sald it was expected that increased GST would add 1,5 cents a litre to the price of fuel at the coast.
Before the huge January hike, a 60 -htre tank cost R38,10 to fill From Monday it will cost R54,12
Other increases scheduled for April 1, announced in the budgets of individual government departments in recent months, include the Post Office increases in postal rates, with a 25 percent hike in some telephone tariffs, and an average increase of between 6,3 percent and 14,2 percent in rail and road transport goods tarrffs and harbour charges General price 1 n creases over the last three months include rises in the cost of petrol, air fares, cars, rálway fares, milk and sugar

## 'Everyone'

Mr Brian Goodall, the Opposition spokesman on Mineral and Energy Affarrs, warned that the increase in the price of petrol would affect everyone as petrol was a cost for all busmesses
"No doubt this will be passed on to the consumer and inflation will feed ${ }^{\text {. }}$ on mflation," he added Mr Phllip Krawitz, president of the Cape Town Chamber of Commerce, sard the increase in the petrol price was the first realization of the effect of the increase in GST
Mr Colin McCarthy, di-rector-designate of the Cape Chamber of Industries, said he was shocked at the increase because of the ripple effect it would have on the rest of the economy Own Correspondent, Political Staff, Sapa and Staff Reporter


By Maud Motanyane
The Consumer Council has accused large supermarkets of undiscriminately increasing prices on basic products and called on them to review their policles and give more consideration to the consumer.
Surveys conducted by the councll over the past five months revealed that cleaning products had increased by 22,9 percent on average, groceries by 7,5 percent and toiletries by 27,3 percent
The council kept regular price checks on 101 arts-
The council's director and hyperstores in Pretoria Mr Jan Cronje, sald "The question arose whether large chain stores were as concerned about the consumer's welfare as they professed to be" The retallers, however put the blame at the door of the manufacturers.
"Some supphers had increased their prices two or three tumes over the last six months," sald Mr Richard Cohen, a director of Pick'n Pay
He sald it was unfarr for the Consumer Council to blame supermarkets for the recent price rises

We do not put prices up unless we are com pelled to do so by the manufacturers"
The Spar Group's deputy director, Mr Mike Dobson, sald some major manufacturers had announced price increases at the end of December last year These were to be effectuve from the beginning of January

"This was done on pur pose by manufacturers who knew that retalers could not stockpile over the Christmas period and get large supplies before the prices went up," said Mr Dobson

A spokesman for Checkers sald he was delighted to see the Consumer Councll was ful filling its role, that of being the consumer's watchdog
"But in this case they have got the wrong end of the stick," he said CPI rate to February of $16 \%$ bodes ill

# Inflation may hit 

 record levels
## By HOWARD PREECE

SOUTH AFRICA's annual inflation rate in April could prove the highest in the country's history since the freak $24 \%$ in the abnormal post-war economic circumstances of 1920 .
The worst rate since then was $16,5 \%$ during for both April and May in 1982
In the 12 montbs to the end of February this year the rate was fractionally over $16 \%$, according to the official consumer price index (CPI)
That was just under the most recent peak of $16,1 \%$ which was recorded in June 1982.
The Department of Statistics said at the tume the $16,5 \%$ level in April and May of 1982 was the highest in the country's history since 1920
It is possible the rate for the 12 months to the end of March this year will show a slight dip below $16 \%$.
In March 1984 the increase was $1,26 \%$ and the rise this month could prove less - thas reducing the annual rate.
Now it is also true the rate in April 1984 rose by $1,5 \%$, mainly because of blg surge in food prices because of the drought.

With agncultural prospects looking better this year it might have been hoped the rise in April would be less than $1,5 \%$ - again reducing the annual increase in the CPI.

However, the impact of last
week's Budget - above all the direct and ripple effects of the further jump in General Sales Tax (from $10 \%$ to $12 \%$ ) - will be felt partictlarly in April
Hence the very real prospect that the annual rise in the CPI could go above $16,5 \%$ next month and thus to a 65 -year record for South Africa.
Contunued lagging effects of the slump in the foreign exchange value of the rand are also bound to take a toll on the cost of living in the coming months.
But I do not think there is much risk that some of the most pessimistic inflation forecasts for the near future - an annual rate of close to $20 \%$, or even more - are likely to be borne out.
The tough measures of the Reserve Bank and the Treasury are being felt right across most of the economy now.
It is clear, though, just how hard a road ahead faces South Africa in bringing inflation down.

In his Budget the Minister of Fwance, Mr Barend du Plessis, implucitly assumed an inflation rate for the $1985-86$ fiscal year of around $11 \%-12 \%$
This is evdent in his provision for a rise in state spending of $11,4 \%$, with an additional overrum of R407m allowed for on his more than R30bn total expendture plan.
Before the Budget Mr Du Plessis repeatedly stressed his intention would be keep the rise in State spending close to zero in real terms - that is, roughly equivalent to the rate of inflation.
Of course, the consumer price in-
dex does not equate precisely with the Reserve Bank's ultumate defintion of inflation, the deflator of gross domestic product which measures the weighted impact of all price changes
For practical purposes, however, the CPI can be taken as the basic gurde to inflation.
Mr Du Plessis is going to need all the breaks just to get inflation down to $11 \%-12 \%$ in 1985-86
But he will still have a long way to go after that.
South Africa's main trading partners - the US, Britain, Japan and West Germany - have average annual mflation rates of around $4 \%$
This country cannot easily rest, therefore, until the rate is at least back around $7 \%-8 \%$
The rate has not been that low, however, sunce - and then only briefly - the middle months of 1978.

In the 12 months to the end of February last year the CPI was down to annual rate of "only" $10 \%$ - but look what has happened since.
It would be potentially disastrous, according to most economists, for South Africa to allow another major upturn in the economy until mflation has been reduced well into single figures.
This reduction could happen but it is unllkely before late 1986/early 1987 at best.
That would rule out the prospects of any new boom phase untul 1988 even if there were a large and sustamed increase in the price of gold likely to be announced by the Government within the next few weeks.
The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, yesterday warned that consumer subsidies on bread could not be mantained at present levels.
He told the Western Cape Agricultural Union in Elsenburg that tine Government was committed to phasing ont subsidies where possible.
"This year the Government has pro-
vided a bread subsidy of $\mathbf{R 2 0 0}$ million vided a bresent prices this money will be used up before the new wheat season in October." - Pretoria Bureau.

## Big maize price increase ahead <br> 

 PRETORIA - The country will have to brace itself for a big increase in the price of maize products from the beginning of MavAt a meeting here yesterday, the National Maize Producers' Organization (Nampos) recommended a price increase of 23 percent to R277 a ton
The Maize Board's key recommendation to the National Marketing Council is expected to vary only marginally
Economists said yesterday the maize price rise would help boost the country's inflation rate upwards to 20 percent by mid-year
Nampos economist Dr Kit le Clus sand yesterday the price rise and its ripple effect on other basic foods would rase the inflation rate for lower-income groups by at least one percent
The all-items index of the consumer price index would rise by about 0,5 percent
Living costs of higher-income groups would be boosted by 0,31 percent

Nampos estimates that if the price is raised by 23 percent, the price of eggs will be affected by four percent, poultry by 3,2 percent, beef by 8,5 percent and darry products by 2,1 percent

At yesterday's meeting, Nampos called for an "adequate" subsidy to keep consumer prices as low as possible

It recommended that the subsidy be maintained at R282-million in the new financial year - slaghtly up on the R274-million in the 1984/85 financial year

However, earher this week, when Minister of Agriculture Mr Greyling Wentzel announced the inevitability of a bread price rise, he warned that the government was set on a course of phasing out subsidies

If this was so, economists said, it looked as if the consumer would have to bear the full weight of any increase in the producer price of maize

Childron_onlloct

# Meat prices likely to rise at month's end and for Easter 

By Maud Motanyane and Jackie Unwin
The wise shopper will have already bought her meat for Easter and have it stored in her deep freeze, for when demand rises so do prices.
In fact butchers recommend that consumers with freezers buy their meat mid-month, when there is not nuch money around and prices drop

| ONLY TOP GRADE MEAT WAS COMPARED. PRICES AS AT MARCH 25 |  |  |  | $n$ 10 10 0 34 34 0 00 30 30 |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Rump steak: 1 kg | 6,48 | 7,99 | 7,99 | 9,19 | 7,95 | 9,10 | 8,48 | 5,99* | 9,58 | 6,23 |
| Tenderised steak: $\mathbf{l k g}$ | 4,68* | 6,48 | 6,18 | 7,09 | 7,39 | 4,98 | 4,99 | 4,99 | 6,58 | 4,75 |
| Brisket: 1 kg | 4,28 | 2,98* | 4,14 | 3,29 | 4,19 | 4,48 | 3,99 | 2,99 | 3,69 | 3,31 |
| Lamb loin chops: 1 kg | 8,28 | 6,98 | 8,61 | 7,59 | 7,99 | 8,00 | 7,48 | 4,99 | 6,68 | 4,69* |
| Pork rib chops: 1 kg | 6,18 | 5,98 | 5,98 | 7,49 | 6,55 | 5,18 | 6,29 | 2,99* | 5,98 | - |
| Beef mince: 1 kg | 4,68 | 3,98 | 3,99 | 4,79 | 4,09 | 4,50 | 3,99 | 2,99* | 3,88 | 3,45 |
| Topside: $\mathbf{1} \mathbf{~ k g}$ | 3,98* | 6,68 | 6,68 | 6,49 | 7,09 | 4,58 | 6,58 | 4,99 | 7,29 | - |
| Fillet steak: $1 \mathbf{k g}$ | 9,98 | 9,98 | 9,98 | 9,89 | 11,09 | 11,50 | 11,50 | 7,99 | 8,99 | 6,90* |
| T-bone steak: $\mathbf{1} \mathbf{~ k g}$ | 7,18 | 6,49 | 6,18 | 7,69 | 5,98 | 7,49 | 7,19 | 4,99* | 6,58 | 5,96 |
| Stewing beef: 1 kg | 2,88* | 2,98 | 3,72 | 6,59 | 4,09 | 4,58 | 3,49 | 2,99 | 3,39 | 3,31 |
| Beef sausages: 1 kg | 3,68 | 4,58 | 4,48 | 4,99 | 4,29 | 4,29 | 4,29 | 2,99* | 4,19 | 3,06 |
| Ox liver: 1 kg | 3,48 | 3,10* | 3,40 | 3,95 | 4,69 | - | 3,89 | 3,50 | 3,69 | 3,58 |
| Chuck: 1 kg | 4,28 | 3,99 | 4,38 | 4,29 | 4,79 | 4,78 | 4,99 | 2,99* | 4,19 | 3,31 |
| Short ribs: 1 kg | 4,28 | 2,98 | 4,14 | 3,29 | 2,18* | 4,48 | - | 2,99 | 3,99 | 3,31 |
| Chicken: 1 kg | 2,59* | 2,75 | 3,06 | 2,99 | 3,49 | 3,10 | - | 2,99 | - | - |

## Keep your eye on rising prices

## By Jennifer Tennant

Within the next two months the prices of a wide range of consumer goods, including cereals and tinned food, are likely to rise by between 10 and 15 percent, supermarkets have reported

To keep consumers informed about increases, The Star will monitor the prices of 25 basic items weekly
This is the first of the weekly surveys conducted at four supermarkets in the north-western suburbs of Johannesburg Prices were surveyed on Tuesday
The average cost of the items in the shopping basket is R65,24. This does not included the 12 percent general sales tax payable on some of the items
The average price for a klogram of porterhouse steak was $\mathrm{Rq}, 72 / \mathrm{kg}$ but the cheapest price surveyed was R8,48/kg
Brisket cost an average of R4, $29 / \mathrm{kg}$ this week 4 At the end of January, when ThewStar conducted a survey of basic foodstuffs, it $_{1}$ was R4,20/kg

Milk prices have gone up since January The average price this week $72 \mathrm{c} / \mathrm{litre}$. One store has not increased the price of not increased the price of milk since January and it
still cost $69 \mathrm{c} / \mathrm{litre}$ this still
week
Coffee now costs R5,54 for a 250 g bottle, an increase of more than 12 percent from January 31
In the previous survey the average price of cof fee was $R 4,91 / 250 \mathrm{~g}$
The price of rice has risen since January by 17,8 percent - from R1,46/kg to R1,72/kg.
Bags of table salt have also risen in price In January the average price $45 \mathrm{c} / \mathrm{kg}$, this week it was $54 \mathrm{c} / \mathrm{kg}$

Bargann vegetable

|  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- |

A Star survey on Monday found that independent butchers offer meat at cheaper prices than the supermarkets
And Mr Barry Lockyer, butcher at Spar in Blackheath.t sald the wholesale prices of meat will increase rapidly towards the end of this week and the start of next, which would affect his prices
He said there was usually a rise in meat prices at the end of the month and there would also be an increase at Easter
Mr Johnny Chidrawi of the Meat Counter, Florida, said he intend ed getting in enough stock to prevent his prices going up during the Easter period.
Mr Steve Olsen of Farrland Meat Market said he tried to keep his prices steady and had a standard price list for most cuts
"We try to keep our prices as low as possible and though there are fluctuations in the meat prices they even out," he sald.
Consumers $\qquad$ should learn to use the whole carcass instead of going for selected cuts, said Mr Robin McGregor of McGregor's Meat Market in Yeoville

Bulk buyers who usually asked for the more expensive hind quarter could get a better deal by buying the forequarter, Mr McGregor sadd

## EXPERIMENT

He advised consumers to experiment with cheaper cuts such as chuck, brisket and stewing beef Veal was a good price at the moment and consumers should take advantage of that
Housewives' League president Mrs Joy Hurwitz said it was important to find a good butcher who knew how to cut and dress meat
"You must be able to trust him to give you the right quality and the right grade at the right price," she sard
"It is also important not to waste one bit 0 meat There must not be anything left on the plate after a meal except the bone
"If there is a lot of fat it is a waste If the meat is tough it is also a waste"

## Consumer

 union holds first AGMThe Black Consumer Union (BCU) will hold ats first annual general meeting at United Con gregational Church in Braamfontem this Saturday

The BCU, which is a year old this month, was founded by a number of black organisation to look after the interests of the black consumer
Two of the organisaTwo of the organisation's officials, Mr ElMrs Joyce Seroke, recently visited the United States and will give a

## 

## Pretoria Correspondent

Consuiting your doctor could soon cost you R4 more The Medical Association of South Africa (Masa) an nounced gudelines at a Press conference yesterday which will raise general practitioners' fees by an average 9 percent

A Masa spokesman said the minmmum increase for certan services would be 2,5 percent, and the maxi:mum 20 percent.

The new tariff unt will rise from seven to nine units of $\mathrm{R} 2,10$ - increasing consultation fees from about R14 to R18

The previos tariff unit was between R1,75 and R2,65
The adjustment is the first under the new medical fee system implemented last year whereby doctors can chose between Masa's private tariff or the stat utory one determined by the Representative Association of Medical Schemes (Rams)

Other professional medical people doing consultathon work - such as dermatologists, paediatricians, specialist physicians and psychiatrists - will also benefit from the merease
The spokesman sald the medical profession was aware that the announcement came at the "wrong time" because of the economic situation, but general practuoners were the cornerstone of medicine

Masa believes the tariff units for medical procedures have been too high in the past, but those for consultations too low - which caused an imbalance
"The increased fees will also be a disincentve for a patient to visit his general practitioner for a minor complant which could be cured by visiting a chemstt," sald Dr B Mandell, a member of the Masa executive committee

He said the increase could in some cases be more that 20 percent, depending on the type of practice and its patients
He suggested that patients needing major medical treatment first discuss the costs with their doctor

## Newspapt Tints intrease

THE Vover orice-of the Cape Times and other Cape
 40c from today $\rightarrow \quad$
The increase has been forced by a further steep rise in the cost of newsprint, inks, transport and production costs generally, as well as by the rise in the general sales tax rate since the last cover-price increase, in October 1984

The new cover price of 40 c includes tax (4c)
Subscriptions taken out before the end of April will be charged at the old cover price of 30 c a copy These subscriptions will be accepted for a maximum period of one year

1

ROM Postal, phone charges up
FROM today standardised letter $1 / 48$ gostage will increase by 1c to 12 c and 15 registration of postal articles from 45c to 55c. Telephone calls will cost 244 seas calls R4 a minute.

## April Fool's <br> Daym mony <br> Day no jore <br> APRIL FOOL'S DAY is no joke lor-hard-pressed

 consumers - bringing with it a new round of price increases affecting the cost of postal and telecommunications services and road and rail freight and harbour chargesThe price of local and trunk telephone callsigoes up 25 percent today from 8c to 10 c a call unit
Directly-dialled overseas calls are up 14 percent to R4 a minute and the monthly telephone rental has been increased from $R 7$ to R 9

As this charge is payable in advance it may already have been calculated on the latest accounts of some subscribers
The cost of sending standard-sized letters in creases by 11c to 12c, postal registration is up 10 cents to 55 cents an item and the tariff for priority mal is now R1,20 plus ordinary postage
Under-franked letters will cost the receiver double the shortfall.
Parcel and telegramme tariffs have increased by about 20 percent
Detanls of other post and telecommunications service tariffs are avarlable from all post offices
Increased tariffs of between 6,3 and 14 percent for road and rail transport and harbour charges also come intop operation today
The increases'are expected to have a ripple effect on the price of food, fuel and manufactured goods. The South African Transport Services' road transport goods tariff is up 14,8 percent
Posts and parcels cost 12 percent more by road and rail and livestock transport costs are up 12,5 percent Pipeline charges for diesel and power paraffin increase by 10 percent and coal transportation by 8 percent
The AA has warned that the higher railway tariffs could result in a further petrol price nicrease of one cent a litre


## Meat prices

 have taken 24 slight rise ${ }^{5 / 2 a} 44^{18}$
## By Jennifer Tennan and Kashvina Jaga

While some basic foodstuffs dropped in price this week meat prices rose slightly, a sur vey by The Starhas found
The Star, in a weekly survey of basic commodities, intends alerting housewives to in creased prices - or to in reases in the price of basic de sumer commodities.

CHICKEN UP
The shopping basket survey compares prices of 25 basic household items at four northwestern supermarkets. They were surveyed on Tuesday.
The average cost of the items in the shopping basket is R65,62. This does not include the 12 percent general sales tax payable on some goods.

This is an increase of 38 cents on the average price of 25 tems surveyed last week Then the shopping basket cost R65,24 Meat rose in price during the week
Fresh chicken rose by five percent from an average price of R2,82 a kulogram to R2,97
Bacon also went up in price by four percent from R1,89 for 250 g to $\mathrm{R} 1,97$.
However, brisket went down by three percent Last week the average price was R4,29 This week it was R4,16
Other prices which dropped included cooking oll - from R2 28 to R2 21
Tea prices decreased by more than two percent This week 100 teabags cost R2,85, while last week they cost an average of R2,92
The price of most items remamed unchanged


## Easter eggs

## cost more

Easter time is chocolate time - but seldom is much consideration given to the cost
In a snap survey of our East Rand hyperstores, it was found that The average cost of a 320 g egg was R3,27
But in comparison to chocolate slabs, The Star found that' Easter eggs were generally more expensive: Some chocolate eggs cost R5,99 for 475 g A chocolate slab of the same weight cost R3,27.

## Vegetable prices, quality vary



By Maud Motanyane and Jackie Unwin

Quality as, well , as price should be taken into considshould be taken into consid eration when choosing vege-
tables, warns Mr Martin van Rensburg national retal Rensburg, national retal manager (fresh prod
major supermarket
Prices vary so much and usually pay more for better usually y," he sard
He gave potatoes as an ex ample, in plentiful supply ample, in plentiful supply the moment, where there
great variance of quality
potato which has been wapotalogged for R2,50 a pocket, but you can also buy a better first-grade potato from the Free State or the Cape, which costs R3,80 to R4,20," he said.
The cheapest way to buy vegetables is in buik at the Johannesburg market but it is difficult to compare it
prices as quantity and qual ty vary $\qquad$ ket sald the whole pumpkin family was going to be fairly freely avallable and $g \in m$ squash in particular was a partıcularly good buy at the But
But he warned that tomatoes were going to be scarce rise

## GEM SQUASH

At the market grade-one tomatoes are selling at between R3 and R4 a carton which weigh 5 to 6 kg Let for are selling at up to R1 36 Green containing about t between R6 are selling pocket
Cabbages are selling at R3 to R5 a crate, contaning approximately 12 Green pross cost from R6 to R8 a pers cost from R6 to R8 a tray A pocket of pumpkin,
between R4 and R8. Carrots are selling at between R10 and R13 a crate, depending on the quality Gem squash were selling at between 50 c and R1,20 a pocket, contaning about 10 kg
Onions range from between R3 and R3,30 a pocket, containing about 10 kg

Large grade one Free $=$ State potatoes were selling at between R4 and R4,50 a 15 kg , while Highveld potatoes were selling at between R2,50 and R3

Golden Delicious apples are selling at between R11 and R18 a carton, while for R12 40 of bananas sold for R12,40 a carton PineR750 were between R5 and to 36 pinapples, depening 18 size

Oranges were between R3,50 and R4 for the large standard grade with large grade selling between R4 and grade sellin

## Cheaper ways to buy vegetables and fruit

There was no need to trek to the market to buy vegetables in bulk, in order to obtain good prices says Mrs Jean Tatham vicegood prices, says Mrs Jean the Housewives League.
She said she usually saved her petrol and asked her greengrocer to buy bulk tems, such as a crate of cauliflowers. She then either shared the vegetables with her friends or blanched and froze the excess The Housewives League offered other

Buy when fresh and in season Price de clines often match the local growing season and prices should go down as supply increases

- Be willing to substitute one vegetable or frut for another when the price is right - Compare the forms in which fruit and vegetables are available Are canned peaches cheaper this week than fresh ${ }^{\text { }}$ is
frozen broccoll a better buy than the fresh
therefore cheaper?
- Look for specials and buy in bulk Freeze for the future when there are shortages.
Canned whole fruits and vegetables are usually more expensive than slices, chunks and halves Pieces cost even less
Mrs Tatham advised people to start their on vegetable gardens It was essential however, to use the freezer to store surplus


Own Correspondent PORT ELIZABETH Ford Motor Company General Motors and other motor manufacturers have announced increased_new car prices with immediate effect

Volkswagen nounced price increases on March 1
The "normal quarterly nereases" have pushed up the average percentage price of popular models produced by the three Eastern Cape manufacturers by between 14 and 25 percent since April 1984
Spokesmen for the three manufacturers said the increases could be attributed mannly to the devastating affect of exchange rates The "normal" annual in* crease of vehicle prices was about 15 percent

## Cheapest sedan

Mr Bob Kernohan, press relations manager for Ford, said that in Ford's case the latest increases ranged from 1,6 to 4,3 percent
The cheapest sedan model sold by Ford, the Escort 1300 L, now costs R9745 - 201 percent more than the R8 110 it cost in April 1984 This latest price, however, ex cludes the "dealer han dling and delivery" (DH and D) fee, which puts another R90 on the price

Mr Graham Hardy, communications manager for Volkswagen, said he was not aware of any manufacturer in South Afrıca which was actually making money on its cars at present.

## 'Powerless'

He said devaluation of the rand had left the industry powerless, especially since manufacturers had to pay about 60 percent more for imported components

Volkswagen's Citı Golf, priced at R9 115, is the company's cheapest model Twelve month ago this vehicle cost R7700, representing an increase of almost 19 percent

The price of the company's top model, the Audi $500 \mathrm{E} 2,2$ automatic, has risen by R4000 to R26 700 - an increase of 17,6 per cent

A General Motors spokesman sard a 22 percent price increase was recently predicted by Mr Colin Adcock, charrman of the National Association of Automobile Manufacturers in South Africa (Naamsa), and that the latest increases announced by GM were part of an expected increase in vehicle prices due to the devaluation of the rand, high interest rates and South Africa's high inflation rate

## 'Slightly higher'

The spokesman sand the latest increase announced by GM was "slightly higher" than the company's normal quarterly vehicle price increase

This was a result of government-administered price rises affecting fuel, general sales tax, postal and transport rates, he said
General Motors' cheapest sedan, the Kadett 1,2 L, now costs R9 330, com pared with R7 910 twelve months ago

The company's Opel Senator 3,0 E now sells at R31 $800-14$ percent or R3 925 more than it cost in April last year.
Toyota, the country's top vehicle seller for the past few years, has announced price increases ranging between almost 17 percent to about 25 percent.

The Toyota Corolla 1,3 $L$ (rear-wheel drive) is the company's cheapest car, and now costs R9 790 compared with R8 185 m April last year
The Cressida 2,0 GL five-speed, which cost R11 765 in April 1984, will now fetch R14 640 a 24,4 -percent increase

According to Mr Jossel Lipshitz, chairman of the Nissan Dealers' Association, losses of between R300 million and R500 million were suffered by the motor industry last year

This was confirmed yesterday by the city's mechanical engineer, Mr C K. Andreas, who said a scholar's 10 -chp card would increase from R2,50 to R3
That would bring a scholar's bus fare in ine wath the lowest adult fare of 30 c for one stage.
Mr Andreas said the increase had been approved at an action committee meeting last year and therefore had "nothing to do" with the recent fuel price increase
He added, though, that a "distinct possibility" existed that scholars' bus fares would increase again in the future because of increased fuel prices
"Over the years the tendency was to have concessions for scholars We have always had a low rate for scholars and with the increase have tried to bring this up to the level of a more stan dard fare," Mr Andreas explained.
The new fare for a scholar's 10 -clip card was equivalent to a onestage fare for adults and was still a "very reasonable concession for scholars. :
"One clip can take a scholar over five stages, which is still extremely reasonable,". - DDR
$\qquad$
lan


## All soap products set to rocket in price <br> cleansing goods have al－and deodorant remaned

By Maud Motanyane

More price shocks are in store for the consumer The prices of soap pow－ ders and tolletries ready risen in the past few months－are set to rise even further
The whole spectrum of merchandise from soap manufacturers will rise． Ms Peta Lomberg public affars manager o Checkers，sald．＂Cleaning materials have been hit by the foreign exchange mported
＂Ano
Ansurvey by The Star soap powders of between two months indicate 7 percent and 8 percent is that most tonlet and
ready increased－soap the same，while the aver－ powder on average by age price of scouring ，4 percent
Out of a total of 18 percent．
tems， 13 have increased Mr Jan Cronje，drrec in average price，three tor of the Consume in average price，three Council，said The Star and two remanned the survey confirmed the same counci＇s assessment tha The February survey cleaning products had in was conducted in super－creased by 22,9 percent markets and the April on average in the pas survey was given a five months
broader base and includ－＂The reason given for＇ ed Clicks and Grand Ul－the increases is always tramarket the same－the cost o Average percentage in－imported materials，＂h creases ranged from be－said
tween 0,3 percent to Mrs Joy Hurwitz，pres－ 21,7 percent for candles ident of the Housewives There were slight de－League，sald＂We will ask creases in furniture pol－for an explanation of ish Floor polish，matches these increases

| TOILETRIES AND HOUSEHOLD NECESSITIES <br> Survey conducted on Tuesday，Aprl 9 All items exclude 12\％GST． |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | $\square$ | $\square$ |  |  |  |  |  | 岕 존논岂岂葉主 <br>  |
|  | R1，69 | R1，49＊ | R1，55 | R1，62 | R1，59 | － | R1，59 | 7 c | 4，6 |
| ILET PAPER：Twinsaver 4 |  | R1，19 | R1，19 | R1，14＊ | R1，19 | R1，14＊ | R1，17 | 4 c | 3，5 |
| TOOTHPASTE．Colgote 100 ml | R1，19 | R1，19 | 49c | 47c | 62c | $46{ }^{*}$ | 50c | 3 c | 6，4 |
| SOAP Paimolive 150 g | 496 | 47 c | 496 | $97{ }^{*}$ |  | 97c＊ | R1，04 | 4 c | 4，0 |
| SHAMPOO：Colgate 350 ml | R1，19 | 996 | 996 | 97c＊ | R1，15 | $97{ }^{-1}$ | R1，04 |  | 17，1 |
| TISSUES：Twinsavers 200 | R1，12＊ | R1，29 | R1，26 | R1，14 | 1，35 | － | R1，23 |  |  |
| deodorant．Shield Classic 100 g | R2，19 | R2，09 | R1，99 | R1，95＊ | R2，29 | R2，15 | R2，11 |  | 0，5 |
| TAMPONS：Tampax 40 regular | R3，49 | R3，19＊ | R3，71 | － | R3，59 | R3，19＊ | R3，43 | 1 c | 0，3 |
| ANTISEPTIC：Dettol 500 ml | R1，87 | R1，95 | R2， 11 | R1，87 | R1，85＊ | R1，88 | R1，92 | 12c | 6，7 |
| WASHING POWDER：Suff 2 kg | R4，72 | R4，59 | R4，39＊ | R4，72 | R4，69 | － | R4，62 | $65 c$ | 16，4 |
| WASHING POWDER：SUT 2 kg | R1，89＊ | R2，05 | R1，99 | R1，99 | R1，99 | － | R1，98 | 6 C | 3，1 |
| FABRIC SOFTENER．Sta－soft 2 litre |  |  |  | R1，35 | R1，45 | － | R1，38 | 12c | 9，5 |
| DISHWASHING LIQUID．Sunlight 750 ml | R1，32＊ | R1，39 | R1，39 | R1，35 | K1，45 | 58 |  |  | －7，4 |
| SCOURER：Vim 99500 g | － | 56c＊ | 74. | 64c | 62c | 58c | 636 |  |  |
| BLEACH J Jik regular 750 ml | 646 | 66 c | 594＊ | 660 | 65 c | 648 | 648 | 2 c | 3，2 |
| FURNITURE POLLSH：Pledge 300 g | R2，05 | R1，69＊ | R1，77 | R1，99 | － | R1，69＊ | R1，84 | －56 | －2，6 |
| FLOOR POUSH：Cobra white 400 ml | R1，12 | R1，09＊ | R1，41 | R1，12 | R1，25 | R1，22 | R1，20 |  |  |
| HOUSEHOID CLEANER．Handy Andy 750 ml | R1，15＊ | R1，22 | R1，29 | R1，15＊ | R1，25 | R1，15＊ | R1，20 | $\dot{1}^{7 c}$ | 6，2 |
| CANDLES．Prices 450 g | － | 89\％ | 790＊ | － | － | 85c | 84 c | 15c | 23，7 |
| 10 | － | 27c＊ | 29 c | 29. | 286 | － | 28 c | － |  |

Lowest price


|  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| BREAD Whito | 58c | 568 | 596 | $60 \times$ | 59 | 59 | － |
| Brown | 388 | 3 Bc | 396 | 40 c | 396 | 396 | － |
| MILK 11 | 716 | 74. | 736 | 696 | 72. | 726 | － |
| EGGS <br> \％doz large | 656 | ${ }^{60}$ | $66 \times$ | 63t | 658 | 658 | － |
| MAIZE MEAL | R | R1，32 | － | － | $R$ | R1，28 |  |
| MARGARINE 500 g Rama | R1，44 R1 | R1，49 | R1，42 81 | R1，44 | R1，45 | R1，45 | － |
| $\begin{aligned} & \text { CHEESE: } \\ & \mathbf{1} \mathbf{k g} \text { Elite Gouda } \end{aligned}$ | R6，37 | R6，37 | R6，37 $\mathrm{R}^{\text {R }}$ | R6，37 | R6，37 | R6，37 | － |
| $\begin{aligned} & \text { JAM } 900 \mathrm{~g} \text { AD } \\ & \text { Gold Suparing } \\ & \text { Smooth Apriceot } \end{aligned}$ | R1，79 | R2，61 | R1，59 | － | R2，00 | R1，70 | ＋18\％ |
| SUGAR $2,5 \mathrm{~kg}$ Huieth | R1，85 | － | R2，09 | － | R1，97 | R1，97 | － |
| TEA． 100 Icgloss tecabags Joko | R2，79 | R3，15 | R2，79 | R2，83 | R2，89 | R2，85 | ＋1，4 |
| COFFEE 250 g Nestofe Classic | R5，29 | 85，69 | R5，89 | R3，29 | R5，54 | R5，54 | － |
| CEREAL． <br> 500 g Kollogg＇： <br> Conflakes | R1，29 | R1，25 | R1，19 | － | R1，24 | 81，28 | －3，1\％ |
| COOKiNG Oll． 750 ml Olb | R2，19 | R2，23 | R2，19 | － | R2，21 | R2，21 |  |
| $\begin{aligned} & \text { RICE } \\ & 1 \mathbf{k g} \text { Tastic } \end{aligned}$ | R1，79 | R1，69 | R1，83 | R1，65 | R1，74 | R1，72 | ＋1，2\％ |
| SALT． <br> 1 kg beg Buffalo | 52 c | 52 c | 56x | 556 | 54. | 548 | － |
| $\overline{M E A T}$ | R3，99 | 84，19 | R4，19 | R4，12 | 124，12 | 84，16 | －1，0\％ |
| 1 kg poteretouse | R8，48 | R，8， 89 | R8，89 | R8，98 | R8，91 | R8，76 |  |
| I kg lambloin chops | R7，49． | R7，99 | R7，99 | 87，98 | 8878 | 6，88，04 | －$-2,2$ |
| 1 kg freat chicker | Rer 2,59 | R3，49 | R2，55 | R2，99 | （R2，91 | R2，97 | － |
| 250 g Ektort strooky bacon | R1，82 | 1 R1，93 | R1，85 | 8 R2，29 | 21，97 | $7{ }^{\text {R1，97 }}$ | － |
| 1 kg deop woter hake fillots IR． 3 | R2，95 | 29，R3，55 | 5 R3，45 | 5 | R3， 32 | $2{ }^{\text {R 3 }}$ ， 0 | 0 |
| VEGEABLES <br> 1 kg potatoes | 69 c | $59 \%$ | － | 55c | 615 | 58 c | ＋5，2 |
|  | R3，49 | 19 ${ }^{\text {R3，39 }}$ | 92，R2，99 | 9 | R3，29 | 29 R3， 19 | ＋3，1 |
| $\begin{aligned} & \text { CANDDES } \\ & 450 \mathrm{~g} \text { Buffalo } \end{aligned}$ | 87 c | c | $89 \%$ | － | 88. | 92 c | －4，3x |
| WASHING POWDER | Dn 20 |  | R232 | 32 R2，49 | ， 49 R2，39 | ，${ }^{\text {R2，37 }}$ | 37＋0，8\％ |

## Some items

## cheaper now

## By Kashvina Jaga

The weekly shopping basket survey carried out by The Star in which tabs are kept on prices of 25 basic household items，found the upward price swing on some products balanced out by a price cut on other items．
Average prices surveyed at four north－western stores in Johannesburg showed that prices were up on even items hesbrg showed items this week，after the bumper Easter shopping spree last week．
the bumper Easter shopping spree last week． Several items were being brought left many shelves empty．
The average cost of the items in the shopping basket mounted to R64，46 All prices exclude 12 percent general sales tax payable on some items．
MEAT PRICES

The price of meat this week dropped slightly w：－ the Pick n＇Pay in Randburg offering some of ：－ best prices．The highest price for porterhouse staz was R898 and the lowest was R8 48.
Although the average price of porterbouse $s^{2}$ increased by 0,6 percent from last week，in intr lamb loin chops，and chicken dropped by 1 periol 2,2 percent and 2 percent respectively．
A marked increase of 18 percent was noted jam compared to last week．Potatoes had also：－ creased by 5,2 percent．

Tagless teabags were distinctly cheaper than ${ }^{\text {－}}$ tagged teabags，where the consumer ended up $\bar{\mu} a j$ ： as much as R1 more just for the tag
Although the price of candles had dropped ：－ week by 4,3 percent，the food manager of $\mathbf{O K} \equiv$ zars Mr Peter Brown said there would defie－ ly be an increase in the price of Buffalo in the near future．

## The frightening cost of medical treatment

WHILE, of necessity, we are forced to learn to live with inflation, the steady increase in prices is unlikely ever to wipe a wage-earner out financially.
| But the private fear of many of us, even big income earners, is that an unexpected serious illness, perhaps needing months of hospitalisation, could do just that Hospital and treatment bills, we may feel, could soon exceed the limits of the most generous medical ald schemes

## BILL FAILL reports

Would it then be necessary to sell one's assets, even including one's home, to meet the medical bills, which could be accruing at the rate of hundreds of rands a day?
It seems this is an unnecessary fear, according to the many people I spoke to in seeking an answer to this question To start with, medical and schemes are more generous than most of us perhaps think.
A married person with more than one dependant can receive maximum benefits of R11 500 under one particular scheme, which regards itself as 'about average' in terms of what it will pay out.
A single person covered by the same scheme could receive a maximum of $R 4500$

These pay-outs would cover the great majority of illnesses which necessitated even farrly lengthy stays in hospital
However, there are undoubtedly exceptions, cases beyond the scope of the best of medical and schemes The answer then seems to be that one would have to turn to the provincial hospitals
'It is our responsibility to provide curative health services for those who can't afford private medical care,' says Dr Neville Howes, Senıor Deputy Director of Hospital Services, Natal
Regardless of how much money one has, one can also turn to the Province from the outset for certain very expensive and highly sophisticated treatments such as radiation therapy and renal dialysis

At Wentworth Hospital, the same holds good for cardio-thoracic and neurosurgery income is not a consideration
'By-pass operations are being done in the private sector, and although these can cost as much as R15000, many people prefer to follow the private route,' said Dr Howes
But although most salary-earners are members of medical and schemes, many are not. How would they fare if faced with expensive hospitalisation? I asked Dr Howes
Generally speakıng, such people would not be able to go directly to a provincial hospital, unless they earned what is today quite a small salary

## Discretionary powers

'We have discretionary powers in setting the level, but on paper a single person earning in excess of R901 would have to follow a private route A married man earning less than R1 100 could be admitted directly to a provincial hospital as a hospital patient,' he sand
Once in hospital, the actual charges depend on, income, ranging from a free service for a destitute person to a maximum of R45 a day The latter figure would cover a private suite with its own bathroom gThe second part of this series deals with the situatron faced by a person with a reasonable income but no medical aid scheme


Mercury Reporter
THE Santas Medical Scheme, whose members are manly civl servants, increased its fees by 10 percent from April 1

Mr AM Jackson, a spokesman for Med. scheme, Durban - administrators of the scheme - yesterday confirmed the rise and sand it was a normal annual increase'

The management committee found it necessary to increase subscriptions manly because of an increase in clams costs, he said, adding that they had intended making major improvements in benefits
'However, the Government was unable to approve this proposal It nevertheless remans the intention of the management committee to strive for improved benefits for members,' he sald
Mr Jackson said some of the improvements the committee was seeking included an merease in the annual limit of medicines bill, hospital daily accommodation rate and theatre fee benefits
Hospital fees had been increased recently and the medical scheme needed to keep pace with the higher claims cost, he sand
The monthly contribu-
tion of a member without dependants, earning a salary of R3000 a year increases to R7,65, and for a member with two or more dependants, to R15,55
For the R3001 to R6000 a year pay bracket, a member with one dependant will pay R19,25 and for a member earning an annual salary of above R6 000 the fee will be R11, 15 if he has no dependants, R22,90 for two dependants and R26,10 for two or more dependants In most cases, employers also contributed towards medical aid schemes for their employees at double the rates pald by its workers


SOUTH African consumers, already battered after a series of price increases affecting almost every basic commodity, will soon have to pay 7 percent to 8 percent more for all soap powders and tonletries
The price hike will affect everything from torlet soap to soap powders and fabric softeners
Yesterday, Mr Louw van der Merwe, chief professional officer of the Consumer Council, sald the council had been
'aware' price increases in
tonletries - especially detergents - were 'on
their way'
'We also realised they
have gone up, very quietly, over the past six months without the public being informed
He added the council had already ascertaned from the manufacturers that the reason for the expected jump in price was the unfavourable rand/ dollar exchange rate.
'All the oils used in the soap and a variety of oth er ingredients are imported and as a result the manufacturers' importation costs have jumped. This unfavourable rate has probably been affecting their product for some tıme already.'
A spokesman for a firm which manufactures tolletries confirmed that an increase was imminent.
shock increase in the themselves for a
probably from in the price of milk probably from the beginning of June, ac-
cording to rellable The increase able Pretoria sources.
The increase and the expected hike in will trigger an angry outcry from May 1 , er bodies throughoy outcry from consumIt is bodes throughout the country
recommended a producer proard has about 4c/I
least anothibutors are expected to add at
least another $2 \mathrm{c} / \mathrm{l}$ to the overall increase
The Cabinet is expected to take dectthe maize milk price - and certannly on the maze price - before the end of the
month.
Milk producers avere granted a $3 \mathrm{c} / \mathrm{l}$
price rise in July last year
At the same time distributors upped their price by $1 \mathrm{c} / \mathrm{l}$
In November last year distributors add-
ed another 2c/l, and agam in February this year raised the price of milk in cartons by
$2 \mathrm{c} / \mathrm{l}$.
Since July, 1983 the retail price of deliv ered milk has risen from $56,5 \mathrm{c} / l$, including
GST, to the current price of $68 \mathrm{c} / \mathrm{l}$
Milk distributors clam their costs have
escalated sharply in the past six months,
n\%unly because
this year.




 - Arejes

 'чұиош Кләлә чалпчр ләәчว 07

## s.eed



## 

They have no savings behind

## \%









 geting R150 a month on petrol and
paying R111 a month on the motor
 high cost of being well-1nsured totals
R159 58 The mortgage bond is R206

 Groceries
the Jones's to dip even further into
their savings
 0
0
$0_{0}$
0
0
0
0
0
0
0
0
0
0
0

 We used to save R155 every
ponth but with prices continually
increasing we often have to use our Кıəлə ģiy anes of pasn əM.,

## water bills

## By Michael Phillips

TOWNS throughout South Africa are gearing up to meet stringent new pollution controls set by the Government to reduce high phosphate levels in purified effluent and drinking water supphes, and the consumer might have to pay for it.
The move was neces sary to reduce rampant growth of plant life, such as algae and water hya cinth, in many of the ${ }^{\text {country's storage dams. }}$
into which large quantithes of treated effluent are discharged
An Umgeni Water Board chemist sald phosphates accumulated in stored water, stimulating plant growth and making water treatment pro. cesses for human con sumption difficult but a high phosphate Ievel was not considered a health threat.
The cost of extra GTUNN TO PAGE 2

## Newlaw

## N10

## C FROM PAGE 1

sewage treatment pro cesses being installed by Natal's Umgenilled by Board, municipalities, in cluding Pietermaritzburg Vryheid and other cen tres in the province and elsewhere, will run to milhons of rands
Mr Alwyn Fouche (NP Witbank) disclosed to the Mercury yesterday that legislation promoting strict maximum phosphate levels will be en orced from August 1 when a change in the $W$ a When a change in the Wa-
ter Act, ratiffed in 1980, becomes effective
Mr Fouchesald Witbank would spend R1 000000 to meet the new specifications and Middelburg was set to spend R500 000 on new processes

The Government de manded that local au thorities reduce levels in purified effluent leaving reatment works to a special standard limit of
one milligram to one litre of water
At present no limits ex ist, but a Department of Water Affars sportment of Water Affarrs spokesman said monitoring pro rammes had shown that countrywide phosphate levels ranged from six milligrams a litre to a high of 18 milligrams a litre
Only those municipalities discharging effluent into rivers flowing into storage sources would be required to apply the new limits by introducing sec ondary and tertiary processes
A Durban City Engi neers Department spokesman said the city would not be affected by the legislation because discharges were made el ther directly into the sea or into the tidal zone of the Umgeni River

Although present treatment did break down phosphates, it was under stood that levels here were higher than had
been laid down Mr Tom Bry e, senior firmed that if treat, con firmed that if treated effluent met specific requirements it could be discharged into a river
A Pietermanitzburg municipal spokesman revealed that the capital was working on cutting phosphate levels, but could not reveal cost estımates
Vryheid Town Clerk Mr Gerald Olckers, said the town's treatment works were currently being upgraded to meet the limits because effluent discharge was pumped into the White Umfolos River which flowed River which flowed into Dam New Klipfontein am
Mr Roger Phelines chairman of the Umgen Water Board, described the limit as 'quite stringent' and said one of the board's treatment works would have to be adapted to meet the requirements Although unable to dis

## crease water bills

close costs, he said 'This expensive process Fouche belleved the cost of supplementary treatment processes would have to be borne by ratepayers of affected municipalities
More than half the phosphate content in treated effluent came from washing powders sand Mr Fouche, who asked manufacturers to take action to reduce the amount
It would be cheaper to persuade the manufacturers - even by law - to bring down their phos phate levels although this might increase the cost of washing powder to the consumer,' he sald
But manufacturers sald that without phosphates washing powders would not be as effective and no suitable alternative had yet been found
Tests are being carried out in the United States and in Italy to perfect phosphate-free powder


## Mercury Reporter

 MILK is expected to go up in price in June - to cover the producers' price increase - and an in* crease of at least $4 \mathrm{c} / \ell$ is predictedA carton of milk costs between 71 c and 77 c a litre at the moment, de pending on where it is bought, and several supermarket chams have already vowed to try to hold the price for as long as possible if the increase is approved by the Government
Distributors are also
expected to ask the Cabinet to approve a further 2 c increase
Major distributors who got an average 5 c increase on the price of milk last year - and as recently as February this year increased the price of delivered milk -- satd they needed another 2 c to cover the rise in the cost of petrol and increased salaries
Yesterday Mr Louw van der Merwe, chief professional officer of the Consumer Council, warned milk producers that an increase would 'affect their case adversely'
'Consumers will simply turn to using substitutes in even greater numbers than they have been doing They simply cannot cope with the spiral of increasing costs on incomes that have remaned static,' he sand
He added that the increase would be to the detriment of all consumers


## Staff Reporter

THE Department of Health Services can no longer afford to subsidse health services, staff traming and the provision of equepment and supplies, according to hospital services durector Dr N S Louw
Addressing a seminar at the University of Cape Town, he called on the private health sector to share the burden and warned that expectations of public health services should be "tempered with realism".
Department expenditure, which had increased by an "astronomical" 2800 percent over the past 25 years meant a new fee structure would have to be implemented, especially in teachung hospitals

## MEANS TEST

During the 1984/85 financial year R44-milion was budgeted for as m come from hospital fees - only six percent of the R720-million budgeted for day-to-day expendture Patients at a teaching hospital were subsidised at R85 a day and those at other provincial hospitals by R19 a day
The means test, whereby only people earnung less than R240 a month could be admitted as hospital pathents, had been set in 1962 and was "hopelessly out of date"

A new tariff system, possibly based on the tax patients had to pay rather than income, would mean an end to Iree hospital services, Dr Louw said.

- But it would also mean that people presently classed as private pattents at provincial hospitals would pay more realistic charges and would reduce the discrepancy between private and provincial hospital fees
The department also bore the brunt of the ever-mereasing cost of tranning medical personnel at teaching hospitals and the private sector had to realise the department could no longer train staff for service in the private sector, he sald.
It was wrongly held as "accepted practice" that provincial hospitals were solely or for the most part responsible for providing emergency after-hours services, staff traming and highly specialised, sophsticated and expensive equipment as well as medical supplies
"You must understand the demands put on us sometimes exceed all limits, notwithstanding the fact that we have only limited resources with which to meet them
"I think therefore the private sector must in all earnestness begin to contribute," Dr Louw sald


## Petrol rise largely to blame

## Producer prices spurt by $2,8 \%$

## By HOWARD PREECE

PRODUCER（wholesale） prices soared by $2,8 \%$ in February to take the annu－ al rate to $14,9 \%$ ．
Although this inflation mea－ sure is running below the con－ sumer price index－the CPI was $16 \%$ for the year to Febru－ ary－it has more than doubled since early 1984
The producer price index（PPI） is still less than the $16,3 \%$ record－ ed in 1980，but it could overtake that figure in the coming months
The main reason for the gener－ al surge in prices in February was the $40 \%$ hike in petrol costs
Ripple effects will continue to be felt for some time to come
Producer prices will not，how－ ever，be affected by the hike in general sales tax from $10 \%$ to $12 \%$ ，which came into effect at the end of last month
But they will be under upward pressure from the lagging effects of the severe slump in the forelgn exchange value of the rand last year and the opening weeks of this year．
The rand has recovered some ground in the past three months， but this，has been partly because of the decline in the dollar aganst most currencies
In sterling terms，for instance， the rand is＂still looking rather scla

There is，of course，a consider－ able time delay between the or－ dering of many imports and therr delivery to and payment by South Africa．
So the impact of the rand crash will keep filtering through into the domestic economy well into this year
Indeed，some economists reck－ on the imported－goods element of the producer price index could show a rise of between $20 \%$ and $25 \%$ at the high point this year

But the rand fall should be modified to some extent，howev－ er，by the expected appreciable declines in import volumes－ something already seen clearly in the trade figures for February

The producer price index in February was 173,3 ，aganst 166,6 in January and 149，1 in February 1984
The $14,9 \%$ rise in the index for the year to February compares with $12,95 \%$ at the end of January and $7,1 \%$ for the 12 months to February 1984
In the year to May 1984，pro－ ducer prices increased by only 6，7\％－the lowest level since the beginning of 1972

Some economists fear consum－ er price inflation could go close to $20 \%$ at about the middle of this year before turning down in the closing months．
This may well be over－pessi－ mistic，but the rate certamly
looks set to go over $16,5^{x^{5}} \%$ in the near future
If so，that would make it the highest level recorded since the freak $24 \%$ in the post－war eco－ nomic crisis of 1920 ．
The previous peak since then was $16,5 \%$ in April and May 1982
On the most optimistic as－ sumptions，the inflation rise in consumer prices could drop to about $12 \%$ for 1985 as a whole
But that is going to be difficult to acheve，and the rate could well prove closer to $14 \%$
In any event there is obviously no way in which the Government and the Reserve Bank can look forward to any real relaxation in ecoomic policy next year The inflation threat is far too danger－ ous
Interest rates should ease this year and that will give some re－ lief to the cost of living．
Prices will be restramed in some areas because of the de－ cline in real overall living stan－ dards
But there are many cartels and monopolies in South Africa－in both the private and public sec－ tors－that will be able to keep pushing prices up，even in reces－ sion

This means the current harsh regime of fiscal and monetary policies will need a lengthy fol－ low－through before it has any chance of getting inflation down to the $7 \%$ to $8 \%$ range

IN contrast to the multhmillion brick stockpile in Corobrik's yards throughout the country - almost 300 million at the latest count - at least one Durban brick manufacturer can hardlykeepupwith demand
Peter Kaletch, sales director of the New Ger-many-based Durban Brick Company, which makes concrete bricks, sald yesterday his problem was giving the bricks enough time in the yard to mature
At present the factory is turning out 65000

BRICK and cement prices are up k Natal by 12,5 percent and 20 percent respective y this month. And when the brick price increase was announced leading builders said they would be looking at alternative walling materials. This has put the focus on an smouldering argument - bricks y blocks - throughout the Province Property Editor COLIN VINEALL reports.
bricks a day but plans are in hand to work the plant by shifts for 18 hours a day and increase production to 80000 a day

Mr Kaletch sard the announcement of an ef fective 20 percent in crease in the price of cement from Monday would have only a marginal effect on the cost of his bricks At present the price, delivered and including GST, is R145/1 000 compared with the clay brick price of R169,02/1 000 delivered in Durban
Mr Kaletch sard 'To my mind concrete is the construction' method of the future Clay bricks are a thing of the past in Britain and America Concrete bricks are easier to control in the
production process'
Corobrik Natal is also heavily into concrete brick manufacturing as well as its long-established plaster-brick lines
Managing director Brian Waberskı denied emphatically any sug. gestion of a 'war' going on 'There is room for us all,' be commented
'We feel our production of concrete bracks and concrete blocks combined gives us a big. ger product mix,' he sald
'I don't thonk it is farr to compare prices with those contractors who make their own concrete blocks on site for large housing developments or high rise bunldings bearing in mind that we buld to SABS specifications
But he gave detalls of a comparison of costing when using their own clay plaster bricks and concrete-based products
-A double-skin wall in 2 50 mm clay- the maxibrick - costs R29,28/m ${ }^{2}$
to build, or R14,68/m ${ }^{2}$ per skin This is relative to the concrete Coroblok, which measures 290 mm long x 90 mm wide x 140 mm high, which costs $\mathrm{R} 29,38 / \mathrm{m}^{2}$ So there is very little in it
If we look at a single skin exterior walling, laid costs of our maxi plaster brick, 290 mm long x 140 mm wide x 114 mm high works out
at R25,35/m $\mathrm{m}^{2}$ A similar size concrete block, which is slightly higher costs R21,93/m ${ }^{2}$
'With the increase by 20 percent in the price of cement from Monday, that advantage may disappear,' he added 'No decision about new prices has yet been taken
Concreterules supreme down the Lower South Coast, where, say Corobrik, just about every river from Port Shepstone to the Transkel border, has a block-making plant.

3



ROM




The distributors had been adversely affected by the rand-dollar rate of exchange, the cost of fuel and increased salaries and wages
The increase of $6 c$ a litre means a rise of about $8,5 \%$
"Taking the present fate of inflation into consideration, this is by no means excessive," Mr -Botha said
Delivering milk to homes had become a costly undertaking due to the loss and breakage of glass botties, the maintenance of a delivery fleet, fuel, salaries and wages and packaging
Cost-saving procedures in this connection were being investigated

- Mulk purchased from cafes would cost 85c a litre and mulk delivered to homes would cost 75 c
The supermarkets normally sold milk in cartons at cost price.




 -08 әq әq pinos aseəroux
əप7 fo o\& pies əH


## $\mathrm{Big}^{\mathrm{ROMm} 144485}$ 244 mare price rise next week

By gerald reilly Pretoria Bureáu A SUBSTANTIAL increase in the maze price will be announced by the Minister of Agriculture, Mr Greyling Wentzel, next week, according to Pretoria sources.
On Frday the Minister will meet the Matze Board and outline the Government's reasons for the expected $15 \%$ to $20 \%$ price ise
A $20 \%$ price rise, according to the National Marze Producers Orgánısation, Nampo, would cause a ripple of other price rises Mealie meal would rise by about $121 / 2 \%$, poultry products including éggs by $31 / 2 \%$.
This would contribute to an inflation rate of $17 \%$ or more, expected by economists to be reached by the end of June.

Consumer organsiations have appealed for a Government "subsidy to coyer the producer pricerise, and keep consumer prices stable'but the Government has mdicated it is moving away the subsidisation of basic foods.

Consumers will have to brace themselves for even more price increases - and it whll get worse when maize and flour prices go up in May, 'affectung other commodities
Mr Jeff Kahn, Pick 'n Pay's senior buyer for the Southern Transvaal supermarkets, said the producers of many items had asked for increases during April The sweet manufacturers, Wilson-Rowntree, increased prices by 11 percent on
Consumers have no option but to : tighten their belts

- Pretoría Bureau

Consumers who face yet another increase in the price of milk in June are growing weary of the endless cycle of price rises and the routine explanations for them.

The present home-delivered price of 68 c a litre is lukely to increase by anothe $6 \mathrm{c}-$ the fourth increase since July last year.
$\because$, The price of mlk cartons will also increase by this amount.

- Supermarkets which sell mulk at almost cost price are presently charging between 7le and 74c a litre. Cafes charge considerably more and the present recommended price is 95 c a litre.
In spite of the increases since mid-1984 farmers,
distributors and small retalers complain of hardship.
The plight of the consumer is also well known and
confirmed by an mflation rate which is runnog at about 16 percent annually.

Farmers are suffering under the same burden of inflation and their problems deserve to be understood by consumers.

- A Although the retall price of mulk is between 68 c and 95 c a litre farmers are receiving only 39 c a litre,
, said the chairman of the Diary Committee of the
South African Agricultural Union, Dr Lous Theron.
The last producer price uncrease of 3 c a litre was
granted by the Government in July 1984
But farmers had to pay back 2e a litre into the
" Dairy Board's stabilisation fund to buy up surb plus dary products.


## After other levies were

 pard, dairy producers received only 39c a litre and at this price it was impossible to make a profit, said Dr Theron.Consumers have no option but to tughten their belts and to hope the next increase will not push daury products into the

THE SUPER NEW RENAULT11
SUPER ECONOWICAE STPER spactous

 Drive fer 7870566 or 787 0560 Atter hours enquiries, ToL 7872149 or 7822098
Thkncinit Johannesburg's
No. 1
;

$\mathrm{N}^{R O W} 24 \mathrm{up}$ goes theprice of coal

## By GERALD REILLY Pretoria Bureau

THE price of coal at pitheads has gone up $13 \%$ - with serious repercussions for the consumer according to economists
The increase was announced in Pretoria yesterday by the price controller, Mr GJ J Breyl. The price of pithead coal was last raised in April 1984, by 9,8\%.
A spokesman for a large Wit watersrand-based coal company said yesterday distributors had to be compensated for the $40 \%$ fuel price imposed earlier this year and mereased rallway tariffs
Both costs had been "con-
tained" by distributors until now, he sard.
The latest coal price merease will hit the black community particularly hard, as they are reliant on coal for cooking and heating It will also adversely affect inflation.

Production costs at Iscor and other iron and steel producers will have to rise, causing up ward adjustments in the prices of consumer goods

An iscor spokesman said yes terday 75\% of the corporation's coal needs were supplied from its own mines The latest increase meant the cost of the remaining $25 \%$ would rise by remaining $25 \%$ would

Economists sard this would strengthen Iscor's case for a steel price increase in July
The effect on Escom, however, would be minimal, a spokesman sard yesterday
Inland power stations were supplied on a long-term contract basis and only the coastal stations would be affected, the spokesman said.
Consumer representatives fear the increase will lead to another escalation in electricity tariffs, which last went up in January
A Consumer Council spokes man said the increase could not have come at a worse time be cause of the approach of winter



|  |  |
| :---: | :---: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

${ }^{6}$ Latest CPI shows








## Milk increase ${ }^{\text {h/ }}$

Argus Correspondent
PRETORIA - Consumers facing another increase in the price of milk in June are growing weary of the endless cycle of price rises and the routune explanations for them.
The present price of 68 c a litre for home-delivered milk is lukely ' to increase by another 6 c - the 'fourth increase since July last ;year.

The price of milk in cartons ' will also increase by this amount

Supermarkets, which sell mulk at almost cost price, are now charging between 71 c and 74 c a l tre Cafes charge considerably more and the present recommended price is 95 c a litre
In spite of the increases since mid-1984, farmers, distributors and small retailers complan of hardship

Each group in the cham of supply seems to have good arguments
for mereases, and the plight of the consumer - battling with an inflation rate running at about 16 percent - is also well known
Farmers are suffering under the same burden of inflation, and say their problems deserve to be understood by consumers
Although the retall price of milk is between 68 c and 95 c a h tre, farmers recerve only 39 c a $\mathrm{h}_{1}$ tre, according to the Charman of the Darry Committee for the South African Agricultural Union, Dr Lous Theron
The last producer price increase of 3c a hitre was granted by the Government in July 1984. But farmers had to pay back $2 c$ a litre into the Darry Board's stabllsation fund to buy up surplus dary products'

After other levies were pand darry producers recelved only 39c a litre - and at this price it was impossible to make a profit, sard Dr Theron

There is growing dissatisfaction among farmers about their representation on the Darry Board They feel distributors dominate decision-making and do not put the interests of farmers first

For example, in November last year an application for a producer price increase was turned down Yet distributors have been granted two increases since then - 2 c a litre on all deliveries last November and another 2 c on milk cartons in February
"We have asked for the composition of the Darry Board to be changed Farmers are reliant on the board for increases, yet the distributor and retail price of malk is not price-controlled," sand Dr Theron
Price control was lifted in July 1983, but distributors bound themselves to a two-year period during which they agreed not to ask for Government approval for further increases


## Argus Correspondent <br> JOHANNESBURG - With winter loom-

Plea on coal price rise
ing, black consumers - already reeling under the effects of inflation and increases in gas and paraffin - are to ap-

*     - peal to the Government to reconsider the average 13 percent coal price nse gazetted on Monday
Mr Eldridge Mathebula, executive director of the Black Consumer Union, satd the umon intended to seek a meeting with the Minister of Mineral Resources about the matter
"We black people depend on coal and winter is at the door We are also charged exorbitant prices by the merchants," he sald
There has also been criticism of the Government from the Housewives Union. If the Government cannot control admunistered prices, how can it expect private
companes to keep prices down, it asked
Mrs Joy Hurwitz, president of the Housewives League, sald "We have just had increases in paraffin and oil, which have especially hit the consumers in the townships and rural areas hard - and now coal"
"We cannot carry on with this constant procession of price increases which the consumer is supposed to just happuly absorb When you consider inflation, unemployment and money not buying what it did how are we supposed to surive?
"Coal is another area where an administered price will push up our inflation rate it will affect other industries and manufacturers"
A spokesman for the Transvaal Coal Owners Association sald the increases announced over the various grades of coal averaged 13 percent But the increases of
top grade coal were greater than the mcreases of the lower grade. $l$
Grade D coal, which was used by many consumers in the townshups would rise by 10,3 percent The hagher grade coal, bearing the greatest increase of about 15 percent, was manly used by people with complex boilers and mechanical equipment requiring sophisticated types of coal
He sard the Government determined the price increases
"The last coal morease was in April 1984 Over the last six years the price increase has been below the consumer price index. This year we expect it will be be low as well if we go by the economists"

He sald the rise was necessary because of the increased costs of producing coal





## By GERALD REILLY <br> Pretorla Bureau

A MILK price increase of five cents a litre will be announced next week, according to Pretoria sources
Thus will bring the price of delivered milk to $73 \mathrm{c} / 1$
And in Pretoria today, the Minister of Agricuiture, Mr Greyling Wentzel, Will and nounce an increase in the price of maze. This is expected to be in the regioh $20 \%$, raising the price per ton fromR220 to above R270.

Hugher milk and maze prices wild bewa $^{2}$ severe blow to lower income groups strug gling to survive in a clumate of high inflas tion and growing unemploment

An angry outcry from consumer bodies' is certain
The $5 \%$ milk price increase is expected to include compensation for distributors who faced a $40 \%$ fuel price hike earher this year
Milk producers were granted a $3 \mathrm{c} / 1$ price rise in July last year
Distributors responded with a $1 \mathrm{c} / \mathrm{l}$ increase, following this with a $2 \mathrm{c} / \mathrm{I}$ rise in November

A further $2 \mathrm{c} / \mathrm{I}$ rise was added'in February when the cost of milk cartons was nereased 1008 the retail pind Since Jufy 1983, the retail price of deny-1
 current price of $68 \mathrm{c} / \mathrm{A}$ an wocessitate
A $20 \%$ maizeincrease 10 mise price 0 mealte $-x$
 meal, 台cerdrig to observers in the indube
It would also raise the costs of egg pro duction by $3,4 \%$ sand "pulk production by
2,1\%

Costs in the beef; pork and poultry indus


$\therefore$ A SPOKESMAN for the Transvaal chal Owners' Assortation (TCOA) sald yesterday that the below increase in the price of coal at pitheas year, 1985-86 Increases, determined by Government, over the last six years had also been under the annual rate of inflation - $9,4 \%$ for 1984 and $8 \%$ the year before, he said D-grade coal, used by the domestic market, * principally the black market, is only going up by : $10,3 \%$
"There have been production costincreases at the \% producing colleries and production cost increases are signuficantly above this latest percentage increase in the price of coal at the pitheads I think the f fact that increases have always been below infars," he i. said

The increase apples to about 25 -million tons of coal, total production of SA coal is about 150-milion tons.

## Economist

 RyM enorses 2544
## accuracy

By BRENDAN RYAN
THE consumer price index (CPI) produced by the Central Statistical Services is a fairly accurate indicator of inflation.
That is the opinion of Old Mutual chief economist, Mr Rob Lee, after a detailed study of the CPI by the Mutual's economic research unit.
Background to the study is the allegations by a number of analysts and institutions that the actual rate of inflation is much higher than that shown by the CPI.
Allegations are that the weights used in the CPI may not be an accurate reflection of people's actual expenditure patterns and that the price information obtained in surveys may not be a true reflection of the actual price changes in the' economy
"The man point of criticism aganst the weighting system is that the weights are outdated, being based on spending patterns in 1975, , Mr Lee says in Old Mutual's April Economic Monitor.
He adds that a more realistic indication of spending patterns can be obtamed by looking at the breakdown of nominal private consumption expenditure (PCE) in 1983 because this reflects more recent spending patterns and is also based on expenditure in the whole economy as opposed to the 12 urban areas covered by the CPI.
The weights used in calculating the PCE are regularly updated but the Old Mutual report shows the that they have not changed materially between 1975 and 1983
Further Mr Lee says it can be proved statistically that even substantial weight differences have little impact on the measured inflation rate.
"In fact if the CPI was calculated using the 1983 PCE welghts, the average inflation rate for 1983 would have been $11,8 \%$ compared with $12,3 \%$ as measured by the actual CPI," Mr Lee says.
He says correct price information is much more important in measuring the inflation rate than the use of correct weights.
"Independent surveys - including one conducted by ourselves - consistently demonstrate that the sub-indices in the CPI reflect actual price changes in the economy accurately
"In the extensive survey carried out by ourselves, covering a wide variety of price changes obtained from shops, car dealers etc - over the 10-year period between 1975 and 1984 we discovered that price changes as reflected in the CPI were without exception an accurate reflection of the price changes of the atems we covered and not a single significant discrepancy was found
"atleast one other survey published recently in a weekly financial magazine covering grocery ntems had similar results," Mr Lee says



# Copper price moves tied to currency variations 

Mercury Correspondent
JOHANNESBURG-Recent moves in the copper price on the London Metal Exchange (LME) have beenclosely linked to currency fluctuations according to Mr G A Macmillan, the chairman of Palabora Copper.

Addressing the annual meeting here he said that since the end of 1984 the market had been extremely volatile, with the cash copper price reaching a high of £1 303/ton on February 19 after having been R1 134 on January 3
'Market reaction has been predominantly linked to currency fluctuations and, although the LME warehouse stocks are currently at ther lowest levels since September 1974, the gradual strengthening of stering aganst the US dollar in recent weeks has seen cash copper prices receding off their higher levels and falling to f1 150/ton.
'Also, for the first tume in 12 years, base metal prices are in a material backwardation situation
'These two factors of low LME and Comex inventories, where stocks are standing at 32pe and 55 pc respectively of the levels pertaming a year ago, and the price backwardation presently being experienced should, in themselves, be bullish for the copper marketyetare outwelghed by currency dominated influences, Mr Macmillan sald
Turning to the shutdown of the two
autogenous ore mills at the Palabora mine Mr Macmillan sard it is anticipated both mills will be out of service for about 60 days
As a result the mine's milling rate will drop by about 30pe during this period
'To maintan smelting and refining rates during the reparr period existing stocks of concentrates are being drawn down and ore mining activity is being concentrated in the higher grade areas of the pit.

## Repairs

'It is not expected that there will be any material reduction in the production ofropper during 1985 provided the repars are completed as planned
'Engıneefing studies have also been initiated to determine whether these repars will provide a permanent solution to the problem or whether replacement shells will be required in the longer-

## term,' he said

The mills were taken out of service in March when routine inspections revealed cracks in the shells
Mr Macmillan told the meeting that Palabora would not, as it usually does, declare the first in-
term dividend-at the annual meeting
He sald this was the re sult of the dates of company board meetings being rescheduled The first interim dividend would only be considered at the next meeting of the board of directors which is scheduled for May 22

## Channel

 has loss of R36 593JOHANNESBURG Channel Mining Investment, which operates the Helam diamond mine in the Transvaal and was recently histed on the Development Capital Market section of the Johannesburg Stock Exchange, had an operating loss, after taxation, of R36 593 in the half-year to December 31 against R20 052 in the previous half year.
Turnover was R399 204 compared with R260 658
The company said the projected turn around from loss to profit is well on its way and the financial results ultımately would give a good dividend yield - (Reuter)


Mr Glen Christie has been appointed Durban manager of Nediloyd Agencies SA.

## Kantor to talk

in Durban

## Finance Reporter

PROFESSOR Brian Kantor, of the University of Cape Town, will be the main speaker at a Disinvestment discussion, hosted by Aiesec, to be held in the Lecture Theatre, Denis Shepstone Building, Unıversity of Natal on April 30
His address will be on 'Economic Implications of Disinvestment and Isolation for South Africa
The discussion will start at 7 pm
SOWETAN, Friday, April 26, 1985


## RMM Flight price cut <br> 21 folertassengers can now fly to Hong Kong for R1 492 - <br> R500 less than the previous <br> fare, British Airways and South African Airways announced jointly yesterday An additional stop-over can be made for R100 at the Seychelles and Colombo and at Bangkok for R200 extra"We are offerin tourists the opportunity of visiting the Far East with a competitively priced Apex ticket," said Mr Alan Burnett

## Mercury Reporter

TARIFF increases in two Northern Natal townships have been
The charrmen of the community councals serving Sibongile township at Dundee and Thembahhle at Glencoe, Mr C Luthuli and Mr M Khumalo, confirmed yesterday agreement had been reached with the Natalia Development Board to freeze rents untul the economic situation improved
The move follows recent violence in the townships, which have 1430 houses between them, in I which development board offices were stoned
A joint statement by the counclls sard it had been agreed with the board last year that tariff increases, which had already been suspended untul April 1, 1985, could be further reviewed in exceptional circumstances

## Shelved

'Realising' early in the year that the economic clımate had indeed worsened, councillors agan approached the board
'As a'result of tough nedgotation agreement was reached that!the matter be shelyeat in the interim the

- It was agreed that work would have to again become freely avalable before the matter would be reviewedy
3nthe colinculs also announced that roofs and roads in the township - were receiving attention and they were examining the possibility of installyng water-borne sewerage in the townships


## Proved worth

 The The chy director of ? $\mathrm{Natalita}, \mathrm{Mr} \mathrm{H} \mathrm{A} \mathrm{du}$ ${ }^{2}$ Plessis, said: 'The untumely reaction by a small agroup of fdissidents very nearly caused a stalemate in-these delicate talks and at was only as a result of the very persuasise approach of both councli chairmen that negotrations were again resumed and successfully concluded'In vew of this recent success at the negotiating table, the council charrmen have more than proved their worth to their communities'
Service tariffs, which are tied to residents' rent bills, were last increased in the two townships in September 1882 from about R 9 a house to about R15 a house

## Pik seriousiy considering SABC1 1 (zence 304485

CAPE TOWN-Serious consideration would have to be given to a request from the SABC for an increase in licence fees, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday
Speaking in the Committee Stage of the vote on his department, he said only 21,1 percent of the SABC's income was from licence fees At present it earned 9,2 percent of its sincome from investments, but it was expected that

R90 million from accumulated funds would have to be used in the coming financial year for capital projects.

This could lead to a position in which interest on revenues fell to about 5,5 percent of total income, which would place greater pressure on the other two sources of income - advertising and licence fees

If an increase was approved, it would be lower than the inflation rate

Mr Botha sald he was considering widening the scope of concessionary licences, which were currently R24 a year, to include all people more than 70 years old
These licences would be issued only on request, and only to single persons, or couples, living alone.
An announcement would be made soon There was no intention of raising concessionary lucence fees - (Sapa)
seconded officials were kept in East London, out side the Transkel, it caused considerable suspicion. An mpression was created that the seconded officials had something to hide"

When the CED was dis-
banded the seconded offi-
cials refused to demon-
strate their faith in
Transkel, and chose to re-
man employed by South
Africa, trying unsuccessful-
ly to negotiate transfers.
Another irregularity
deallt with by the report
was the handing over to a former Zimbabwean industrialist of a Springs company formerly managed successfully by Transkelans

The TDClmanagement
had alsonnsuredsitself


PARLIAMENT - Serious consideration would have to be given to a request from the SABC for an increase in licence fees, the Minister of Foreign Affairs, Mr Pik Botha, sald yesterday.

Speaking in the Committee Stage of the vote on, his department, he said only $21,1 \%$ of the SABC's ncóme was from licence fees $:$ It was expected that R90million from accumulated funds would have to be used for projects in the coming financial year An increase would'be aganstt political dismissals, lower than the if inflation
a
have stamp.?
 әq оя длеч рппом кәчі




 They had been forced pəDJof uəəq peq KəपL
oqv ue^ proj



 the Maize Board and seven other producer members on the

 N


5.
 announced yesterday by board charrman Mr Craw－ ford van $A b o$
They had been forced by an announcement from the Minister of Agri－ culture，Mr Greyling Wentzel，that although the consumer price of fralze products would be increased by 10 percent farmers would get no more than they got last year．
They would have to be happy with R218，55 a ton for the highest quality white maize and R214，60 for yellow maze，accords ing to a statement from the minister
Mr van Abo said the board had asked for a 2 If percent increase in pro＇ ducer prices to R270 a ton for best white maize．
It is obvious the Gover ernment is，not listening to us any more and we have just become a rub： ber stamp．？
，Dr Pleter Gouws，an ady kiser to the board，said，off the Governmentrs aetiong hanep deteryty was fure by polticical，int anyapor ent cogncerna for the consumere but we told the minsterathat under the presennsystem ${ }^{4}$ the cof sumer is getting rapped

## Accepted

The minister sald the decision by the：Cabinet had 马een unanimous and there was no gong back，＇ Dr Gouws sald
Mr van Abo told a Press conference the minister hadiälready accepted the resignations from the $13^{*}$ man＇boardu＂．．
．The minister＇s message towfarmers now seems to ber＇Get out of maize farm－

$\downarrow$ The Goverument no longer encouraged farm－ iers to produce more than could be sold on the local ＂màrket－about 6000000 gtons annually and farm－ －ers would have to bear l losses on exports．
等年 In his statement，the minister noted that the bet producem price of ＋1mazo hadd been in creased by 28 percent last

 Lerease would，ke difficult＇ Thto Justify，＇hésand

Gouws，who is also nderal manager of the independent National Maze Producers＇Organı－ sation，sard＇We could
product for up to sis weeks but we are formg + be responsible（s，eflar
The ehalrman of
Nampo Mr Hennie de Nampo Mr Hennie de Jager said the minister would be innted to ad dress á mass méetring of maze farmers
II think there iscatng t be chaos Farmers can only be pressed to acer tam poin：（2lus
Assocom mbicated has mght that it Fetran in crease of 10 percent in the consumer price o maize and 8 percent in the price of grain sor ghum were reasonable since they uere uell be low the current rate or inflation
＇However the conflict between the producer members of the Maize Board and the minister highlights the need for clear guidelines on ad ministered prices in gen eral and food prices in particular，＇a statement sand WN $26 / 4185$ Agricultural pricing Should become more mar ket－related and more flexible requiring a com－ plete overhaul of the way in which key food prices were fixed

A spokesman for a major food chain．poin ing out last night that the maize price had in creased by more than 150 percent in the past sid years sald＇The produc ers and millers can fight all they like but in the end it is the consumer who pavs＇


PRETORIA - Elght producer representatives on the Maize Board and two advisers pledged as they resigned yes. terday that they would weaken Government control of their industry
Yesterday the Minister of Agriculture, Mr Greyling Wentzel, announced that the consumer price of maize would rise by 10 percent but that the maize farmer would not be pand more for his produce
Maize farmers were also told by the Minister that they would have to account for all the losses on every ton of maize produced over the yearly national maize consumption of about 6,5 milhon tons
This in effect was a cut in the consumer price subsidy by R150-million, said Dr Plet Gouws, general manager of the National Maize Producers' Organisations

When the Minster announced the increase he said the prices decided on by him were in the best interests of the maize industry, of agriculture and the national economy in general

## "A SMOKESCREEN"

Dr Gouws sald the Minster's reasons for not giving them the average 21-percent increase they had asked for were a smokescreen and the price increase was purely a political move
The price, he said, had been decided on by the Cabinet and could not be defended
The Minister's apparent concern for the consumer was challenged by the Natıonal Maize Producers' Organisa. tion (Nampo) when it called for the reintroduction of price control "We called for this last year but nothing has yet been done," said Dr Gouws
"If the Government was really concerned about the consumer they would
bring in price control You can't control half the way"
Mr Hennie de Jager, chairman of Nampo, said this decision by the Go: vernment would spell total disaster for hundreds of maize farmers

Nampo said it interpreted the Government's move as a message to farmers to get out of the masze industry as fast as possible

The Minister also announced that the floor price of grain sorghum would be cut by R3 to R174 a ton

The South African Agricultural Union's grain sorghum representative said he was embarrassed to return to his farmers and tell them they would be getting R3 less a ton for their product

## MEAT AFFECTED

Spokesmen of the South African Agricultural Umion said today that meat and dary farmers' production costs would also be pushed up as a result of the hike in the consumer price of maize - without being able to recoup therr costs by way of the proces they recelved for their products
The manager of the Saau's meat commodity organusation, Mr Jan van der Walt, sand that feedlot farmers' costs would be pushed up by $7,5 \mathrm{c}$ for every kilogram of meat they produced Because meat was auctioned the farmers could not ask for a higher price
Mr Tiny Liebenberg, manager of the Saau's dairy commodity organisation, said that dairy farmers' costs would go up by a cent a litre and the new maize price would not have been taken into account when the Dairy Board recommended a producer's price for milk

The national president of the Housewives' League, Mrs Joy Hurwitz, sald housewives were frustrated at the never-ending increasing price of essential goods.

## Supermarketchain refusing to accept some epeat pricerises <br> looking for another 9 percestit

## Jackie Unwin

A supermarket chain is refusing to accept a second increase in prices of some products this year
${ }^{3}$ Director of P1ck ${ }^{\prime \prime} \mathrm{n}$, Pay, Mr Richard Cohen, sand "A broad cateraly of products is going up in price for a secjoutime this year. For example, dried fruit went up 12,5 percent in March and producers are ashing for a further increase now. It is à one-channèl market
"Another is tolletries. The supermarkets were singlediout and criticised by the Consumer Councll for accepting a 27 percent increase in touletries over the year, which included a 10 to 12,5 percent increase in January. Now producers are
"Producers of detergents, whichi went up 15 percent in January, want another 7,5 percent
"It is not on. We are putting our foot down." Checkers managing director, Mr Clive Weil, said. "We obvıously resist price increases, but it's a question of who do we blame for the increase.
"When a man puts his price up he'is not neces sarily capitalising' on the increảse. 'He may have no alternative.
"It is time everybody got together to discuss how to keep the prices of basic foods down."
The 10 percent increase in the price of maize, because of the reduction in the subsian to farm ers, would lead to an "early" egg price increase the SA Poultry Association sard yesterday
R

## Impo THE price of imported goods is set to rocket ahead as distributors replenish stocks. <br> Videos, refrigerators, washing machines and mach. ine tools will rise by up to 80\% as the weak rand makes imports from Europe, Japan and America more expensive. <br> Although the rand began its plunge in the middle of last year, large stocks of these items protected consumers and industrialists

## HP curbs

But inventories have fallen and the full impact of the rand devaluation will be felt soon.
Before the curbs on bire purchase last August, about 100000 videos were in stock The decline in demand that followed the curbs led to a price war, many distributors selling at below cost
A Johannesburg video dis. tributor predicts that sets which were recently selling for R599 will retail at close to $R 1000$ in the next six months.
The competitive element in the market will continue, he says, as a smaller market is expected. Video imports from Japan totalled 7083 in October, 8250 in November and 3453 in December. In January imports plunged to 880 as the market showed signs of stress.
Heady days
Last year, Italian refrig. erators and washing machines met about $45 \%$ of South African demand, but inventories now need to be replenished.

Current imports wall cost between $20 \%$ and $25 \%$ more than diminishing old stocks
Stocks of machine tools, built up in the heady days of 1982, have been depleted and when the next batch of im-
ports arrives prices could be as much as $45 \%$ higher than at present.
Buoyant economic conditions of three years ago and the successful machine-too exhibition held that year resulted in large stocks of equipment being imported. Recession in the rest of the world prompted large exports to South Africa.
It was estimated at the time that stocks last between three and four years under normal off-take conditions
Since then, high interest rates have forced distributors to sell at sharply re duced prices and stocks are now estimated to be down to about six months' supply, says Les Webster, chairman of the Machine Tool Manufacturers Association.
"If one had to import now from Europe, prices would be extremely high UK prices would be up by about $30 \%$ and American goods would cost about $45 \%$ more.
Imports from Eastern European nations, however, will continue to be low because of their need for foreigo exchange.

## Distress

In normal years, the machine tool industry is worth about R 250 -million, the mar ket for conventional tools like lathes and drills making up about R100-million. Turn over fell by nearly half last year.
But while stocks are available, prices will remain de pressed.
Mike Fescio, general manager of Efamatic Machine Tools, the only SA manufacturer of lathes, says that items priced at R100 000 two years ago are now available for about R80 000.
"Distributors are chopping each other to pleces on prices."
Banks have been forced to repossess many machines, upsetting the market to an even greater degree, he says.


Cut-price stockplies falling

KARBOCHEM, Sentrāchem's'monopolistic raw-rubber manufacturer, is to horst its synthetic rubber prices $14 \%$, making it $45 \%$ more expensive than a year ago.

The latest increase has stunned tyre and other manu facturers of rubber goods They are incensed and demanded a meeting with Karbochem management An in dustry spokesman sadd after the meetung in Johannes. burg "We weren't able to change their munds"

## Languishing

Many rubber goods will cost more
In May 1984, the price of styrene butdadiene rubber SBR) was R1 800 a ton, but rom mid-May this year it

By Don Robertson m
Whll rocket to R2 b10 Pre- there for the aaking for imvious increases were $11,0 \%$ in September and $13,6 \%$ in January The price of polybutadilene rubber has risen $38,3 \%$ in the same tume

## White elephant

The May increase will push the price of polybuta diene rubber from R1970 a ton last year to R2 725 a ton
The international price is langushing at near its lowest for years at about $\$ 755$ a ton equivalent to R1450 This means Karbochem is charg. in double the world price
Rubber converters can't win Clive Hooper, managing director of Dunlop, says "Permits for rubber imports are not available, but are
ports of tyres"
Although customers of Karbochem predict that their margins will have to be cut because of consumer resustance, Roy Plthey, manag ing director of Karbochem insists that the latest increase was necessary
He says higher prices only recoup increased import costs of raw materials caused by the weak rand and will not enhance profitability of the R400-million plant which lost R76-milhon pretax in the half-year to De cember About half of cost of producing synthetic rubber is made up of imported raw naterials
The Newcastle plant which has been a white elephant since capital costs quadripled from an initial estlmate of Ri23-milhion, is operating at about $40 \%$ capacity

## Retreaders

In an attempt to rasse prodyction and reduce costs Karbochem is to start ex porting A bulk isoprene plant is being installed and it is hoped that exports of be tween 10000 and 20000 tons a year will begin in August
To be compettive Karbo chem will have to emulate Iscor and export at well be low the South African price Tyre manufacturers, one
of the largest users of rubber, mill suffer most from the latest price rise
Tyre and tube prices were ralsed by $8,1 \%$ in December but Mr Hooper says "Thas morease was merely to recover our rise in costs to September Since then, there have been a further two rub-ber-price moreases, so we have a backlog of lost margins from October"
Mr Hooper belleves that tyre prices will have to be rased by about $5 \%$

## Shrinking

Ron Harding, managing director of Bandag, the largest tyre retreaders, says We won't be able to pass all the increase on, so our margins will suffer A large part of our sales are to truckers on contract and last tume they were not sympathetic about the increase The mood out there is angry"
Industrial rubber producers, whose market has shrunk by more than $25 \%$ and who until recently had to fight competion from imports, will not be able to absorb the in. crease

Alan Roberts, director of industrial products at Gener al Tyre, says "We will have to pass the increase on. It's a big setback for us"

The possibility of import substitution has not escaped
Karbochem's notice
Mr P1they says "We are certain that customers will look for cheaper supplies"
 set to cut off maize supply

## Argus Correspondent

PRETORIA - Maze farmers plan to starve the country of maize from next Monday in protest against the Government's decision not to raise the producers' price

At meetings' in Bothaville and Vierfonten on Saturday, it was unanımously decided to urge the National Maze Producers' Organisation (Nampo) to co-operate with Unlegraan - an umbrella organsation of farmers' co-operatives - to withhold all deliveries from silos throughout the country.
A call was also made on farmers throughout the country to stop taking maize to slos.
The meeting at Bothaville adopted a motion of no confidence in the Mimster of Agriculture, Mr Greyling Wentzel.

## MASS MEETING

He should state before or on May 3 his "vision" for the maize industry and spell out acceptable reasons for the price decision, or he should resign.
Twenty meetings of farmers will be held today in the Transvaal and Free State to arr grievances and discuss strategies
A mass meeting of maze farmers will be held on Friday in Klerksdorp and Mr Wentzel will be asked to attend to explain the State's view.

- The SA Poultry Association says the maize price increase would rase the production costs of eggs. This would be passed on to the consumer

avallable for comment last aight but Dr D W Immelman DirectorGeneral of the Department of tgriculture sald the department was aware of the latest developments
However the minister was still involved in negothations with Nampo and bad no further comment to make
Sapa's correspondent in Vryheid reported that farmers from Vryheid. Dundee, Utrecht and Blood River had decided no mazze would be dis. tributed to the stlos after 4 pm yesterday
They said they would use trucks to barricade the entrances to Vryherd. Dundee and Blood River silos to prevent any producer from delivering maize
The biggest of yesterday's meetings was at Nylstroom, where 500 farmers passed a motion of no confidence in the minister
According to a * Nấmpo spokesmax, athleaze three
 attended protes ${ }^{\text {fr }}$ meetings and have declared their soldarity, with the farmers and, rejected the minister's pritce freeze.
They are Mr M D Maree (Parys), Mr Steyn Terblanche (Heilloron) and Mr HJ Tempel (Ermelo)
Nampo's economist, Dr Kit le Cluse, said 'Farmers feel that if the minister is unwilling to face them, he has no reasonable explanation for the price freeze'

Meanwhile, the Government is thought to be disturbed at the action of some platteland MPs in supporting farmers in their protest.
The NP performance in the Harrismith Provincial Council by-election to morrow. where the National Party is opposed by the Conservative Party, could be adversely affected

## Car insurance costs

## may jump

## by up to

## 264

30 percent
ARGM
30 $\frac{418^{5}}{}$
Argus Correspondent
JOHANNESBURG. - Motorists carrying the burden of the higher petrol price are now faced with dramatic increases - as high as 30 percent - on private car insurance cover.
Experts forecast that average premum costs will soar by about R180 a year as policies are reviewed for annual renewal.
Several big insurance companies will launch the new round of increases tomorrow and more are expected to follow sumt
The new shock to motorsts comes on the Third Party deadhne The 1985/86 thrd party dises must be fixed $t 0$ windscreens by midnght to avert the risk of R50 fines
Mr C J Oosthuzen, managing director of Santam Insurance, sad the surge in premium rates was unavordable because of a "tremendous rise in claims" nou costing his company alone nearly R1-million a day
Santam, which clams to be the largest motor insurer, will increase the premiums on all renewals of policies from tomorrow - by 30 percent for motorists in Johannesburg and other metro politan centres to 20 percent in rural villages
IGI Insurance intends to rase premiums by up to 25 percent from tomorrow

At Guardian National, a spokesman sad average mereases on policy renewals from June 1 should work out at between 15 and 20 percent - but in isolated instances the premiums would be increased by 50 percent or more.

F2F


## Shoppers to shell out more for their eggs 

THE price of eggs in the Western Cape will rise on May 13 - for the second time in three months
Consumers will pay 6c more for extra-large and large eggs This is a 4,5 percent increase for extra-large and about 5 percent for large
The increase for medium eggs will be 4c, which is 3 percent

EXCHANGE RATE
Mr F Ferucci, charman of the Boland Poultry Producers' Association, sald the reason for the increase was the 10 percent rise in the maze price
The previous increase - on February 19 - was caused by the effect of the exchange rate on the cost of imported maize and fishmeal, he sald

The new prices will be R1,40 dozen for extra-large, R1,34 old R1, 20 for medrum large and $\mathrm{R} 1,20$

ags gave the best value for eggs gave the
money because they were 20 money because than large eggs percent bugger than large egs

## Farmers

NM 115.85 pledge
 consumer ${ }^{4}$ support

Mercury Reporter

MORE than 150 farmers from Kokstad, Underberg and Swartberg pledged their support to the consumer yesterday to reduce the cost of family food requirements
They made the pledge at a Swartberg Farmers' Association meeting in East Griqualand
The meeting was a fol-low-up to the successful February mass tractor rally in Pretermaritzburg against rising costs of ferthlizer, stock feed and machınery
It was also decided yesterday to request organised agricultural societies to investigate the price difference between what the producer got for the product and what the consumer pard.
Mr Derek Broom, a darry farmer from Ixopo, explanned that farmers only received 34 c a litre for their milk.
'The farmer is coming out with a disproportionate share, but you cannot expect to get a big share of the profits if you are handing over the problems of distribution to other people,' he sard.

## Urged

'Many consumers in Durban are drunking milk which is up to six days old This is not good enough. We must take matters into our own hands'
Mr Broom urged the farmers to consider the consumer most important.
'We have been separated by the middle-men for so long, but I think both the farmer and the consumer realise how much we are getting ripped off and it is up to us all to ensure that we get a better deal.'
Another guest speaker, Mr John Armstrong, warned aganst complacency and apathy

If we feel that the Natal taricultural Union and the costs are thung us we have only ourselves

## NRP expresses concern at 'drastic' farmers' measures

Pietermaritzburg Bureau

THE New Republic Party spokesman on agriculture, Mr Ralph Hardingham, yesterday expressed concern at-the proposed 'drastic and irresponsible' action by maze producers to stop deliveries to storage silos.

Mr Hardingham, who is MP for Mool River, satd the consequences of such action could not be underestımated
'The non-avanlability of a staple food such as maize can have serious and widespread social and economic repercussions
'I am concerned too that political influences are being brought into play which if pursued in this manner will be disastrous for the country as a whole,' said Mr Harding. ham
Not only did it create a precedent in regard to the manner in which price negotiations of agricultural products were being conducted but it would destroy one of the main cornerstones of the Marketing Act, he sard
'One must not overlook also the financial assistance rendered by Gopernment in the form of drought relief measures during the past three years and it would be foolhardy at this stage to alleviate feelings between the agricultural sector and the public through irresponsible action
'I sincerely hope that maze producers, through Nampo, will exercise discretion and responsibility in negotiations with the Government.'
However, he added the Government should take heed of the critical plight of farmers
'I have endeavoured repeatedly to point this out to the Government since attending the Pieter. maritzburg rally in February The warning lights that flashed at this rally were cloar evidence that things were tar rom wen in the agricultural sector

Government is determined to keep food prices down but this approach can only be realistic if it is prepared to take simılar action to ensure that input costs are also contanned
'At the present time farmers are being ripped off at every level of production costs,' Mr Hard-
ingham sald
President Botha will meet representatives of the country's angry maize farmers tomorrow in an effort to defuse the crisis
The farmers will be represented at tomorrow's meeting by the president of Nampo, Mr Hennie de Jager, and general manager, Dr Piet Gous


The crowd of more than 150 farmers who turned out for the protest meeting at the Swartberg Farme, Association yesterday.

## Farmers NM , 1585 pledge consumer <br> <br> support

 <br> <br> support}Mercury Reporter

MORE than 150. farmers from Kokstad, Underberg and Swartberg pledged therr support to the consumer yesterday to reduce the cost of family food requirements
They made the pledge at a Swartberg Farmers' Association meeting in East Griqualand
The meeting was a fol-low-up to the successful February mass tractor rally in Pietermaritzburg against rising costs of fertilizer, stock feed and machinery
It was also decided yesterday to request organised agricultural societies to investrgate the price difference between what the producer got for the product and what the consumer pard.
Mr Derek Broom, a dary farmer from Ixopo, explaned that farmers only received 34 c a hitre for their milk.
The farmer is comung out with a disproportionate share, but you cannot expect to get a big share of the profits if you are handing over the problems of distribution to other people,' he said.

## Urged

'Many consumers in Durban are drınking milk which is up to six days old. This is not good enough. We must take matters into our own hands'
Mr Broom urged the farmers to consider the consumer most important.
'We have been separated by the maddle-men for so longr but I think both the farmer and the consumer realise how much we are getting ripped off and it is up to us all to ensure that we get a better deal'
Another guest speaker, Mr John Armstrong, warned against complacency and apathy.
'If we feel that the Natal Agricultural Union and the costs are falling

## NRP expresses

 concern at 'drastic'farmers measurres

Pietermaritzburg<br>Bureau

THE New Republic Party spokesman on agriculture, Mr Ralph Hardingham, yesterday expressed concern at the proposed 'drastic and irresponsible' action by maize producers to stop deliveries to storage silos.

Mr Hardıngham, who is MP for Mool River, sald the consequences of such action could not be underestmated
"The non-avalability of a staple food such as maze can have serious and widespread social and economic repercussions
'I am concerned too that political influences are being brought into play which if pursued in this manner will be disastrous for the country as a whole,' sand Mr Hardingham.
Not only did it create a precedent in regard to the manner in which price negotiations of agmcultural products were being conducted bat it would destroy one of the main cornerstones of the Marketing Act, he sald
'One must not overlook also the financial assistance rendered by Gopernment in the form of drought relief measures during the past three years and it would be foolhardy at this stage to alleviate feelings between the agricultural sector and the public through irresponsible action
I sincerely hope that maze producers, through Nampo, will exercise discretion and responsibulity in negotiations with the Government.
However, he added the Government should take heed of the critical plight of farmers.
'I have endeavoured repeatedly to point this out to the Government since attending the Pietermaritzburg rally in February The warning lights that flashed at this raily were clear evidence that things were far from well

Government is determined to keep food prices down but this approach can only be realistic of it is prepared to take similar action to ensure that input costs are also contained
'At the present time farmers are being ripped off at every level of production costs,' Mr Hard-
ingham said
President Botha will meet representatives of the country's angry marze farmers tomorrow in an effort to defuse the crisis
The farmers will be represented at tomorrow's meeting by the president of Nampo, Mr Hennie de Jager, and general manager, Dr Pret Gous


ISE "PRO" MTHEMBU of Jabulani, Soweto, had all the reason to when he finally said "I do" to his childhood sweetheart, Zodwa Tshabalala of Emdenı, Soweto

## pils beat up alleged rapist <br> According to residents around the

By ALINAH DUBE
miñatit man was at the weekend $\therefore$ by a group of local high male pupils and later handed the police after he allegedily a 15-year-old school girl in a forest.
the assault, the grrl managed to school and rased the alarm pupils, angered by what had .itd to her, rushed to the spot she was allegedly molested pupils found the unsuspectung Ifer the trees and beat him up man was then handed over to mphuthatswana Police
vicinity, severdl young girls have in the past been raped in the same area and there is also a behef that "innocent young kıds" were victims of the man arrested on Friday
Col David George, the Press hawson officer for the Police in Bophuthatswana, confirmed the incodent yesterday He sard it took place at about 745 am in Block B and the man was held at the local Police station No $1 n-$ juntes were reported, he said, and the case could not as yet be linked with other rapes previously commited in the area

## wop-A-Stamp Prizes

 oper: Scowetan'

30p buts fares set to rise

Dife Bophuthatswna Transport Holdings will increase bus fares by 20 percent in all its operathonal routes with effect from May 5.
The increases will affect commuters in Mabopane, Soshanguve, Ga-Rankuwa and other areas in Bophutha tswana A BTH hason officer, MrPercy Nkomo, sad the percentage increase related to the total fare and that it must not be seen purely against the pas senger portion of the fare as reflected, among others, on weekly tickets Weekly tuckets, he added, were heavily subsidised by the government The passenger pard only about 30 percent of the total fare while the subsidy covered an estımated 70 percent
Mr Nkomo added that all the bus operators increased fares early this year after the fuel pnce was increased At that stage, his company could not do so because of the regulations governing transport in the homeland
"Although BTH regrets that the increases have to be affected, the company has no optıơn We want to fulfil our obligation of a continued service to our passengers The last fare increases were in 1984 and since then we have been absorbing all normal price escalations," said Mr Nkomo



FENYANE and Miss Idah Madonsela, staunch members of Women's Club, enjoying refreshments after the club's meeting in Mamelodi at the weekend.


the pnce of maze was condemned by leading supermankets today Mr Clive Well, the managing director of Checkers, said "We will try to keep the current pnice levels of mazze as long as we can The maize price has increased by more than 150 percent in the last six years and we will be domg all we can to cushion the increase
"The producers and mullers can fight but in the end it is the consumer who pays I believe it was a brave decision politically and otherwise to keep the mazze price at the old level," he sald
The charman of the Maize Board, Mr Van Abo has condemned the Government's decision to reject a producers' increase. He said the dec1sion had nothing to do with the economy.
"This is only a smokescreen The decision was a political one." Mr Van Abo has resigned from the board in protest

Mr Ruchard Cohen, of Pick 'n Pay pledged to sell existing stocks at the old price. He estımates the more popular sizes to be exhaused in four or five weeks

m: This was announced yesterday by the charr--man of the Natal Com mercial Poultry Pro ducers' Association, Mr W Barnsley
He said the price in crease had been caused by the recent 10 percent increase in the consumer price of malze
The mill price of feed to the egg producers was going up R14,60 a ton which converted to about 3 c a dozen in mput costs, he sald

A spokesman for the SA Poultry Assoctation Mr Z B Coetzee, said the increase was inevitable, although he believed it was low
Farmers still have to absorb many other costs themselves
Mr Coetzee sald he foresaw another price hike in the Transvaal where the increase is 4 c a dozen - in about two months
Supermarket chains contacted sald they would try to sell supplies at the old price for as long as they could

Municipal Reporter
THE 2.5 c a kilolitre drop in the bulk price of water will not be passed on to Durban consumers imme diately, the senior deputy City Treasurer, Mr Wile Stone, said.
Instead consumers will now pay 12 percent more for their water.
The Umgeni Water
Board last month announced the $2,5 \mathrm{c}$ drop in its supplementary tariff, effective from April 1. Mr Roger Phelines, chair man of the board said another drop of $2,1 \mathrm{c}$ a kilolitre might be possible on June 1.
The supplementary tarff has now come down on a quarterly basis from a high of $21,5 \mathrm{c} / \mathrm{kl}$ to $9,2 \mathrm{c} / \mathrm{kl}$, and will fail away altogether when consumption reaches normal levels.
Mr Stone said the
Durban City Council's
Management Committee had decided to leave the consumer price 'in the melting pot' until June. When the board's tariff change was announced the City Treasurer would make a recommendation to council.
'A drop in the price of Durban's water is possiole in the foreseeable qutare, but the 2.5 c decrease will not be passed on to consumers immediately, although the will' benefit ult 1-
mately" Mr Stone said The council has taken a

|  |  | （ ${ }^{\text {a }}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 諒 |  | $\begin{aligned} & \text { 妿 } \\ & 0 \\ & \hline \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 宮 | $\begin{aligned} & \pi \\ & \pi \\ & 0 \end{aligned}$ | \％ |  | $\stackrel{\circ}{\circ}$ | $\begin{aligned} & \text { n } \\ & 0 \\ & 0 \\ & \hline i \end{aligned}$ | $\begin{array}{\|l\|l\|} \hline \frac{x}{\infty} \\ \hline \end{array}$ | $\begin{aligned} & 7 \\ & 0 \\ & 0 \\ & 0 \end{aligned}$ | $3 \begin{aligned} & 3 \\ & 0 \\ & 0 \\ & 0 \end{aligned}$ | $$ | $\begin{array}{r\|r\|r\|r\|} \hline 0 \\ 0 & 0 \\ 0 \end{array}$ | $\stackrel{\sim}{n}$ | 1 | $\frac{\pi}{2}$ |  |  | 1 | $\left\lvert\, \begin{aligned} & \frac{\pi}{\mathbf{m}} \\ & \hline \mathbf{y} \end{aligned}\right.$ | $\frac{x}{y}$ | 岩 | $\underset{I}{x}$ | $\frac{\pi}{i x}$ | $\stackrel{\circ}{\circ}$ | $\because$ | \％ | ${ }_{0}^{\circ}$ | PICK＇N PAY RANDPARK |
|  | $\begin{array}{\|l} \pi \\ \\ \hline \end{array}$ | $\stackrel{\circ}{\circ}$ | $$ | $\stackrel{\text { ¢ }}{\sim}$ | $$ | $\begin{array}{\|l\|l\|} \hline 0 \\ \vdots \\ \hline 0 \end{array}$ | $\begin{array}{\|l\|} \hline \begin{array}{l} x \\ \hat{b} \\ \hat{b} \end{array} \\ \hline \end{array}$ | $\begin{array}{\|l\|l\|l} \hline x \\ \hline 8 \\ \hline \end{array}$ | $\begin{array}{\|l\|} \hline \begin{array}{l} 0 \\ \vdots \\ \infty \end{array} \\ \hline \end{array}$ | $\begin{aligned} & 8 \\ & 0 \\ & 0 \end{aligned} \frac{0}{0}$ | N | $\begin{array}{\|l\|l\|} \hline \frac{x}{3} \\ \hline \end{array}$ | $\begin{array}{\|l} x \\ \hline 0 \\ \hline 0 \end{array}$ | $\begin{array}{\|l\|} \hline \frac{\pi}{3} \\ \hline 8 \end{array}$ | $\begin{array}{\|l\|l} \hline 0 \\ \vdots \\ \vdots \end{array}$ |  | 1 | $\begin{array}{\|l\|l\|} \hline x \\ \cline { 1 - 1 } \\ \hline \end{array}$ | $\begin{aligned} & \text { 䧺 } \\ & \hline \end{aligned}$ | $\begin{array}{\|l} x \\ \hline \\ \hline \end{array}$ | $$ | － | \％ | 旡 | \％ | CHECKERS CRESTA |
|  | $\begin{array}{\|l} \mathrm{N} \\ \mathrm{~A} \\ \hline \end{array}$ | $$ | $\begin{array}{\|l} \hline \not{Z} \\ \text { A } \\ \hline \end{array}$ | ${ }_{\sim}^{4}$ | $\begin{array}{\|c} x \\ \vdots \\ \hline \end{array}$ | $$ | $$ | $3$ | $\begin{array}{\|l\|} \hline 0.0 \\ \vdots \\ \vdots \end{array}$ | $0$ | ${ }_{0}^{\circ}$ | 1 | $\begin{array}{\|c} \pi \\ \hline 0 \\ \hline \end{array}$ | $\begin{array}{\|l\|} \hline \pi \\ \hline 0 \\ \hline \end{array}$ | $$ | $\begin{array}{\|l\|l\|} \hline \underset{\sim}{x} \\ \hline \end{array}$ | $\begin{array}{\|l\|} \hline x \\ \hline 8 \\ \hline \end{array}$ | $\begin{array}{\|l\|l\|} \hline x \\ \hline 0 \\ \hline 0 \end{array}$ | $\begin{array}{\|l\|} \hline \text { 刃 } \\ \text { in } \end{array}$ | $\begin{array}{\|l\|l\|} \hline x \\ \hline A \\ \hline \end{array}$ | $$ | $\stackrel{\circ}{\circ}$ | 勻 | 哃 | ${ }_{5}$ | OK bAZAARS CRESTA |
|  | $\begin{array}{\|c} \bar{N} \\ \stackrel{y}{2} \\ \hline \end{array}$ | 1 | $\begin{array}{\|l} \hline \mathbf{0} \\ \vdots \\ \hline \end{array}$ | $\stackrel{\circ}{\circ}$ | 1 | $\begin{array}{\|l} \hline \pi \\ 0 \\ 0 \\ \hline \end{array}$ | $\begin{array}{\|l\|} \hline 00 \\ \hline 0 \\ \hline 0 \end{array}$ |  |  |  | 号 | 菏 | $\begin{array}{\|l\|} \hline \begin{array}{l} n \\ \hat{\omega} \\ \hline \end{array} \\ \hline \end{array}$ | $$ | $\begin{aligned} & 0 \\ & \hline 0.0 \\ & \hline 0 \end{aligned}$ | 1 | 1 | 1 |  | $\underset{\Delta}{x}$ | 1 | $\stackrel{\circ}{\circ}$ |  | \＆ | \％ | SPAR BLACKHEATH |
|  | $\begin{aligned} & \pi \\ & N \\ & \hline \end{aligned}$ | $\stackrel{\circ}{\circ}$ | $\begin{aligned} & \ddot{x} \\ & \stackrel{\rightharpoonup}{*} \end{aligned}$ | $\stackrel{\square}{\square}$ | $\begin{array}{\|l\|l\|} \hline 0 \\ \vdots \\ \hline \end{array}$ | $$ | $\begin{array}{\|c\|} \hline 0 \\ 0 \\ \hline 0 \\ \hline \end{array}$ | x | $\begin{array}{\|l\|} \hline 0 \\ 0 \\ i \end{array}$ | $0$ | ${ }_{\sim}^{4}$ | $\begin{array}{\|l} x \\ \hline \end{array}$ | $\begin{array}{\|l} \hline N \\ \hline \\ \hline \end{array}$ | $\begin{array}{\|l\|l\|} \hline \frac{x}{0} \\ \hline \end{array}$ | $\begin{array}{\|l} \hline \begin{array}{l} x \\ u \\ i \\ i \end{array} \\ \hline \end{array}$ | $$ | $$ | $$ | $\begin{array}{\|l\|l} 2 \\ \vdots \\ \ddot{y y} \end{array}$ |  | $\begin{array}{\|l\|l\|} \hline \underset{\sim}{\tilde{\omega}} \\ \hline \end{array}$ | $\stackrel{\circ}{\circ}$ | $\stackrel{N}{\sim}$ | $\stackrel{\text { ¢ }}{\sim}$ | A | $\begin{aligned} & \text { AVERAGGE } \\ & \text { PRICE } \end{aligned}$ |
|  | $\begin{array}{\|l} \mathbb{N} \\ \vdots \\ \hline \end{array}$ | $\stackrel{\circ}{\circ}$ | $$ | $\stackrel{\square}{\square}$ | $$ |  | 㒀 |  |  | $\begin{array}{\|l\|l\|} \hline 0 \\ \hline 8 \\ \hline \end{array}$ | ${ }_{\sim}^{4}$ | $$ | $$ | $$ |  | $$ | $\begin{array}{\|l} x \\ \hline \\ \hline 0 \\ \hline \end{array}$ | $\underset{y}{x}$ | $$ |  | $$ | $\stackrel{\square}{\circ}$ | N | $\stackrel{0}{0}$ | ${ }_{\sim}^{\circ}$ | AVERAGE PRICE SURVEYED ON APRIL 231985 |
|  | ${ }_{\text {¢ }}{ }^{\text {¢ }}$ | $\stackrel{\text {－}}{\text { ¢ }}$ | $\stackrel{+}{\stackrel{t}{0}}$ | 1 | $\stackrel{ \pm}{*}$ | $\stackrel{ \pm}{\omega}$ | $\begin{gathered} \infty \\ \infty \\ \infty \end{gathered}$ | 1 |  | $0$ | 1 | $\stackrel{1}{5}$ | \％ | 1 | 1 | 1 | $\stackrel{\square}{ }$ | $\pm$ | 1 | 1 | 1 | 1 | 1 | 1 | 1 | PERCENTAGE DIFFERENGE |


| $z{ }^{\prime}$＇d |  | 09\％\％za | 09＇8ız |  | 9／5861 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| ع0＇я |  | os＇ızzı | ¢5＇8ız |  | 5／8861 |
| ＜＇st |  | 861 unf $50^{\prime} \angle 818$ posponsu＇ $90^{\prime} 0<18$ | ss＇＜918 |  | 7／8861 |
| － |  | LE＇ssia | S0＇tela |  | ع／z861 |
|  | （100）had ozmoll ofoum Sild 9NIITS OXVOE SZIVT |  |  |  | avas |
| Z86L BJNS BJidd 3ZIVW 3hi Ni Sastaioni |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| गprad ommis mura jovain |  | mide |  |  | $d$ \＆bncoxd |
| ses！лd az！pu fo uморypoлg <br> S86I L AVW IV SV SHIPd IZIVW |  |  |  |  |  |


| 0ع ！！udv uo peu！piqo sau！d |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| zi＇z－ | 00＇sz女 | ＜t＇tzを |  |  |  |  |  |  |
| － | 69＇za | 96＇zy | 6t＇zy | － | － | 68＇za | O＜＇zı | เจM아！！no |
| 9L＇9－ | 69＇zy | 9L＇z】 | 6s＇zy | － | － | 6く＇zı | 68＇zy | solqdefon pox！w |
| 10＇t－ | 96＇z】 | ع6＇zy | 68＇zy | － | － | 66＇zy | 06＇z】 | subag uәә碞 |
| 99＇s－ | て1＇z】 | 00＇zヌ | 66＇14 | － | － | 29＇1女 | 6ع＇zy | pэ3！－sıonio |
| しく＇E！ | 66＇zx | 8s＇zı | 68＇z＞ | － | － | 9s＇z＞ | 6て＇zฯ | 9ヨヘ NB |
| $8 \varepsilon^{\prime} z-$ | ${ }^{3} \mathbf{8} 8$ | गृ8 | ${ }^{3} 88$ | 366 | ＞99 | \％9 | 366 | sэ6ubio |
|  | 38t | 8 r | 66 | د9b | 365 | 368 | 367 | （40）sopddoau！d |
| ع̌＇zı | 2EL | z8 | 361 | 362 | ${ }^{3}+8$ | 36 | 368 | spubuig |
| 9s＇z－ | ＜1＇ı | D1＇14 | $6 \varepsilon^{\prime} 18$ | 366 | 00＇18 | गs6 | 68＇14 | snopplat uaplog ：sojddy |
| L6＇s + | 329 | गL | ${ }^{6} 5$ | 269 | S¢ $L$ | － | 36 | suouco |
| をと＇く＋ | गt | 3t | ${ }^{6} 8$ | งร | ${ }^{6}$ | ${ }^{6} 8$ | 365 | Ysonbs was |
| $98^{\prime} 8+$ | ${ }^{3} 5$ | 398 | － | 368 | － | 369 | 366 | （ $\varepsilon$ jo + \％d）soupaw |
| 95＇$\varepsilon 1-$ | ${ }^{265}$ | गs | ${ }^{6} 5$ | 368 | 36 | 360 | ${ }^{3} 66$ | （4＞unq）stouno |
| 69＇L－ | 36 | 98 | － | ${ }^{6} 6$ | ${ }^{368}$ | š | ${ }^{368}$ | u！ydund |
| Ds＇stor | 10＇ta | ＜t＇ly | 6＜＇ty | 366 | 64＇14 | 68＇14 | 68＇เป |  |
| $z z^{\prime} z^{+}$ | 3st | 39t | ${ }^{36}$ | 69 | 3st | ${ }^{3} 62$ | ${ }^{36}$ | （\％0\％） 2609900 |
| 4＇61－ | Ls＇18 | ＜z＇ı 1 | 60＇ty | 366 | 60＇18 | 6z＇ty | 60＇L4 | subag uәat |
| 81－ | sos | गto | 365 | 362 | ${ }^{362}$ | 368 | ${ }^{36}$ |  |
| 96＇9＋ | s1＇ty | E＇ıı | 69＇14 | 366 | 6’14 | ${ }^{62}$ | 6s＇14 | seotbue |
| － | ${ }^{\text {¢ S }}$ | ข¢ | ${ }^{36}$ | 360 | ${ }^{6} 5$ | 360 | 365 | saotblod |
|  |  |  |  |  |  |  |  |  |
| A3AXMS J78viss n anv Mndy |  |  |  |  |  |  |  |  |


 квpot yun deno sict ploy

 esuming paysep кyэin would be no prod dent Botha last night CAPE TOWN-Maize farmers were slapped down by Presi
when he bluntly told a delegation thert farmers were slapped down by Presi


| N, FRIDAY, MAY 3, 1985 | 40 C |
| :---: | :---: |



CAPE TOWN-Maize farmers were slapped down by President Botha last night when he bluntly told a delegation there would be no producer-price increase.
Farmers ${ }^{2}$ hopes were quickly dashed during a stormy 90 -minute meeting in which the President told charman of the National Maze Producers Organisation, Mr Hennie de Jager and his deputy, Mr Boetie Viljoen, that the maize farmers were in danger of pricing themselves out of the market
When it was over, Mr de Jager emerged, shaken but defiant, and sard 'It' was a very unsuccessful meeting I am very unhappy about the discussions They were very aggressive and unfortunate
'We came with a compromise. It was not accepted at all In fact, it was not even discussed The Government was relentless ${ }^{\text {2 }}$

## No mood

Mr de Jagèr would not elaborate on the compromise, saying he wished to hold this over until today when he will address a mass meeting of farmerg in Klerksdorp.
Sources within the Natoonal Party indicated that the President had been in no mood to bow to pressure feom the farmers
The delegation had been firmly told that the Government was determined to stick to its guns and would not be held to ransom
The sources beheved the crisis had been staged-managed by elements of the farming community sympathetic to the Concoryativo Dorty

## ORMANDE POLLOK Political Correspondent

It is understood that Nampo's compromise would have involved more for those farmers with a good crop, but little or nothing for those without.
A spokesman for the President said last night that Mr Botha had told the delegation he had studied their representations for an merease in the producers' price of maize but in view of current economic circumstances the Government could not comply
The President reminded them that last year, under exceptionaly difficult circumstances, the Government had granted an extremely high increase of 28 percent in the net producers' price tef yellow maze and 30
percent in the net producers' price of white maıze, and had made avallable an ddditional R100 million and
Nampo had accepted in writing that the 1984 price would not be used as a basis to fix this year's price
The President also pointed out that the price of maize affected the greater part of the rest of agriculture and that farmers in other sectors were also entitled to fair treatment.
Therefore the Government could not favour one sector at the expense of the rest of agriculture and the maize industry should be 'careful not to price itself from the

OTUN TOPACE 2

## Kloof woman

 attacked by knifemanfronted a knifeman in her home yesterday afternoon
Mrs Diana Houghton of 59 Uplands Road was stabbed in the head and dragped un and down

$$
\begin{array}{cl}
\text { Crime Reporters } & \text { patrolling the area look- } \\
\text { A 66-YEAR-OLD Kloof } & \text { ing for Mrs Houghton's } \\
\text { woman was viciously at- } & \text { servant who had disap- } \\
\text { tacked when she con- } & \text { peared after the attack. }
\end{array}
$$

## Maize price wrangle <br> <br> FROM PAGE 1 <br> <br> FROM PAGE 1 <br> at present, sufficient sup-

market'
The President indicated that strong representatons had been recerved from the South African Agricultural Union with regard to further ald for the summer rainfall sowing regions
He also told the charrman of the union, Mr Kobus Jooste, that the Government had decided to make avalable an ad ditional amount of R100million to help farmers in drought-stricken regions who were stlll experiencing problems, especially with carry-over debts and production financing,
Further investigations were being conducted to establish to what extent the Government could assist with fodder subsides.
The President called on the delegation to co-operate in the best interests of all mazze farmers.
Earler yesterday, Minister of Agriculture-Mr Greyling Wentzel, who attended last night's meeting along with the Minister of Finance, Mr Barend du Plessis, denied reports that the country would soon face a shortage of white maze and said there was already enough stockpiled to meet demand for a month.
He was reacting to reported suggestions that, should farmers withhold deliveries for two weeks, no supplies would be available for consumption and that if their action should continue, the survival of certain large co-operatives would be jeopardised
According to a'state ment, the minister 'emphatically denied that a pending shortage of white maize exists in the country'
'On the contrary, should deliveries to co-operatives be halted entirely
plies of white maze exist to provide for at least one month's consumption
'The available supplies of yellow maze are more than sufficient to satisfy the demand.
The minister satd he regretted the dissemination of false reports regarding the stock situation, which caused unnecessary con-

He appealed to farmers to take advantage of the concession granted regarding the moisture content of white maize, and concluded by saying the withholding of maze would seriously harm the good image' of the maze industry and, would have grave financial implications for farmers

Stew 315185


Prices of tyres and tubes are to go up by 9,25 percent on May 27, the SA Tyre Manufacturers' Conference announced yesterday.
The chairman of the conference, Mr RG Nicholson, said manufacturers had no alternative

The country's tyre manufacturers were facing increased costs, particularly of local raw matrials, he said.
"The local materials include synthetic rubbers, nylon and rayon fabric, bead wire, carbon black and other chemicals which the manufacturers are precluded from 1 m porting at better prices.
"These higher costs were not recovered by the last price increase and tyre manufacturers are now facing a second substantial increase." Sap

Tyre，tube
price rise
＇a shock＇
－AAA

-| JoHANNESBURG |
| :--- |
| An increase of almost 10 |
| percent in the prices of |
| tyres and tubes－the |
| second rise in four |
| months－came as a |
| shock to all road users， |
| an AA spokesman said |
| today |

Mr R Nicholson， chairman of SA Tyre Manufacturers，today announced an increase of 9,25 percent in the price of all tyres and tubes from May 27，say－ ing the severe cost pres－ sure left tyre manufac－ tourers with no alternative．

A spokesman for the Automobile Association， Mr Gideon van Oudt－ shoorn，said today the increase had come as a shock

He appealed to retail－ ers not to apply the in－ crease to existing stocks and sard that since 1982 the price of tyres for passenger cars had in－ creased by more than 60 percent

## UNCALLED FOR

Mr van Oudtshoorn said the increase was uncalled for，especially if one took into consider－ anion the other increases motorists had been sub－ jected to recently，such as the increase in the fuel price，the customs and excise duty on cars and the increase in Gen－ aral Sales Tax

Mr Jan Crone，the $\mathrm{d}-$ rector of the Consumer Council，said the an－ nouncement proved that no competition existed between the manufac－ tourers in the country．
＂These people should realise that if their man－ ufacturing costs in－ crease，the cost of living for the consumer also increases．
＂This will only plunge the consumer deeper into the red，＂Mr Crone


Slack gradients，thus fog patches will occur along the coasts tonight．

## Mild，partly cloudy

WEATHER forecast for the Peninsula，Roland and Overberg for the period ending 6 pm tomor－ row
$\square$ Fine to partly cloudy and mild apart from fog overnight．
$\square$ Wind：Moderate southeasterly but strong to gale－force between Cape Point and Hermanus $\square$ Minimum temperature at D F Malay Airport will be between 11 and 13 deg $C$ ．

THE MOON


D F MALAN climatological data for yesterday May 2
（The figure in brackets shows the average for the month）
Maximum temperature $\quad . . . . . . . . \quad 21$（198）deg C
Minimum temperature ．
Mean temperature
Maximum hurnidity ． Minimum humidity
Mean humidity
Mean atmospheric pressure


Couple＇s only child， 2 ，shot dead at family dinner table

Stephanie，an only child， was tragically shot dead at the family s sumner


## 1

 （SAAU）and Nampo for too that Mr Bothd tore that the presen political－



 pue əヘissa．ssis Кıəム，

 drought reliet
The chanman of the
Nationd Marze Produc－

 n 0
 solution that the government had wards that Nampomise＂ 0
0
0
0
0
0
0
0
0
0
0
0
0
7
 in a supplementary $\begin{aligned} & \text { get later this session，}\end{aligned}$ $\left\lvert\, \begin{aligned} & \text { Commission and will be } \\ & \text { voted for in Parliament }\end{aligned}\right.$





 have meant more money
for farmers who would plnom＂，天s suo．d duos，
 －syialy ui plou əq ol sut
$-1 \partial \partial u$ sseui e doj sifeqop





 Tuynhuys was betweeen
Mr De Jager，his deputy，
Mr Boetie Viljoen，Mr

 would lead to another



yellow maize were more
than enough to satisfy de－
mand Avanlable supplies of
yellow maize were more 3
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
 that if deliveries to the
co－operatives were halt－



 pinous woizoe s．rouxey The general manager
of Nampo，Dr Plet Gous， อรยう．IOYS ON
spokesman＇s statement price this year，＂said the price will not be used as



 ducers＇price of yellow
maize and 30 percent for extremely high increase
of 28 percent in the pro－



 0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
50
7
0
0
0
5
0
 A spokesman for the
president said Mr Botha

Nat


A WEEKEND POST survey of a cross-section of house hold commodities has shown that prices in Port Elizabeth have risen by an average of more than $30,5 \%$ in the past two years

The 12 items include peanut butter, rice, baked beans, soup, condıments, household scourer, shoe polish, washing powder, freezer bags, breakfast cereal and petroleum 'jelly

Two years ago they cost R9,71 When priced this week at a leading supermarket, the same items cost R13,55
The price increase varied from $11,3 \%$ in the case of soup to $81,7 \% \mathrm{in}$ the case of peanut butter

It was also calculated that within the next two years, at an inflation rate of $15,1 \%$, consumers can expect to pay R17,95 for a hamper consisting of these 12 tems.

All prices given exclude GST.
The table below shows the comparison between May, 1983, and May, 1985, and the percentage increase over the two years.


A QUESTION mark has been placed over the valudity of Sentrachem's claim that its Karbochem artificial rubber plant is strategic.

The plant was supposed to make rubber out of coal and save large amounts of foreign currency This justı fied the R430-milhon capital cost and led the Government to give the plant $25 \%$ import protection
But in the wake of Karbochem price increases of $45 \%$ on the past year, tyre manufacturers have had to raise prices by $9,25 \%$ from May 27
Industrial rubber goods manufacturers say Karbochem is not coal based and is not saving the foreign currency originally envisaged

## Still losing

Karbochem imports $90 \%$ of its most umportant raw materials Because of the fall in the rand, it has had to raise prices - and it still sustaus losses
Critics say the plant is not fulfiling its original function of replacing imports

Rubber converters have expressed concern at the

By Don Robertson
price increases but a Karbochem spokesman says they were necessary because 1 m ported feedstock for the manpfacture of rubber costs a great deal more

## Steady

From mid-May, styrene butadiene rubber (SBR) will cost R2 610 a ton compared with R2 290 in January this year and butadiene rubber will rise to R2725 from R2 390 The prices in May last year were R1 800 and R1 970 respectuvely
Industry sources say that because Karbochem has to import its raw materials, SA is still subject to sanctions
The feedstock for isoprene rubber, which is used as a replacement for natural rubber, comes largely from SA sources

Butadene is the major raw material used in the manufacture of SBR and butadiene rubber and almost a ton of butadiene is used to make each ton of these two types of rubber
International butadiene prices have remamed steady in the past year, but because
of the rand's devaluation. its delvered price has risen from about R880 a ton to R1 520
In the manufacturing process, Karbochem adds various solvents and catalysts at a cost of about R250 for a total mput cost of R1 770 a ton This means the value added by Karbochem on a particular grade of SBR costung R2500 is R730 a ton - not even $30 \%$

Karbochem's R2 610 a ton for SBR compares with the American synthetuc rubber price of R1 916 ex-factory and the European price of R1 670 The price of natural rubber is R1 520 a ton

## Impossible

Although academic because import permits are unavalable the price of butadrene rubber delivered in Durban and meluding the $25 \%$ umport tarff is R3 100 a ton, and that of SBR is R2 810 Last year, the Government introduced a $25 \%$ tarifi on natural rubber imports to protect SA producers $\mathfrak{l t}$ has since made it virtually 1 m possible for rubber converters to obtain $1 m p o r t$ permits for synthetic rubber

|  |  |  |  |
| :---: | :---: | :---: | :---: |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |



CAPE TOWN－Two Nationailst MPs who last week dissociated themselves from the Government＇s dect－ sion not to increase the maze price have changed their minds
Mr MD Maree（Parys）and Mir Wilhe Lemmer （Schweizer－Reneke）who both represent many dissd－ tisfied maze farmers，sald today that they now ac－ cepted the Governments motives for refusing an in－ crease
At the weekend Mr Lemmer met the NP divisional committee in his constituency There it was accepted that $1 t$ had not been possible for the Government to increase the maze price because of the need to en－ sure economic recovery
At the same tume a motion of full confidence in President Botha，the Minster of Agricultural Eco nomics，Mr Greyling Wentzel，and Mr Lemmer，was passed

## CHAIN REACTION

Mr Maree said a maize price increase at this stage would have started a chain reaction of higher prices in many other sectors
He dened that he had been under pressure from the NP to change his stand of last week
He had been to see President Botha who had under－ stood that he had to represent the interests of his constituents
A spokesman for the Department of Agricultural Economics sadd today that it was not yet clear wheth－ er the maze farmers＇threat to withold supplies was being implemented to any extent
Maize stocks on farms in the Free State and the Transvaal were very wet at present after late rams and this could lead to some farmers not delivering to the co－operatives
Mr Wentzel will start a senes of meetıngs with farmers in different parts of the country of Thursday when he will speak at Dundee
He will explain drought relief measures and the maze price decision

of a pamphies-omplied by Nampo giving the facts and figures surrounding a requested increase in the producer price of maize, will be distributed to farm ers thronghout the country
In the next few days, thousanis of pamphlets will be sent to farmers, and at the same time, Nampo will launch a countrywide advertising campaign in various publications to put ther case to the consumers.
Mr Grel van Zyl, head of administration and organisation of Nampo, said from Bothaville last night that this was one of the steps the organisation would be takmg this weei
"Mr Henme de Jager, charman of Nampo, has been given a mandate to reopen discussions with the Minister of Agriculture on the price issue
livers are continuing to hold back deliveties of fielr crops," Mr van Zyl said

- He rejected claums that a Conservative Partv ele ment in the Nampo ranks had forced a price confron tation with the Government
"The Nampo constitution states quite clearly that mo snember of its management may play an active role in politics If any of our executives become involved m politics, they are obliged to resign "
iAt Friday's mass meetmg of farmers in Kjeris dorp, Nampo was also given a mandate to demand a final policy in regard to the maize industry from th Minister

Farmers want to knou before they nuest mil for in planting a crop what price the will recelve for it in futare," Mr van $Z$ yl said

## Home prices drop marginally

 money market rate．＂Dr Falkena says＂We expect that house prices in general解 poser south Africa declined only hargmaily on average in the first quarter of this year，although the West Rand and
－Durban－Pimetown areas had a drop of some 8 percent，the United Building Society＇s la－ test Quarterly Housing Review，states
And United＇s chief economist．Dr Hans Falkena，says the bond rate could dechne by some 2 percent this year for mortgagers with larger bonds－those who are current－ by paving 21 percent or more
However＂those who pay a lower inter－ est rate because their bond is smaller．must not anticipate much relief as this rate is
will continue to taper off during the second vanarter－but ar moderate arise，may，be ex－ petted in the second half of the year，main－ ty as a result of inflationary pressures，＂．Dr Falkena says．
Although mortgage finance is readily available for home－improvement and bonds in excess of R60000，which command mar－ ket－related interest rates，finance for smaller bonds．particularly those with a bond rate of $18.25-21$ percent，is expected to remain limited throughout the year




## Mercury Reporter

THE only pathology laboratory in Durban to which mrivate'doctors can send tissue samples has hiked its fees to some medical ad patients by up to 25 percent - an increase which will not be covered by medical ad.
This follows failure by the laboratory and one of the biggest medical add schemes in the country to reach agreement on ways to administer an amendment made last year to the Medical Schemes Act, which prescribes scales of tariffs and procedures for medical and clams.
Pathology-test bills can run to hundreds of rends. Members of the schemes which fell out with the laboratory will have to pay the 25 percent difference between the medical aid 'scale of benefits' and the amount charged, as well as any excess charged by the scheme
The laboratory, described as an extensive operation, was ${ }^{\prime}$ the only one we can deal with in just about the whole of Natal', said a private doctor who may not be named.
A' spokesman for the laboratory said about a fifth of its patients would now pay 25 percent more
Last December's amendment to the Act had given practitioners the leeway to 'charge anything you like, but within limits and usually following Medical Associaton guidelines', he said.

## Private patients

It had not been possible to reach agreement with a certain 'very bug' medical aid society, as well as one or two smaller schemes, on ways for the pathology laboratory to submit accounts directly and so be paid out drrectly under the amended Act.
Instead, the pathologists had decided to treat'members of those societies - which he declined to name as private patients
'Traditionally, private patients have always been charged more than the gazetted tariffs,' the laboratory spokesman sard.
'Maybe you'll say it's unfair to those patients who are now discriminated against. But some medical aids are just being difficult - and we have cash flow problems and big bad debts.'
He emphasised the laboratory was not profiteering and, indeed, occasionally did work free or at a reduced rate, for poor patients.
", ocospokesman for' a national medic all aid society qu tied from a letter he had received late last month froffothe laboratory.
"It read. 'We are now dealing directly with our patents in most circumstances and, as such, fees higher than the scale of benefits are being charged.'
He said his scheme operated 'in strict accordance with the provisions of the Act' and the laboratory had not been prepared to comply with all' the Act's requirements for direct payment to practitioners ty medical aid schemes.
"I 'think they've decided they want to charge higher fees and that's it,' he said.
 pey odumen asays ozpund ui moxioutiof play uaza




 ปน๋ました

 ducers＇Organisation（Nampo）is preparing to relax әourd e toj əlitiq sir 1soi sey oduren पsึnotilv azieu ment＇s decision not to increase the producer＇s price of
The maize dispute was sparked by the Govern－
SNOISSGONOD Y＇THLO
＂ uotisod guonis sit asn IIIM oduren peqi Kès soomos ing of marze waş to end

 Mr Wentze＇s．Stw $8 / 5 / 85$
 From Cape Town，The Stqr＇s political staff re－ turng of the hoard to give producer members in－
量 8
 with the chairman of Nampo，Mr Henne de Jager
 farmers were asking for an excessive 23 percent in－＂


－ured jo spuesnout otinquidstp of Kpeax si odtuen



## Expert pooh-poohs expected surge in clothing prices ${ }^{244}$ <br> By DEREK TOMMEY

 Financial Editor HEAD of Pick 'n Pay's textile buying operations Mr Johnny Rosenberg has challenged clarms that clothing prices will rise strongly next summerHe said efficient clothung manufacturers should be able to absorb most of the cost of the increase in textile prices
He was commenting on a statement by a Durban clothing manufac turer that because of the devaluation of the rand and resultant increase in the cost of materials, clothing prices this summer would rise by between 25 percent and 30 percent and even by 45 percent in some instances
Mr Rosenberg said today that such price rises were unwarranted

## CHANGED MARKET

The average increase in Pick 'nPay's clothing prices this coming summer would be only 10 percent Many items would be selling at the same prices as last year and the prices of some would even be lower than a year ago
He criticised clothing manufacturers for falling to adjust to changed market conditions
"They are still seeking to maintain their profits with high mark-ups instead of seeking economies of scale by going for low margins and long
runs"

Just this week a local clothing manufacturer, because it was concerned about the backlash from other retailers, had refused to enter into a deal with Pıck'n Pay which would have trebled his production and substantally reduced the price of the


Mr Johnny Rosenberg, head of textile buying operations for Pick 'n Pay.
garment he made
Mr Rosenberg said that in spite of the downturn in the economy many clothing manufacturers were still operating profitably, because they were professionally managed and knew how to cost
They also kept their factories fully occupled even if the profits were less than they would like
Generally, those clothing firms that were going to the wall were the ones that did not know how to cost

There was a serious need for greater efficiency in the clothing in-
dustry, he said



Mercury Reporter
MAIZE war peace talks have been scheduled be tween the Government and officials of the National Haze Produc ers' Organisation in Pre toria today and rebel. lous farmers have been asked by their represen tatives to resume maze deliveries
The secretarv of Nampo, Mr Toble Lombard indicated last night that the talks were a com promise and has organisá tion would enter them in a spirit of co-operation
Farmers had clamed solid support for their refusal to deliver maize supplies to the Marze Board. but political circles in Cape Town indrcated yesterday that this might not be the case

## 'Still upset'

Indeed, it is understood that Nampo had been secretly doubtful about the sures for the boycott, since there were about 31000 deliverers to Maize Board agents and only 4700 Nampo members
Many maize farmers are known to have supported the Government's stand, and Government sources believe farmers have been seriously divided over the issue

But Mr Lombard said last night that farmers were still upset by the way the whole situation had been handled by the Government, although they would try to find a
peaceful and responsible solution
'I cannot predict how ever what alread angr and volatile farmers wil do if the outcome is un fat curable
Mr Lombard clamed that the boycott on maize delveries had been joined by the vast majarity of farmers

In a statement released yesteraay Mr Hennie de Jager, chairman of Nampo sald the appeal for a resumption of deliv. eries had been made be cause the Minister of Agriculture Mr Greyling Wentzel, had agreed to attend today's talks. which would be aimed at solving 'specific problem areas in the industry, with special emphasis on clear guidelines for the
seasons ahead
Among the items to be discussed would be wavs to restructure the present maize marketing svstem implementation of a tuo market system before this year's planting season and reappointment of producer representatives on the Marze Board who had resigned in protest aganst the announced price structures

While Mr de Jager prased the soldarity of producers, he warned that further delays in de heverses would disrupt the market seriously

Mr AP Keeve of the Scheepersnek Farmers' Association in Northern Natal and $\frac{7}{2}$ Nampo offi cial, sand last night that Natal farmers had al. ready decided to go ahead with deliveries,




aplessis, said the R200 mil anewnheat seasonan Alon allocated to subsi- 'October dise bread this'year Surrentiy the- subsidy would not be uncreased on thrown and wholeEariner this year the wheat bread was $17,0 \mathrm{c}$ a Minster of Agricultare. loaf, bringing the conMr Greyling Wentzel "sumer price down to 40 c warned that a bread price Until May 1, unsub. increase was inevitable
He emphasised that where there were no sound reasons for the mantenance of the subssdy, it would be phased out
If the price of bread was held constant the wabsidy wonld be ex. hausted by the start of the

Until May 1, unsub at 60 c a loaf
However, the higher flour price has tassed the total cost deinvered to retallers to $62,2 \mathrm{c}$
The additional 2.2 c 15 being met.from the shrinking subsidy for the tume berng The bread price was
fast-raised in October costs 1984

## $\therefore$ A Wheat Board official

 said-t was 'only realistic' to expect a bread price increase if the subsidy was not rasedLast October millers and bakers' margns were cut
At the time the Minster of Agriculture indicated the margins would be re viewed during the follow ing six months
In fact, the margins were rased from May. but to nowhere near the extent Justified by higher

Meanwhile authorithes warned yesterday that a second bread price rise was possible from the be ginning of October the start of the new wheat season. if the producer price of wheat was rasec
According to the Wheat Board from the begir nung of May a 5 kg pach of cake flour was increased by 6,8 percent to R4.20 a 5 kg pack of white bread flour by 7,1 percent to R3,76 and a 5 kg pack of brown bread meal bi 79 percent to R3 11

African Affarrs Correspondent
ULUNDI-The Chief Whip of the KwaZulu Legıslative Assembly and Member for Enselen Mr Simon Conco has praised the 'courage' of President Botha for refusng to allow an ncrease in the producers' price of maize
Speaking during a snap debate in the Assembly yesrday Mr Conco said that on the eve of the Harrimith provincial by-election Mr Botha had taken a calculated risk to incur the anger of his voters
He sand the President ought to withdraw the subsi dies given to those farmers who were now hoarding maze in retaliation

They should not get relief from his coffers This is our money.' Mr Conco said
'God be with the State President Give him strength to deal with these "political delinquents" who "play marbles" with us'
Mr Conco sard that, if by any misfortune, the Conservative Party came to power in South Africa and gave black people the treatment it had promised, the country would be reduced to ashes
He said Mr Botha had heeded repeated requests from the KwaZulu Assembly that the price of maize should not be increased

The black people had contributed to the stand taken by the President by consuming 30 percent less maze products because of periodic price increases

Mr Conco sand the various control boards in South Africa were 'Institutions of slavery'



$\qquad$
边 3
0
0
0
0
0
0
0



 R
0
0
0
0
0
0
0
0
0
0
0



 0
0
0
0
0




 | 1 |
| :---: |
| 0 |
| 0 |
| 0 |












准


## 艮

4 $\qquad$
\%
$\underset{\sim}{x}$
$\stackrel{x}{y}$
鬲
爻


$\stackrel{\stackrel{\rightharpoonup}{n}}{n}$
웅

$$
\stackrel{\rightharpoonup}{6}
$$

－






| N | \％ | $\stackrel{\pi}{\hat{N}}$ | $\overrightarrow{\mathrm{I}}$ | $\underset{\infty}{\boldsymbol{x}}$ | ¢ | $\stackrel{\circ}{\circ}$ | $\frac{\pi}{i}$ | $\stackrel{x}{v}$ | $\begin{aligned} & \text { 石 } \\ & \text { 出 } \end{aligned}$ | $\stackrel{x}{0}$ | $\stackrel{\tilde{W}}{\mathbf{i}}$ | $\underset{\mathbf{N}}{\mathbf{N}}$ | $\bar{a}$ | $\stackrel{x}{y}$ |  | $\frac{\pi}{\square}$ | $\dot{\hat{\circ}}$ | AVERAGE PRICE |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| I | N | $\stackrel{\square}{\square}$ | 1 | $\%$ | 1 | $\stackrel{\sim}{\sim}$ | ${ }_{\sim}^{\infty}$ | $\cdots$ | $\stackrel{1}{n}$ | － | N | $\stackrel{\square}{2}$ | 2 | 2 | $\stackrel{\square}{2}$ | $\sim$ | $\stackrel{\sim}{n}$ | TWO MONTI |
|  | $\stackrel{N}{\mathbf{N}}$ | $\mid$ | 1 | $\left\|\begin{array}{c} \dot{\omega} \\ \dot{\alpha} \end{array}\right\|$ | 1 | $\stackrel{\otimes}{\mathrm{N}}$ | $\stackrel{n}{i n}$ | $\begin{aligned} & \text { O} \\ & \text { O} \end{aligned}$ | 洛 | 謟 | $\begin{array}{\|c} \mathbf{N} \\ \mathbf{i} \end{array}$ | Nu | $\begin{aligned} & 1 \\ & i n \\ & i \end{aligned}$ | $\stackrel{\sim}{i}$ | $\stackrel{ }{ }$ | $\bar{y}$ | $\stackrel{\rightharpoonup}{\mathrm{i}}$ | PERCENTAGE CHAN IN TWO MONTHS |


Professor Johann Pot-
geter, head of the unigeter, head of the unisays." Althoughincreases of service charges have been apby their respective local authorities, these have
 as yet because of un-
rest" The survey also reelectricity and water inelectricity and water inoverthepastsix months, due to a general water tanffs

## Tramsport

 ncrease announcements, notably fuel, GST, transport and
sugar, with concomitant ripple effect on producдuesu!ubis éspooa
downsuos pue uoit jo 2500 әч uı әsearou leding is generally expec-
-Suent jo aseo əqt uI port, costs increased in
all areas during the past all areas during the past
six months In most centres the increase was centres the increase was
between 10 and 25 percent, while in places such as Johannesburg
and Springs, the hikes and Springs, the hikes
were as high as 40 per"The general high in-
crease in the cost of livCONSUMERS can expect morepricein-
creases on foodstuffs in the coming months. may have been realised following the fuel price and the General Sales
Tax increases in the past Tax increases in the past
months, the cycle of price hikes may not be
This warning is carned in the latest paper on the Household Sub-
sistence Level (HSL), a sistence Level (HSL), a
report based on the estimated income needed mated income needed
per month by an individ-
ual household if it is to ual household if it is to maintain a defined and decency " The report, compiled
by the University of Port Elizabeth's Institute for Planning Research, is based on a household
consisting of six black
 updatedeverysix $\qquad$ In the present six-
month update a high increase of 7,8 percent in
the cost of living was calthe cost of living was calholds in five major urcluded Johannesburg Joh an nesburg
(R353,04), the Vaal Tri(R353,04), the Vaal Tri-
angle (R344,54) and Pretona (R343,94) now seemed to be the most
expensive places in the country to hive in as measured by the HSL Pietermaritzburg
R298, 34 ), Benoni R298, 34 ), Benoni
R308,42) and East Lond on (R308,60)
seemed to be the cheap-

## Maize farmers end boycott  and hold talks with the－Govt Premer bureal $(244$ <br> Maize farmers had the Government have deciarod atruce and will

 industry discustons today on a possible new course for the maze industryThe National Maze Producers Organsation（Nampo），headed by charman Mr Hennie de Jager，will meet the Mimster of Agricul． tural Economics and Water Affairs，Mr Greying Wentzel，in Pre－ toria to dectide on an agenda for talks
The meeting comes after vesterday＇s announcement by Nampo that the manze botcott bad ended and that farmers bad been in structed to resume deliveries to shos from today
Nampo＇s general manager Dr Plet Gous said today that his or－ gansation＇s action against the Government had been highly success－ ful He dismissed suggestions that the boycott had been called off because of a division in the farmers＇ranks
＂We had 90 percent of the maze farmers behind us The boycott was ended because we did not want to antagouse consumers，＂he and
Some analysts have clammed that there was considerable opposi－ toon from National Party member farmers to Nampo＇s militant stance
The drastic fall in the world sugar already beleaguered local industry and there is very little chance of any relief in the medium-term future, according
to Mr Peter Sale, general manager of the South African Sugar Association "In fact the world price seems des-
uned to decline further," hery told The Star in an interyiew. Mi Sate sald it when world sugar producers were likely to come up with a workable solution to mand
$\qquad$ This was because it was impossi-
ble to guage the degree to which other broducers a are subsidised by governproducers are subsidised by govern tion subsidy ${ }^{3} \mathrm{r}^{*}$ a high enough domestic price of sugar to cover production of ther total crops. Many major producing areas - including the very big European Eoonomid Community (EEC) sygar beet producers - did not feel the effects of praduetion yas subsidised.

Maize farmers and the Government have deciarodathice and will undustry discusions today on a possible new course for the mazze ndustry
The National Maize Producers Organisation (Nampo), headed by chairman Mr Heanie de Jager, will meet the Minister of Agrieul. tural Economics and Water Affairs, Mr Greyling Wentzel, in Pretoria to decide on an agenda for talks.
The meeting comes after yesterday's announcement by Nampo that the maize boycott had ended and that farmers had been instructed to resume deliveries to silos from today
Nampo's general manager Dr Piet Gous said today that his organisation s action against the Government had been highly successful. He dismissed suggestions that the boycott had been called off because of a division in the farmers' ranks
"We had 90 percent of the mazze farmers
was ended because we did not want to ant behind us The boycott sald
Some analysts have claumed that there was considerable opposition from National Party member farmers to Nampo's mihtant stance.
 says it is not unhappy with the outcome of talks in Pretoria yesterday with the Minister of Agricultural Economics and Water Affairs, Mr Greying Wentzel
It adds that the Minister did not let the organsation go away empty-handed.
Organısation chairman Mr Henme de Jager said the talks had been conducted in a good spirit and they were hopeful about future negotiations
He added that the recent maze boycott, now ended, effectively showed the Minister that farmers were unhappy.

PLEASED
Mr de Jager sand his organisation was pleased with the Minster's announcement of a change in regulations governing maize marketing, to be finalised by the end of September, and his concession of possible change in the Maize Board's composition.

However, he sald, he deplored the Mmster's refusal to remstate the elght producer members who resıgned from the Maize Board recently during a row over the fixing of the maize price for 1985/86
Mr de Jager's organisation held long discussions with the Minister yesterday and is understood to have asked for radical changes to be made in the Maze Board's structure and function
The Minister said after the meeting that although he had refused to reinstate the eight producer members, he had offered to appoint two of the organisation's executive members to the Maize Board provid ed they were not among the eight who had resıgned . However, he added, the organisation fiad refused to accept this offer,


Trevor by

The price of white bread as to be raised '..'". ints next week and that of brown by elght cents atter the Cabinet had decided not to increase the present R200 millen bread subsidy

Government sources said $\Leftarrow$ Agriculture Minister Mir Greyling Wentzel will probably announce the increases on Wednesday

The current retal price of white bread is 54 cents a loaf and brown bread 40 cents The wholesale price is $2 c$ a loaf less
Thus the price of a loaf of brown bread. a major part of the daiy dhet of milhors of black famules, will be 50 cents
Last year the Government :--saded R40 million specral relhef to

An increase in the producer $f$, ice of tham *as vetoed by isc Cabinet last month and the same resolve to hold back on Govern ment spenaing led to the latest derision that tne consumer will have to bear the increase in the cost of bread production
If the Government does decide to go ahead with this substantral price increase it is likely the whole question of Government subsidies will fall under the spothght this year

Ir Iromeally, many blacks for whom the artifically low brown bread price is almed at prefer to buy unsubsidised white while many of the white population tend to buy brown for health reasons
Overall Government spending has risen to 37 percent of gross domestic product, compared with 35 percent in 1981 and treasury officials are keen to see at least a return to this level in the next few years

The country's foreign exchange and money markets are operating on a relatively free and competitive basis and this thinking is now percolating through into other areas

Famine reluef or cheap food 1s not best tackled by central Government subsidy Huge sums like the present R200 million spent on brown bread do not necessarily reach the people for whom it is intended
The disclosure that the price of bread is to be increased next week has been received with dismay by one of the mann consumer organisations in the country.

The charman of the Johannesburg branch of the Housewives League, Mrs Muriei Preller, sand the 10 cents increase on whte bread and the elght cents on brown bread were disgraceful


ELECTRICITY-USERS,
prepare yourself for a
double shock
You will have to think
twle before jumping
into a nice hot bath in
the coming wintry
nights because the City Electrical Engineer, Mr DC Palser, has announced that the cost of domestic electricty will go up twice in the next six months
Appliances such as electric heaters, which use a lot of electricity will also have to be used more conservatively during the cold period ent - from of 10 per and 14 from May. 1 October 1 - from agreed on in a. City Council meeting on March 28
The October increase is subject to the size of a hike in Escom-tariffs, due to be announced in July, If the Escom inthe 10 percent estriman that the 10 percent estimated laske Nox'mber the Electricity Dépaintment will have to adjust their increase accordingly,

## INCREASETH,

Mr Palser satd the rise in the cost of electricity had been brought about by the increase'nn the cost of the two major commodities niecessary for its distribution -coal and Escom power:
Consumers. would recerve the first account at the new rate diring June, because the first stage of the new tariffs only apphes to meter readıngs takensafter ay 1
With these accounts, consumers will receive $a$ list of hints on how to conserve electricity over thie winter period of relatively high consumption, Mr Palser sald.

#  

_-by Bruce Cameron,
Political Staff

CAPE TOWN - The Government's firm handing Df maize farmers, who are ©part of the traditional grassroots support of the Natıonal Party, is surprising at first glance.
It was the farmers who swung the vote in 1948 to give the National Party its victory Since then they have been well rewarded, with the Government going to great lengths to ensure ther wellbeing and continued support
In 1948 the country areas virtually controlled the Government of South Africa Most of the seats were rural, and the loading in terms of the constitution could be as much as 60 percent more than in a crty seat
In 1948, and agann in 1953, the United Party won the majority of the votes but falled to win a majorty in Parlament. In 1948 the National Party and the Afrkaner Party won a combined 79 seats aganst the 65 for the Unt $t_{F}$ ed Party with 100000 fewer votes,
Thit voters in the rural areas have tended to be more conservative than city dwellers, and the Conservative Party is attemptung to repeat history by starting from a base in the rural areas
But the overwhelming strength of the rural areas has been slowly eroded over the years Not only has the ratio in favour of the country areas dropped to 11,24 , but the num-

## How the provinces cast their votes

The table below reflects the approximate number of voters in rural constituencles and each province, indicating the average loading or deloading in each case

| No of seats |  | Voters | Average votes Per seat |
| :---: | :---: | :---: | :---: |
| CAPE |  | '.' |  |
| Rural | 23 | 292884 | 12734 |
| Urban | 32 | 538359 | 16824 |
| Total | 55 | 8831243 | 15113 |
| NATAL: |  |  |  |
| Rural | 6 | 90127 | 15021 |
| Urban | 14 | 251170 | 17941 |
| Total | -20 | 341297 | 17064 |
| FREE STATE |  |  |  |
| Rural | 9 | 134963 | 14996 |
| Urban | 5 | 95268 | 19054 |
| Total | 14 | 230231 | 16445 |
| * |  |  |  |
| \#TRANSVAAL |  |  |  |
| Rural | 20 | 379793 | 18990 |
| Urban | 56 | 1167685 | 20851 |
| Total | 76 | 1547478 | 20361 |
| NATIONAL |  |  |  |
|  |  |  |  |
| Rural | 58 | 897767 | 15479 |
| Urban | 107 | 2052482 | 19182 |
| Total | 165 | 2950249 | 17880 |

Walvis Bay, which has only 4603 voters and is considered to be part of the Cape Province, has not been included in the above table because it is an obvious anomaly and is dealt with as a separate case in the Constitution.
ber of rural seats has dropped State with a ratio of 1.1,27 and significantly to slightly more the Cape with 11,32 than half the number of urban seats

The big loadings are now most noticeable in the Free

The disparity is now greater in provincial terms.

The reason for this has been the enormous growth of popula-
tion in the citres caused by the drift from-the rural areas and rising immigration.
The power base of the National Party is now in the urban and peri-urban areas, with most of its MPs srepresenting urban voters In making its decisions. the NP must now give more weight to this lobby than to the agricultaral lobby

This is not necessarily the only factor in the Government's refusal to budge on the marne price - but it must have played a part

The reason for the loading in favour of the rural areas gues back to the National Convent-of 1908

The architects of the Union in South Africa followed the $\mathrm{it}^{--}$ in many democratic countries writung the loading into the com stitution

The motivation for this : the poor communication works of the times and the 1. distances that voters and time" public representatives had; cover
Voting loads are worked by delumtation comme:within the parameters of : constitution

Commissions have to take various circumstances into ac count when deciding the bour daries of constituencies Tr- $^{-2}$ include communty mitere. density of population and geo graphical features.
They can then uncrease even reduce the number voters by 15 percent. In ©where a constituency is làre than 25000 sq km , the c...... sion may drop the loading : 30 percent

Surprisingly these supuiatiwere written into the ${ }^{2}-{ }^{-}$ 1R40


## How the provinces cast their votes

The table below reflects the approximate number of voters in rural constutuencies and each province, indicating the average loading or deloading in each case

| No of seats |  | Voters | Average votes Per seat |
| :---: | :---: | :---: | :---: |
| CAPE |  |  |  |
| Rural | 23 | 292884 | 12734 |
| Urban | 32 | 538359 | 16824 |
| Total | 55 | 831243 | 15113 |
| Natal. |  |  | 15021 |
| Rural | 6 |  | 15041 |
| Urban | 14 | 251170 | 17041 |
| Total | 20 | 341297 |  |
| FREE STATE 14996 |  |  |  |
| Rural | 9 | 134963 | 14996 |
| Urban | 5 | 95268 | 19054 |
| Total | 14 | 230231 | 16445 |
| 0 |  |  |  |
| FTRANSVAAL: |  |  |  |
| Rural | 20 | 379793 | 18990 |
| Urban | 56 | 1167685 | 20851 |
| Total | 76 | 1547478 | 20361 |
| NATIONAL. |  |  |  |
| Rural | 58 | 897767 | 15479 |
| Urban | 107 | 2052482 | 19182 |
| Total | 165 | 2950249 | 17880 |

Walvis Bay, which has only 4603 voters and is considered to be part of the Cape Province, has not been included in the above table because it is an obvious anomaly and is dealt with as a separate case in the Constitution
ber of rural seats has dropped State with a ratio of 11,27 and signuficantly to slightly more the Cape with 11,32 than half the number of urban seats
The big loadings are now in provinclal terms reason for this has been most noticeable in the Free the enormous growth of popula-
tion in the cities caused by the drift from the rural areas and rising ammigration

The power base of the National Party is now in the urban and peri-urban areas, with most of its MPs representing urban voters In making its decisions, the NP must now give more weight to this lobby than to the agricultaral lobby

This is not necessaràly sthe only factor in the Government's refusal to budge on the maize price - but it must have played a part
The reason for the loading in favour of the rural areas goes back to the National Convention of 1908

The architects of the Union of South Africa followed the trend in many democratic countries in

- writing the loading into the constitution

The motivation for this was the poor communication networks of the times and the long distances that voters and their public representatives had to cover

Voting loads are worked out by delimitation commissions within the parameters of the constitution

Commissions have to take various circumstances into account when deciding the boundaries of constituencles These include communty interests, density of population and geographical features

They can then increase or even reduce the number of voters by 15 percent. In cases where a constituency is larger than 25000 sq km , the commssion may drop the loading by 30 percent
Surprisingly these stipulations were written into the Republic
constitution and again into the new tricameral constrtution

With the growth of the Corservatıve Party, Natıonal Party representatives are likely to present even fewer arguments in favour of loading rural coirstituencies at the next delmitathon ${ }^{\text {ance }}$ which will sit between next year and 1989

Mr Peter Soal MP (PFP, Johannesburg North) recently asked a question in Parluament about the number of voters in each constituency
The reples given by Minister of Home Affairs, Nr FW de Klerk, revealed a major wis crepancy "The Transvaal was under-represented by 11 seats it should have 87 seats in the House of Assembly instead of the present 76

By the same token the Cape was over-represented by mane seats, while Natal and the Free State were each over-represented by one seat.

In terms of the constitution, the number of voters in relation to the number of seats in each province should be the same.

But shortly before the last deInmitation in 1980, the Government "put through legislation freezing the provincial allocations of seats for 10 years.

In an invterview, Mr Soal said that it was totally unfar that there should now be any loading, whether between provinces. or on an urban/rural basis.
"How can anyone justify a situation where one person's vote is worth more than another person's? The reasons for this have long since gone," he said.

He added that a 15 percent margin elther way was far too generous

## Board warns on an inflationary practice

## High $\operatorname{imp}_{244}$ port $_{B}$ costs used as excuse for price ${ }^{13}{ }^{(24}$ rises $^{\beta}$

The board is at pains not to suggest a general tendency for prices to be raised out of keeping with actual production cost increases.
"However, in times of some adver-
LOCAL manufacturers are using the rand's depreciation and consequent increases in the cost of imported goods as an excuse for increasing their own prices.
According to the Board of Trade and Industries, the practice became more common last year.
However, it warns that import-parity, as it is sometimes known, is inflationary and potentially further damaging to the rand's value.
The board highlights the danger in its latest annual report. It warns that the market may not be able to bear such price increases, leading to a decline in production volume and further unemployment.
"The practice has an upward influence upon price indices and this may, in turn, exercise a further downward influence upon the exchange value of the rand.

- "The upward movement of domestic prices can easily entrench the accompanying higher cost structure so that when the rand again appreciates, dównward adjustment of prices may be impeded by rigdities and calls for additional protection may ensue.
"Where prices are uniformly rased by all manufacturers in a particular industry, such as in the recent cases of tyres and fertilisers, the degree of competetion present in the industrial structure may be called into question".


## By DAVID FURLONGER Industrial Editor

sity, there may well be a case for deliberate efforts to hold prices down - if necessary by some temporary under-recovery of fixed costs - in order to maintain production volume to the greatest possible extent, and in so doing minimise the retrenchment of workers."
The report reveals that the Board of Trade and Industries received 394 tariff applications last year. Just over a third - $38,8 \%$ - were granted, compared to $53,1 \%$ in 1983 . Many applications were based upon the rand depreciation but the board points out that it is not the function of custom tariffs to offer shelter against exchange rate volatility. It also warned that such tariffs could undermine the short- or medium-term exchange rate policies of the Government.
The Board accuses some industries of using foreign competition as a smokescreen in order to raise prices.
"In many cases, applicants could not substantiate their claims of disruptive competition or dumping, which contributed to the large percentage of rejections."
The actual problem was often not disruptive competition from overseas but a decrease in capacty utilssation and turnover resulting from the downturn in the economy.
The report says that because foreign competition has been blunted by the weakness of the rand, some mport duties are now higher than necessary.

However, the board is cautious about tampering with the tariff, in the hope that the rand will soon stage a recovery.
The report says that despite the economic problems, industrial production did not suffer any major setback during 1984.
"In some industries that are notably sensitıve to competition from imports, capacity utilsation actually increased markedly."
The board offers a note of optimism for the future of the SA economy.
"In spite of adverse developments, the price of gold in terms of the rand has reached record levels of around R700 an ounce so that gold mining revenue is at high figures and new muning development is being planned and commenced on a large scale. The same is to a substantral extent true in branches of base metal minngg and production.
"The consequent effect upon total internal demand for the gross domestic product will be considerable. It is misleading to evaluate the present position in terms solely of exchange rate changes or fluctuations.
"As to the future, free world economic growth will continue apace and, among other indications, total world consumption of gold in 1985 is currently estimated as exceeding total supplies by some 100 tons equivalent to $15 \%$ of annual SA production - in contrast to the oversup phed market position of the recent past generic substitutes

By Maud Motanyane, Consumer Reporter
conditicn and had to take a tablet every day they

c Consumers can save even more than 40 percent
F on some drugs with a generic substitute for a prescribed brand-name product

But before a pharmacy can dispense a generic drug conditions must be met

Until last November South African pharmacies
: were forbidden by law to substitute generics for brand-name drugs
Generics are copies of the brand-name drugs with the same amount of the active ingredients
They must be given in the same dosage as the brand-name drug originally prescribed by the doctor

Generics can be produced only after the $20-$
$\because$ year patent rights of the origmal drug have expired

## AVERAGE SAVING

For example, since the patent on aspirin expired more than 80 years ago several coples have been produced
$\therefore$ A survey of 10 popular prescription drugs and
L.five non-prescription drugsshowed that generic
$=\mathrm{y}$ drugs were between 15 percent and 42 percent
i. 'cheaper than brand-name equivalents (see chart)
$\therefore$ These prices do not include general sales tax
'mor a dispensing fee charged by pharmacies
Gout patients have a choice between Puricos
$2 \because 300 \mathrm{mg}$, which costs R16,62 for a packet of 30 tab-
-- Tets, and Zyloprim 300 mg at R28,62
$r^{\prime}$ They would save 41,9 percent
$\therefore$ If they recelve continuous treatment for a gout
would spend R343,44 a year on a brand-name drug as opposed to R199,44 on a generic
They would save R144
Generic drugs have been used for decades in most overseas countries and in South African provincial hospitals
These drugs are cheaper because they do not incur the research costs of the original
Research has shown that the use of cheaper drugs would save the South African public R24 million a year
As part of the South African Government's plan to reduce the cost of medicine, particularly for the chroncally ill, the Department of Health and Welfare recommended that pharmacies be allowed to supply cheaper drugs
The South African Pharmacy Board amended its rules at the end of last year and authorised pharmacies to replace prescibed drugs with generic equivalents, under the following conditions - The patient or the person responsible for administering the drug must be told about the substitution

- The replacement must be a registered drug, must contan the same amount of the same active ingredients, and must be in the same dosage form as the prescribed drug
- The generic substitute should be cheaper than the brand-name drug
- If a doctor prefers a brand-name drug and does not want a pharmacy to replace it he can indicate by writing "no alternative" on the prescription or saying so if the prescription is verbal
${ }^{\text {'Food co }}$
As the big maize price row simmers on, South Africans might take heart from the fact that their food bill in the past year would have been much more if producers of other main items had not held prices

According to the latest figures from the South African Agricultural Union (SAAU), consumers paid 13,6 percent more for food last year, although the inflation rate up to January this year

breakdown, for exampl on milk, which reveals that whle the retail price has gone up regularly the dairy farmer's share per rand spent went down

In 1978, the producer recelved $56,6 \mathrm{c}$ out of each rand spent on milk In 1984, he got 51,9c and in February this year only 48,2c
"It is a fallacy, too, that meat is expensive," says Mr Gerrie Smit, sec-
"The floor price of meat - the minimum at which it can be bought was lowered by 5 percent in 1984 and producers did not request any rise in 1985
"In the first quarter of this year, the beef producer received on average R2,29 a kılogram for all grades of beef"

Mr Smit says the pubhe can achieve substantial savings not only in bulk buying of meat but
"The best tume to buy is in June or the earher months of the year," he says, "when meat prices are relatively cheap
"In December and hollday months, when people have bonuses etc, the butchers are well aware that they can buy at any price for it is sure to sell."

South Afrıcans spent nearly 25 percent of ther income on food during the year
from 4 c to 20 c or from 6 c o 22c a kilogram, depending on the extent to which ing on the extent to when ceased.

While all rice was imported, he said, only raw rice was duty-free
He said he believed the reason the company was taking this step was because it had just completed a new mill in Maritzburg.

A Port Elizabeth importer, packer and distributer of rice, Mr John Keevill, managing director of Gem Packaging Company, said the fffective increase in duty would be from R3 500 to R18 000 on 88 tons of rice
A ball of rice would increase from R20 to about R25, which meant the end product to the consumer would increase from about 50c a 500 gram packet to 63c
Mr Keevill said importers of milled rice got their ers of milled rice got their produce from Taiwan,
while the Tastic rice came from the US South Africa produced a negliglbile amount of rice

At present, he said, the raw US rice processed in South Africa was considerably more expensive than the milled, parboiled rice - costing the trade R34,30 as opposed to R20 per bale

Mr Keevill said the price of the That rice, which was "not the same as that from the US, but still very good", suited the black consumer who was finding the price of his staple foods increasing rapidly.

He feared that if the increases were granted these consumers would be hard hit and a monopoly situation might develop in South Africa
The East Cape Traders' Association meeting on Sunday would be discussing the issue, Mr Pillay sad A possible boycott of the more expensive rice was possible

## Milk SOUTH AFRICA's milk producers ex- - Shiset the Minister of Agriculture, Mr

 $\cdots+y^{2}+\underbrace{\infty}=n^{n}$等至Gect the Minister of Agriculture, Mr chereyling Wentzel, to announce an intcrease of about sc a litre early next month.The Dairy Board is due to meet in Pretoria on June 3, and the announcement is likely to be made after the meeting

Producers claim that huge cost increases of the past 12 months - including the $40 \%$ fuel price rise earlier thus year - have eroded their margins to a point where most of the big producers are farming at a loss.

They point out, too, that the increase of $10 \%$ in the consumer maze price will raise their production costs by an addrtionalo $0,8 \mathrm{c} / \mathrm{I}$
4 In November last year the Milk Board rejected a demand from the National Dairy Committee of the SA Agricultural Union for a price hike of $4 \mathrm{c} / 1$.

It is understood, however, that this time round a recommendation for an fincrease of $5 \mathrm{c} / 1$ has gone through to the

## Own Correspondent

Marketing Council - and has been suip ported by the council.
Consumer bodies pointed out yester day that a higher mikk price - together with the expected bread price hike in June - and the consumer maze price would deal a heavy blow to low-income groups and the many thousands of black families with unemployed bread-winners
The milk price increase is expected to melude an agreed increase in the distributors' margins
The retail price of milk was de-controlled last year.
Mulk producers got their last increase in July last year - $3 \mathrm{c} / \mathrm{l}$, of which 2 chad to be surrendered to meet the costs of disposing of surplus dairy products. At the same time, distributors upped their price by a cent a litre
In November, distributors added another $2 \mathrm{c} / 1$, and another 2 c were added in February to meet the higher costs of cartons.


TWO major hquor outlets campaign an advertising campaign in Pieter． maritzburg yesterday giv－ ing rise to speculation that a new price war was looming
Liberty Liquors and One Up，which both have headquarters in Durban， advertised prices on wines，beer and spints，in several cases，below cost．
They went ahead in spite of a controversial and frequently ignored agreement between Natal hquor youtlets notito－ad vertise prices
Both stores are serious： y considering advertis－ ing in the Durban area Mr Ken Heneke，manag－ ing director of Liberty Li－ quors，sald yesterday he
uce uar Nam 4 放在 in Natal？
believed in advertising as a way of＇communicating with customers＇，as well as being part of the free market system
＇Advertising prices is nice for consumers as it generally leads to outlets trying to undercut one an－ other and a tremendous drop in prices That is the problem，for how long can we sell at prices hake that？＇
A spokesman for One Up Liquor Stores sald ad－ vertising was a＇wonder－ ful way to show the public who is cheapest＇，adding that his store would be in hámmer and tóngs＇if anyone advertised in cen－ tral Durban ＇We will not instigate it， but we will certainly meet any challenge from anyone else，＇he sard．

## Second power price increase expected

A POWER price increase－the second this year－is expected to be announced next month，Pretoria sources say．
The extent of any increase will be recommended to the Government by the Electricity Council，the body which will replace the Electricity Supply Commission．
Council members are expected to be appointed by Minister of Mineral and Energy Affars Dane Steyn within the next two weeks
Establishment of the council，as part of a two－tuer control structure，was a recommendation of the De Villers Commussion，which submitted its report on Escom last year．

When Steyn announced a $10 \% \mathrm{in}$－ crease in electricity charges in January he referred to the likelihood of a mid－ year increase

He added the decision would be taken aganst a background of prevailing eco－ nomic conditions．
A departmental source said yester－

By GERALD REILLY
day Escom had asked for a substantal－ ly bigger uncrease than the $10 \%$ granted in January
The Cabinet，however，decided to stagger the increase with an interim adjustment later in the year

Meanwhile，the Department of Min－ eral and Energy Affairs is closely moni－ toring the performance of the rand agamst the dollar in relation to the fuel price

When Steyn announced the $40 \%$ pet－ rol price increase earler this year，he said another 4c／l increase would be ne－ cessary in June if there were no marked improvement in the dollar／rand ex－ change rate of $46,5 \mathrm{c}$ to the dollar at the time．
With the strengthening of the rand， the threat of another increase has re－ ceded and there was a good possibility of a fuel price decrease if the rand remained fairly constant at about 53 c to the dollar，a departmental source said

#  to protect importer 

## Argus Correspondent

DURBAN - The price of rice could soar as the result of moves by South Africa's largest rice company to protect its share of the market

S Wainstem and Co, which imports large quantities of unmilled rice, has apphed for a 300 percent increase in the import duty pard on milled and semı-milled rice The increase, from 4 c to 20 c a kilogram, is being considered by the Board of Trade
S Wanstem and Co market Tastic and Aunt Caroline rice
The increase to the consumer would probably total 20 cents a kilogram on other rice brands in GST and increases in the profits of the traders and retanlers, industry sources said

## High quality

If the duty is accepted it will cost the consumer anything from R15-mil lion to R25-million and would put many independent rice traders out of business, but if it is refused the local rice-milling industry will be severely damaged and about 1000 people will lose their jobs

The issue arises out of the appearance of cheap high-quality rice from Thailand on the market in the past few years The rice, which sells for about 90 c a kilogram in supermarkets, almost half the price of rice from other sources, is rapidly becoming popular and, according to a spokesman for S Wainstem and Co now has between 30 and 40 percent of the market with its popularity still growing

The rice is only imported in it milled form, as Thanland charges only slightly less for unmulled rice in order to protect its own miling in-
dustry

Other rice importers, many of whom entered the market in recent years as Thal rice became available in large quantities, have strongly condemned the application and they have taken the issue to various chambers of commerce and to Assocom

## Bread price

Mr Stanley Kaplan, the managing director of $S$ Wainstein and Co , demed that his company wanted to establish a monopoly, but sald they wanted to ensure the survival of the local rice-milling industry, where about 1000 jobs were at stake

- The Argus Political Staff reports that the Department of Agricultural Economics confirmed today that a possible increase in the bread price was likely to be discussed by the Cabinet withun the next two weeks
It is understood that the main reason for an increase in the price of miead would be a reduction in the millions spent on food subsides
The Minister of Finance, Mr Barend du Plessis, has already committed the Government to a scaling down of subsidies
The Department of Agriculture is also considering the introduction of a new type of bread which will have greater food value and the price of the new special loaf
The announcement on the new bread will be made simultaneously with any bread price increase.


 §еч әпиәләу јо ләл!əวәу


## again

Municipal Reporter
DURBAN＇S electricity tariffs will probably in－ crease for the second time this year if Escom rases its bulk price next month as predicted
Mr Wilf Stone，senior deputy City Treasurer， says that if the increase is substantial，y／probakly will be pafged pn o consumers． 244
＇But we will have to wait and see what the in－ crease is and then assess the financial position of Durban＇s electricity fund． If it can＇t be armed，it will have＇fo be passed on，＇he sand
Durban＇s tariffs nere increased by 7,0 percent in January to cover the 10 percent Escom price rise．
The consumer tariff for ellectricity covers the bulk price charged by Escom and the Durban Corporation＇s costs of reticulation throughout the greater city area
－Escom raised its bulk tariff by an average of 10 percent in January and said there＇would be an－ other＇sımular＇mid－ypar inerease NM 171585

## By MiKe LOewe

ABOUT 450 shops in the Eastern Cape, mostly in the black and coloured areas, could be involved in a boycott of bread produced by five Port Elizabeth bakeries which began today
This follows an announcement today by the Eastern Cape Traders Association (ECTA), which clams to have 200 member outlets, that they were joiming the boycott called on Thursday by the Eastern Cape African Chamber of Commerce (ECACOC), which says it has 250 retall members
The organisàtıons listed reasons for the boycott as

- Negative profit margins on the retal price bread The African chamber clams its members are sellmg bread "as a charity"

- Allegedly grimy bread baskets, uncovered and stale bread, and dirty delivery vans
- Delivery of loaves which traders clam are leftovers from major chain stores
- Delivery of confectionery which allegedly stil carries price tags from major chain stores
- Delvery of allegedly dirty and damaged bread by untraned workers who handle bread "Ike bricks"
- Delivery vans used in the black and coloured areas which are "different" from those in the white areas and which are allegedly dirty
In a statement today the vice-president of ECACOC, Mr Churchill Siwisa, sald the traders demanded

Delivery of bread fit for human consumption

- Delivery vans should be cleaned up
- Workers should be given clean overalls and should not smoke in the vans
- Outlets should be allowed to make some profit on the sale of bread
Four bakeries were today unable to say, whether they had been affected by the boycott
Mr Max Hoppe, secretary of the Master Bakers Assocation (MBA) comprising the five major PE bakeries, today rejected a number of the clams
He sald the association had heard grievances from the associations, but he doubted whether they were representative

He blamed narrow profit margins on Wheat Board controlled pricing and said traders should approach the board with their problems
The MBA employed someone to conduct spot checks on delivery vans and to control conditions

It was possible some workers wore dirty overalls and smoked in the back of vans and the issue had been discussed at meetings it was regrettable that the retall organisations should feel nothing had been done
He sad complants should be ralsed with the bakeries concerned
Mr Hoppe demied that bakeries accepted bread back from large chain stores and then delivered it to smaller outlets

The MBA could not lower its retall prices because "if we had accepted this for their organisations, we would have to be giving kıck-backs and discount prices to the whole city at great cost"
Mr Hoppe believed the boycott did not have the support of all outlets Bread was a staple food and he did not believe the community could cut back on consumption

Mr Ebrahım Soomar president of ECTA, sald the association had decided last night to join the boycott
"At a meeting with the bakers last month we rased the question of the condition of the bread We gave them a month to respond, but we have seen no improvement

0

## CAPT

By ANTHONY JOHNSON A FAILURE by govern ment to prevent an expected massive increase in the price of bread could have "highly danserous" consequences under present conditons of spiralling unemployment, economic hardship and unrest, the PFP chief spokesman on finance, Mr Harry Schwartz, warned yesterday.

He was reacting to re ports that the government's determination not to increase the cur rent bread subsidy could lead to prices rocketing by 33 percent for brown and 40 percent for white in the next two weeks.

Undertaking
The Minister Finance, Mr Barend du Plessis, told an Afrokans Sunday newspaper that the government was not prepared to increase the present R200million bread subsidy because it had given an undertaking to stick to its Budget-a measure that formed part of its overall plan to revive the economy.

## Fears

The government was serious about bringing down interest rates and inflation and for this reason the subsidies for both the maze industry and bread had to remain constant, Mr Du Plessis said.

In consumer circles, said.
the government's stand has sparked fears that the price of brown bread could jump by as much as 16 cents to 56 cents a loaf, while white loaves could soon cost 81 cents - a 21cent increase
Mr Schwartz said the PFP rejected the notion that if the government had to cut its expenditare, this principle should be applied across the board and thereby affeet basic commodities such as bread
He said the needs of each department should be justified separately and that "to shelter behind the argument that increases in prices in highly sensitive areas like staple food are unavoidable is completely misleading".

## Instability

Mr Schwartz said the government often failed to appreciate that its policies had significantply contributed to high unemployment and economic hardship and that these in turn had promoted instability and unrest. By allowing a dramatic rise in the price of bread, the government "would be adding fuel to the flames of unrest" already sweeping the country.
"A massive increase in the price of bread at this time would be politically incorrect, economically short-sighted and highly dangerous in terms of the country's stability," he s, said.


South African－born Sue presents the BBC progran World linking Mr Botha witl around the wor
$\therefore$ itrurzosqrufoq nutuopplustro
 nim uoisurd azenbəpeul ue aлey nc －rap zou op no人 f feyt zas uen nor Zuepi


 raquinu $\times 000$ عу 10 $00008 \%$ fo dat
 －dunj еұием no人 әррәр no人д＇גəла́ ： $2 \mathrm{q} \| \mathrm{M}$ әnbay uosuəd nok＂／ifun＇＂
 － －e oqui 0 ह̊ suoqnququo no＇uoqppi

$\times+1$ 19ッロ 787



Mercury Correspondent
CAPE TOWN－A failure by Government to prevent an expected massive increase in the price of bread could have＇highly dangerous＇consequences under present conditions of spiralling unemployment， economic hardship and unrest，the PFP chief spokesman on finance，Mr Harry Schwarz，warned yesterday
He was reacting to reports that the Government＇s de－ termination not to increase the current bread subsidy could lead to prices rocketing by 33 percent for brown and 40 percent for white in the next two weeks
The Minister of Finance，Mr Barend du Plessis，told an Afrikaans Sunday paper the Government was not prepared to increase the present R200 million bread subsidy because it had given an undertaking to stick to its Budget－a measure that formed part of its overall plan to revive the economy
The Government was serious about bringing down interest rates and inflation and for this reason the sub－ sidies for both the maize industry and bread had to remain constant，Mr du Plessis said

## Rejected

In consumer crrcles，the Government＇s stand has sparked fears that the price of brown bread could jump by as much as 16 c to 56 c a loaf，while white loaves could soon cost 81 c －a 21 c increase
Mr Schwarz said the PFP rejected the notion that if government had to cut its expenditure that this princl－ ple should be applied across the board and thereby affect basic commodities like bread
He sald the needs of each department should be jus－ tified separately and that＇to shelter behind the argu－ ment that increases in prices in highly sensitive areas like staple food is unavordable is completely mis－ leading
，Mr Schwarz said the Government often fanled to ap－ preciate that its policies had significantly contributed to high unemployment and economic hardship and that these in turn had promoted instability and unrest．
By allowing a dramatic hike in the price of bread， the Government＇would be adding fuel to the flames of unrest＇already sweeping the country
＇A massive increase in the price of bread at this time would be politically incorrect，economically short－ sighted and highly dangerous in terms of the country＇s stability，＇he sald










# Electricity is likely to 221185 more <br> <br> Cost 

 <br> <br> Cost}

JOHANNESBURG - A further increase in electricity tariffs was likely later this year, Escom chairman Mr Jan Smith said in his annual report tabled in Parlament yesterday
"The $10 \%$ increase, which came into effect last January, will not cover expected increases in charges against revenue during the current year," Mr Smith sald
Demand for electricity was unexpectedly high during 1984, with total electricity sales increasing by $8,8 \%$, compared with an average growth rate of $5,8 \%$ a year in the five-year period to 1984 However, with the cost of generating electricity continuing to rise faster than the price charged to the consumer, Escom's accumulated deficıt hitereased to R420 mullion
${ }^{2} \mathrm{Mr}$ Smith said electricity supplied by Escom
last year was selling for 4,3\% less than it cost to produce, despite considerable cost savings and productivity gams However, the price of electrcity had been rising more slowly than inflation
In the last six years tariff increases averaged $12,3 \%$ a year, which was slightly below the inflation rate during the period as measured by the Consumer Price Index (CPI) In 1984, the 6,7\% tariff increase was less than half the rate of merease of the CPI.

Under the terms of the Electricty Act, Escom is not allowed to have either a surplus or a defict for an indeterminate period so the accumulated deficit must be eliminated The only source of funds for that purpose is revenue, or tariff income Consequently, either revenue must be mereased
substantially or internal financing levels should be reduced
He sadd the electricity tariff in South Africa was among the lowest in the world At the same time, the level of capital expenditure financed from internal resources, manly through the Capital Development Fund, was also among the lowest in the world and has been declining
One of the major programmes underway was rural electrification Last year a total of 5920 new farm supples were provided, $10 \%$ more than in 1983.

Mr Smith sadd the outlook for the South African economy and the electriclty supply mdustry was healthy, despite the shortterm problems, provided the major problem of spiralling costs could be contaned - Sapa

## Meeting in bid

A MEETING between the Port Elizabeth Mas ter Bakers' Association and the executive of the East Cape African Chamber of Commerce got under way in PE thes afternoon

It is anmed at ending the four-day old African traders' bread boycott

But it now seems
likely another bread boycott - by traders in the eity's northern areas - is possible

The chairman of the Eastern Province Traders' Association, Mr Ebrahim Soomar, said it was "unfay" that the ECTA had not been invited to the discussions As early as January
the ECTA had notified the MBA of therr complants

Mr Soomar said can vassing of traders had shown overwhelming support for a boycott in protest at the alleged provision of stale bread to black traders and the use of unbygieme vans
He added that the ba sic cause of the state of
the bread industry, was a "cartel" system which had arisen sunce mid1984 after the allocation by the Wheat Board of certam areas for certan bakeries
The policy had been a "total falure" and had resulted in the loss of competition vital to the retention of good quality, because each bakery
was certan of its gaota He added that there was strong evidence of black traders having bread delwered later than white traders thes competed with in the Hankey/Patensie area
He sad it was unforto nate that it took a bor cott before the MBA would agree to discess the issue with traders

## Wage, price restraintsurged to relieve inflation pressures <br> $\because$

PRETORIA - A voluntary restrant on wages and admimstered prices to combat inflation has been called for by the University of Pretoria's Bureau of Economic Policy and Analysis (Bepa)

According to the Bepa study of inflation and wages over the past few years, large wage m creases for the rest of this year and early 1986 could prolong the inflationary pressures and postpone the recovery in economic activity and employment
The Government-sponsored study calls on employers and wage negotrators to consider marginal wage increases

At the same time, it calls on the Government to freeze or marginally increase prices for administered goods

The report says inflation must be reduced to 4 percent or 5 percent by the end of next year

Although productivity could be improved substantially to about 3 percent annually, this alone would not curb inflation The roots of the problem were on the side of over-expenditure and excessive rises in nominal wages

More than 25 percent of the labour force outside agriculture was employed in the pubhic sector, where nominal wage
increase

If the monetary authorities persisted in restraming wages in the public sector and high rates of interest in the capital market the CPI (inflation) growth rate was expected to drop to about 10,3 percent in 1985 and 1986

## VESTED INTERESTS

At the same tume domestic real output would begin to expand, reaching an annualised real growth rate of 8,2 percent in the fourth quarter
Inflation was a political phenomenon in wnich the pressure of vested interest groups
and public opinion prevalled
In such a political dispensa ton, even monetary and fiscal policies became subordinate to political pressure

Although CPI (consumer price index) was a reasonable yardstick for wage barganing the report sald the impact of GST should be removed to avord an inflationary spiral in which sales tax was endlessly shifted forward

The worker did not benefit by high nominal wage increases in this situation, because inflation eroded the purchasing power of his wages Sapa
"By"PRISCILLA WHivte
THE weakk rand $1 s$ plazying havoc with local textile and clothing manufacturers When 'spending' on clothes is falling.
Textile Federation marketing economist Brian Brink, blamed" the weak rand for the 'stead-uly-rising cost of locă'textile inputs.
Cotton, ${ }^{\prime}$ polyester ${ }^{\prime \prime \prime}$ and wool prices rose sharply last year because they were determined inter nationally in dollars. Cotton had risen $30 \%$, polyester $15 \%$ and wool by up to
$70 \%$
He said the $30 \%$, increase in the local price of raw cotton was contrary to international price trends and a worldiwide oversupply of between $5 \%$ and $10 \%$ had led to prices weakening in dollar
Although turnover in
the textile industry' had increased from R2,1bn in 1981 to R2,5bn in 1984, this represented a considerable decline when taking inflation into account.

$$
\text { About } 20 \% \text { of th }
$$

R2,5bn textile sales dur-
ing 1984 were imports.
facing the increases now facing the clothing industry are assuming serious dimensions in the face of declining market trends," said National Clothing Federation president Mike Getz.
' He said raw material
price structures 'had moved up sharply.
"Fabrics of locally-produced cotton and wool have risen in price by $25 \%$ and $35 \%$ respectively:" Getz' said the industry would be' under pressure to maintain its hustoric perforimance of keeping price. increases below rises in the consumer price'mdex
Démand remaned un
certain, with the popstponing of 'orders and" cut backs dan significant feature.

##  fares to increase


"Officials of CTC also conducted a wideranging consultation programme to ensure the peaceful implementation of the proposed fare increases," Mr Strong said

A request from the commuters has led to the internal Mdantsane weekly feeder ticket system being investigated, Mr Strong said

Mdantsane is divided into two ticket areas Zones 1-8 and Zones 9-16
"Commuters have requested that these internal fare zones be changed to Zone 1-12 and Zone 13-16 instead
"The bus company officials have promised to look into this in collaboration with the subsidising authorities although the proposed changes will not be possible until later this year," Mr Strong said
The increases vary wadely and the following table lists some of the important changes

|  WORKERS TICTKTS | xisting \% Nem |  |
| :---: | :---: | :---: |
| WORKERS TICKETS ( 10 RIDES) |  |  |
| Mdantsane --City/Chiselhurst | R2,50 | R280 |
| Exphunzana - City/West Bank | H2,00 | R2 15 |
| Mdantsane - West Bank |  |  |
| Beacon Bay/Nahoon... | R2.80 | R3. 15 |
| Mdantsane-Wilsoma. | R2,00 | R2,20 |
| Witha-Berlin | R1,55 | R1,90 |
| CASH FARES |  |  |
| Mdantsane-City .. .... | R0,50 | R0,55 |
| Mdantsane - West Bank | R0,65 | R0,70 |
| Mdantsane - Bonza Bay | R0,70 | H0,80 |
| Mdantsane - Wilsonia | R0,30 | R0,35 |
| City - Eziphunzana | R0,15 | R0,20 |
| Mdantsane - Chiselhurst. | R0,40 | R0,45 |



Electricity tariffs will rise by 10 percent this month and possibly a further 14 percent later in the year

Water tariffs were increased by six percent in April and no further rise is envisaged at this stage
Capital expenditure - ex. cluding the R130,6-milhon for housing - amounts to R118 milion, which is 14 percent more than this year

## Beach control

A key item of capital spending is the 50 percent increase for beach facilties and control measures
Mr Mur sald the extra expenditure was accommodated through cutbacks on capital allocations for other services, "a simple example of priorits budgeting" which would become increasingly important in future
He sadd capital spendıng was falling behind the city's development requirements, but high interest rates were forcing deferment of major projects as well as long-term loans from the money market
Some reheving features were that Government rates payments for the current year were about R1,3-million higher than expected and rates income for 1984/85 about R2-milhon more than estimated
In addition, stricter control over filling vacancles and creating new posts had shaved about R3-million from last July's estumated salary increase burden of R21,5-million

## Pruning

Fuel and GST increases, inflation, staff salary increases and expansion and maintenance of services had pushed the budget up 21 percent over this year's R704-milhon pack age, in spite of being "subjected to a succession of pruning processes", he sard
The R132,3-million needed from rates is 16 percent higher than this year's requirement
The general rate goes up from 2,58 to 2,89 cents in the rand and, with last year's 26 percent rebate on residential properties remaining unchanged, the residentral rate is being increased from 1,91 to 2.14 cents in the rand

This 12 percent increase is the biggest since 1981 It was eight percent last year Further rebates of 20,30 and 40 percent to and the elderly remain unchanged

## Rents up

Cape Flats housing rents will rise by about five percent, while spending to meet the growing housing crisis is being increased 38 percent, from this year's R94,2-million to R130,6mullion


irchairman of the National Sisal Mar-, etary, however; the industry set a price
", keting Committee.
He says prices have risen by between $10 \%$ and $12 \%$ in the past two years and he predicts only a marginal increase when the industry sets a price on June 11 Sisal prices have tradttonally been structure for only six months because of uncertainty over fuel increases, GST and wage rises

Present prices on the local sisal market range from R895 a ton to R970
 wabisl Mkaza, sald the meeting was "constructive" The boycott remaned in full swing, however issues, he sadd, while on others they still disagreed.


Milk price totidgo
up by 7 c litre THE price of fresh milk in the Western Cape is to go up by seven cents a Intre from the beginning of next month - an in crease of 10,3 percent
The Cape Darry Pro ducts Association said in a statement yesterday that they had increased the average price of home-delivered milk by $3^{1 / 2}$ cents a litre
This follows the increase of $3^{1 / 2}$ cents a litre awarded the farmer/producers by the Dary Board
The board also an. nounced that the wholesale price of cheese would rise by 10 percent and that of butter by 14

## 'Abduction': <br> Man held

Staff Reporter
POLICE yesterday arrested a 34 -year-old Brit-:sh-born man in connec tion with the alleged abduction of a 13 -monthold baby to England last month
The man, who had flown to Johannesburg from Heathrow was arrested minutes after landing at D F Malan Aırport at 145 pm yesterday
A police liason officer for the Western Cape said the man is expected to appear today in the Wynberg Magistrate's Court.

The chairman of the Dairy Board, Mr Jan van Vuuren, said in Pretoria yesterday that the board would also be lifting control of the retal price of cheese and butter from next month
He said the low profit margins of processor/distributors had forced them to make this adjust ment In the face of dev astating inflation in almost every area of processing and distribution - particularly fuel, energy and labour costs as well as the costs of 1 m ported items - they had had no alternative, he saıd
Mr Van Vuuren added there was no control over the retail price of milk, and advised consumers to check milk prices carefully and to buy their milk where they could get it at the cheapest price
He pointed out that while there was stil over-production, the pro duction of milk was drop ping "at an unusual rate
In Cape Town a spokes man for a large darry said the price of milk to the consumer could increase by between six and seven cents a litre in the Western Cape
The managing director of Darrybelle, Mr M Henning. sald he regarded the price increase as "reasonable"

Milk is latest 244
basic food hit by price rise

By GERALD REILLY
THE prices of basic foods such as maize, sugar and milk have all been raised substantially in the past two months.
The producer milk price merease of $3,4 \mathrm{c} / \mathrm{l}$ to $45,13 \mathrm{c} / 1$ in the Transvaal was announced yesterday by the Darry Board
The consumer price increase is likely to be at least $5 \mathrm{c} / \mathrm{l}$ bringing the delivered price to about 73c

And an announcement is expected soon on a bread price
The Minister of Funance has stated there are no funds avalable to add to the R 200 m set aside in the budget for cheapening bread

If the bread subsidy is not rased the price of brown bread - now subsidised by 17c a loaf - could rise as much as $50 \%$


| Petrol price |  |
| :---: | :---: |
| (24) could be |  |
| cut by 5 c' |  |
| comatay mim | , mem |
|  |  |
|  |  |
| madmemom |  |
|  |  |
|  | \% |
|  |  |
|  |  |
|  |  |
|  | \%am |
|  |  |
| rrest' |  |

Inflation the bogeyman
to beat

By AUDREY D'ANGELO

THE dismantling of controls preventing real competition would help to bring down this country's high rate of inflation says Mr Brian MacLeod, retiring director of the Cape Town Chamber of Commerce

In an interview this week he sald South Africa was in a Catch 22 situation because high unemployment was helping to cause unrest, which discouraged badly needed foreıgn investment
But the Government could not reflate the economy, providing more jobs, while the rate of inflation remained so far above that of major trading partners

Reflating the economy at this stage would cause the inflation rate "to sky-rocket"
It was already hampering exporters by pushing up their production costs so that they derived little benefit from the weakness of the rand
"The length of time this recession lasts will depend on whether the Government takes more effective steps to deal with inflation
"The Government has been pretty lax in this so far, acting as though it wants inflation to rise because it is an easy way of increasing revenue
"But we have to bring it down because it is preventing economic growth and affecting our exports"

Mr MacLeod sard the phasing out of influx control, whech was costly, would help to reduce inflation

So would the dismanthing of controls which pushed up the price of essential foods, such as bread


Mr Brian Macleod, retiring director of the Cape Town Chamber of Commerce

Restrictive licensing arrangements by the Wheat Board which limited the number of bakers were an example of this
"The reasons the board gives for these controls show how little it knows of market forces
"It claims the number of baker's licences is limited 'to prevent excessive and wasteful competition'
"There is no such thing as 'excessive competition' - the market place sorts that out

The Competitions Board was now carrying out a long overdue investigation into market sharing agreements and collusion in fixing prices between large firms
"The way to bring mflation down is to maximise competition and move towards the operation of a free market system"
During his 37 years with the chamber of commerce Mr MacLeod has been active in helping to formulate policies
which have included repeated calls on the government to allow black people greater participation in the economy
This resolution was first passed in 1948

Now, preparing to retire at the end of this month, he said "I have had a very stimulating career in the chamber and $I$ am certainly going to miss it
"I have been right in the middle of the action and I have made friends all over the world"


By KIN BENTLEY
THE bread boycott by Afrlcan traders which started a'week ago is to be supported by traders in Port Elizabeth's northern areas
The secretary of the East Cape Traders' Assocl ation, Mr Younus Amod sald the boycott would start soon and be done "without notice"
Attempts this week to resolve the African boycott, organsed by the Eastern Cape African Chamber of Commerce, falled

Mr Amod sald the boycott had arisen as a result of "pressure from the traders and the public"
Among reasons he gave for the boycott were

- Badly baked, burnt, mouldy and damaged bread was delivered to black areas
- Stale cakes and ples supplied to black areas often carried the price stickers of white chain stores
- A certain bakery, which was the sole supplier to a particular area, had issued instructions to its staff to supply white
shops first although $\approx$ Bread was handled unhyblack shops were open zrgienically, creating a earher
- Vehicles delivering bread to white areas were loaded and despatched first and, as a result, there were many late deliveries of bread in black areas
- Vehicles used for delivery in black areas were dirty and unhygienic
- Bread was distributed to black areas in dirty cardboard boxes and baskets - Delivery staff were not issued clean overalls regularly
definte health hazard
- Bakers had refused to supply sliced bread to shops
He sand for the past three months the ECTA had negotiated with the Master Bakers' Association about its grievances
"Despite a lot of promises, nothing has been done to rectify the problems
"We feel very strongly that our people should not be treated as second-rate citizens " Mr Amod sald

PAGE 4 CITY PRESS, May 26th, 1985


By BENITO PHHLIIPS THE CISKEI Transport Corporation has increased its fares again but the increase is unlikely to revive the massive bus boycott which was called off three weeks ago.
, The $\quad 20$-month boycott is unlikely to be revived because the increases have already been accepted by the Committee of Ten, which represents communters and spearheaded the boycott.
Committee chairman Mzwandile Mampunye said worhers accepted the increases at a recent mass meeting

Combined Transport Committee chairman Mike Strong said workers' weekly tickets would cost more from May 31, while cash fares would increase from June 3.

A similar merease in July 1983 sparked off a massive bus boycott which lasted for 20 months. Durmg the boycott, there were volent confrontations between workers, the Ciskel security police and Cishel soldiers.

Several people were shot
dead on August 4 1983, for which the Ciskei Justıce Department and Security Police are being sued for over R2-m.
The increases are as follows: Workers' tickets (10 rides) - Mdantsane-Cityl Chiselhurst R2.50 to R2,80; Ezıphunzana-City/ West Bank R2,00 to R2,15; Mdantsane-West Bank Beacon Bay/Nahoon R2,80 to R3,15; Mdan-tsane-Wilsonia R2,00 to $\mathbf{R 2 , 2 0}$ and Litha-Berlin R1,15 to R1,90.

EAST LONDON - Residents
face an increase in municipal
rates and tariffs from July 1. rates and tariffs from July 1.

This emerged last night when the leader of the city councli's finance portfolio, Mr Errol Spring, delivered the annual budget
The caty's 12000 ratepayers face a 4,5 per cent rate rise which will yield a total of R11 705884 This represents $7,214 \mathrm{c}$ in the rand for residential properties and 9,619c on all other properties
Tariffs to go up are water by 6 per cent, electricity by 1,5 per cent, sewerage by 20 per cent and cleansing by 20 per cent.
Municipal housing rentals are up as follows white schemes from R1,13 to R11,54 a month, Indian schemes
from 50c to R3,05 a month and coloured schemes from 50c to R3,59 a month

Mr Spring explaned that the deficit on the income and expenditure account for the 1985-86 financial year was estrmated to be R2 680160 and the increases recommended to balance the budget would yield
amounts as follows electricity R495 200, sewerage R410000, water R468000, cleansing R276000, housing ren tais R52 659 and general rates R507 341
The R470 960 required to balance the budget after these increases would be transferred from the reserve fund which stood at approximately R6 million.
Mr Spring also recommended that council continued to grant the 20 to 40 per cent rebate to pensioners, depending on their income
He, sald that severe cuts had been made in operating expenditure and ratepayers were warned to expect a lowering of standards in some sections of the municipal service

Other points made by
Mr Spring were

- The projected deficit
on the bus service is R1,4 million and Rhodes University wlll be asked to do a transport survey to enable the councll to decide on the future of the service


## - The councll may face

 a R900 000 liability over a Conciliation Board confrontation with the South African Association of Municipal Employees over a housing subsidy- The councll will carefully have to scrutinise the introduction of the new regional services councils and guard the city's assets
- There is a gloomy picture over future municipal financing with the introduction of the councils
- Despite severe pressures, the city's financial position is sound

More details P3.
ie peaxqjo əכixc aqi painqit

 0
0
0
0
0
0
0
$7=$
20
5
0
0
0
30
0
0
0
0



 2
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0 E＇
0
0
0
0
0
0
0
0
0
0
0




 5
$=$
0
0
0
0
0
0
0
0
0
0
0
0
0
0
5









 $-\frac{c}{c}$
 $E$ I would like to make
 $\stackrel{m}{2}$ 9леод 1PるपM Ciske
says 0
50
0
0
6
6
0
0
0
0
0
0
0
0
0
0
0
0
0 0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0








 controned Twe waytwo




 merge and to tationalise
their operations
 룬



instie profitis of the mill－
ing industry they can be

 गпnous spuar．us siu jo oue言聂



## e Sey

 0
0
0
0
0
0
0
0
0
0
0





云䍐号号

##  tries as low as poss1－


 5
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
7
7
0
0
0
0
0
0
 ts requirements the granting of such ap－
plication The baking ca－
pacity in this country is
at present far in excess of 0
0
0
0
0
0

敬 0
0
0
0
0
0
0
0
0
0
0
0
0
0 30
0
0
0

 ұuаuидәлоя әч7＇әлеме
部 H


 would cost at least R2
 it 7eчt pepeuitse si $\ddagger$

## 0 0 0 0

 \begin{tabular}{l} such as the UK，Austrà <br>
la，the EEC and the USA <br>
\hline
\end{tabular}

 Mr Fiske is described
as an expert in many
fields but $\begin{aligned} & \text { doubt wheth．} \\ & \text { er he has a better know．} \\ & \text { ledge of bread qually }\end{aligned}$
最




 agricultural college）and



 $\rightarrow$ ．



 pieog leayM aчt uoyt Compare this with a
corresponding figure of price of bread 0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
2
$N$
0
0
0 regula in many 0
0
0
0
0
0
0
0
0
0
0
9
9


 a fool＇s paradise
 Co
0
0
0
0
0
0
0 bread quality


## ently more danicerous．

 redde si koexoneanq snonjuad


 кұұ

## sKbs aysif pue• 








天2






## 




$$
\begin{aligned}
& 5
\end{aligned}
$$

$\stackrel{T}{5}$










 showed they were almost in the poorhouse． Premier Milling，one orthe big milling and



 seq stup rәләләपм pәләриәдиә тәәд


 әपң u！su！ippour fo sino of kirisiquei each of those countries have a simi－ cuse for the perpetration of injus－
tices here United Kingdom is and can be no ex－
cuse for the perpetration of injus－
 ently more dangerous
What is happening superfluous bureaucracy is appar－
ently more dangerous years later．Working too long in a
 stuos．xəd e u！peorq jo әoıxd әपL
 Ki！sxaniun e pəou pou soop ueut $v$ ©

## skes әyst pue－

 3
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0



 price of bread
 200
0
0
0
0
3
0
0
0
0
7
7
0
0
0
0
0

 $\circ$
0
0
0
0
0
0
0
0
0
0
2
2
0
0
0
0
0

 우둘。

[^1]
# Milk price 

 rise hailedTHE increase in the producers' price of fresh milk will alleviate the financial pressure on milk producers, though it will not compensate for the overall lag on cost increases, Dr JH Grey, chairman of the National Dairy Committee of the SA Agricultural Union, said in a statement yesterday.
He sad milk producers - who had not been granted a rise in producers' price since June 1984 had indicated in November last year that the production costs of milk justified an adjustment in producers' price
"Since then, further cost increases, such as the consumer price of maize, fuel, transport, tyres, fertilisers and other mputs have occurred," Dr Grey said
He regretted that no adjustments had been announced in the producers' price of industrial milk. He sard this was because there were still surplus stocks of certain processed products of industrial milk

The price adjustment for fresh milk meludes a standardised couphng point for butter fat ( 3,5 percent) This coupling point now held long-term finalcal advantages for the milk'producer, which should motivate farmers to produce a more nutritive milk composition, Dr Grey added

Producers welcomed the planned pice system for all types of industrial milk, as it tallied with the milk producers' approach that their price should be based on the general quality of the milk, Dr Grey sad Spa



$$
m_{y} \delta 5^{7}
$$

S A coffee growers seek 25pc
rise in production pron rise in south African coffee amount culate on the quallty 2974885
growers are seeking a 25 production price of the crop.
Locally.grown currently sold coffee is currently sold by producers at R3 a kg, but according to the chairman of the SA Agricultural Union's National Coffee CommitJohan Cronje, the ), Mr er wants a price produckg .
He said the national commmitee was meeting on May 7 to compile a price agreement to go to the SA Tea, Coffee and Chicory Association to determine a price
Mr Peter Dowey, viceChairman of the Natal falls association, which falls under the SAAUNCC, said at the weekend the association was supporting the price
increase increase
He said the Natal grow-
ers were optimistic abowthe outcome but declined

Soun or he inerease South African coff growers supply about four percent of the coun Cu with local coffee try's annual coffee con- Coffee Ont Internationa sumption, the coffee con- coffee Organisation (ICO) beingtion, the bulk of it coffee prices, which being grown in the North- South Africa is not a sigern Transvaal. Natal has Natal has nine growers, to the dis advantage, thanks who produce about 20 the rand-dollar exgrown of the locally- tion could but the situagrown coffee, for most of reverculd easily be them, growing coffee be- reversed, according to Mr
ing a second crop to su-gar-cane
According to Mr Dowey coffee is an expensiv crop to grow compared with sugar with a long lead time of about four years and high production costs if grown under ern Transwa in the North-
He said Natal coffee was mostly grown under natural conditions, but half of that only yielded urrugation
Mr Dowey sand South African coffee is consid-

Cronje
He sald producers had decided to bargann for a satisfactory price independent of the IC0 price Mr Cronje said producers were making representations for the modification of guideines regarding the growcoffee. marketing of coffee.
A study report on the production of the crop in by the Africa, compiled opy the Industrial Develbeen submorporation has been submitted to the De ered to be of excellid- and Industry for consid ced to be of excellent eration and for consid-

## Tea prices drop to lowest level in 18 months

LONDON - Tea prices The average price of they had no plans to re ended last week at their
lowest level in 18 months, and traders reported speculation they could fall below profitable levels for certain producers
tea at the London landed auction fell to 170,84 pence per kg from 193,44 pence last week.
Major British tea retailers Broake-Band Ono said duce prices Britain and Ireland are the largest tea consumers per capita in the developed world NM $29 / 4185$


PORT ELIZABETH-Petrol compantes did not want a price war as it would ultimately lead to monopolies and the possible loss of 40000 petrol attendants' $\mathbf{j o b s}$, the Director-General of Mineral and Energy Affairs, Dr Louw Alberts, said yesterday.

He was delivering the keynote address at the Sectoral Motor Congress and said orl companies had put it to him directly that they did not want market-related price competition in South Africa
'Refineries are operating at approximately 60 percent of capacity and a price war can easily be triggered which will leave only one or two strong survivors,' he sald
'In addition, such competition will lead to costcutting efforts such as automatic self-service which, in turn, will threaten 40000 petrol attendants with unemployment - something this country can least afford '
A further development would be the elimination of small garagemen faced with the competition between filling stations coupled to other large undertakings such as chain stores This would create further undesirable results
Petrol would also become particularly expensive in remote areas
The Motor Industries
Federation's report on
conditions in Europe also recommended that the status quo be maintaned The problems in certain European countries where petrol is sold without any controls, are legion,' he sald
The reasons he had given could be rejected but he hoped they were convineing enough to indicate that before one spoke too readily of State interference in the petrol industry, the well-meant reasons for such interferenice needed to be considered
'The Department of Mineral and Energy Affars derives no pleasure from unnecessary control and officialdom
'Should certanty be achieved that the private sector's profit motive is coupled to a social conscience so as to serve the entrre South African society - which after all, ranges from third to first world culture - farrly and efficiently, then control can be removed with pleasure, Dr Alberts sald He beheved this was the ideal to strive for (Sapa)


暗

THE food price index, which has been lagging behind the inIntition rate, is set to soar in the "winter months.
. Already this month both the price of maize and milk have inereased, exertmg an upward presssure on the food price index
Inflation as measured by the consumer price index rose on a year-an-year basis to $15,75 \%$ in April, while the food-only undex was up by only $9,27 \%$ in the comparable period

But the 7\% GST charged on foodstuffs last April must be taken into account in a year-on-year compar1son
The exemption of this charge.in June on certan foodstuffs would have helped keep the index down
Economists predict the food price index will now move up faster than the indices for other goods - despite the fact many foodstuffs are exempt from GST.
An economist has predicted a hefty increase in the food price "There has been a slow movement of food prices, but in the next six months we will see a significant increase in prices, especially in imported goods"...."
The rombined $10 \%$ increase in the $r$. ${ }^{*}$ "ce and the higher milk p ' 're expected to raise 're expected
$x$ by $0,64 \%$
ae higher maze price is exy. . .d to affect other products.
Huwever, Freek Tominson of the Meat Board, said there would be no increase in the floor price of meat, although the profitability of farmers using maize as livestock feed would be affected

In the year to April the price of meat rose by $7 \%$, according to fig ures provided by Central Statistical Services

By KAY TURVEY
"The recent increase in the price of milk and maze is expected to stımulate the food index," said Barclays' economist Alan Doyle.
Generally, the food price is now expected to catch up with, or outstrip, the rate of miflation These predicted increases are viewed by economists as only partly seasonal seasonal
A shortage of vegetables is expected to drive up the price because many farmers have reduced production over the past few years
Vegetables showed a drop from $171,9 \mathrm{in}$ April last year to $160,2 \mathrm{in}$ April this year on the food price index.
"There is a lot of cost pressure where food is concerned," an economist said.
He cited the decontrol of various boards as a factor which would lead to price increases.
"As the Darry Board is no longer subject to price control, we wrll now see a lot of catching up. They will use their new freedom to get their prices up and in line with general inflation," he satd.
Although this would drive prices rapidly upwards in the next few months, he did not view this as particularly harmful in the long term as the overall effect would be to increase supply
The bread price increase, imminent because of the lack of funds to raise the R 200 m subsidy, would not necessarily push up the food price index, sad Barclays' economst Manuela Brando
The price of grain products rose by one percentage point between March and April whle the sugar price showed a nune-percentagepoint increase

## Brown,white

 bread up
by 5 c tomorrow

THE price of brown and white bread is to rise by 5 c a loaf tomorrow. Governmeat has appointed a commission to inquire into the effectiveness of the bread subsidy.
This was announced by Agricultural Economics Minister ${ }_{\text {, Greying Wentzel }}$ at a Press conference in Cape Town yesterday.
The price of a brown loaf will rise from 40 c to 45 c - a $12,5 \%$ increase while a white loaf goes up from 60c to 65 c - an $8 \%$ increase.
Wentzel said government had provided a 200 m subsidy during the slump but the total required was reaching unmanageable proportions. To hold prices at current levels would need nearly R400m.
Wentzel said "Essential adjustments" had been made in millers' and bakers' margins.
Also, he said, the swing to brown bread - presently subsidised at 17c a loaf while white sold at one to two cents above cost - was continuing. The current ratio of brown to white consumpdion now stood at 75 25., he said.

Since government could provide only R200m to subsidise bread, this had "led inevitably to a moderate increase in price".

Wentzel said he had frozen millers' and bakers' margins SIX months ago, effectively lopping R60m off their mar gins up to now and enabling government to hold the last price increase to ic on brown and $4 c$ on white
: Loaves now weigh 900 g buts new loaf, to be introduced on July 1, would weigh only 800 g and also be sold at the new white price.



years
By,KIN BENTLEY
SINCE January, 1980 just over five years ago the price of brown bread has gone up by $200 \%$.
The price of white bread has risen by $170 \%$ over the same period.

Yesterday the Minister of Agricultural Economics, Mr Greyling Wentzel, announced that on Saturday the price of white bread would increase from 60 c to 65 c a loaf and brown bread from 40c to 45 c a loaf.
In January, 1980, brown bread cost 15c a loaf White bread cost 24c
By September, 1982, brown bread had risen to 35c a loaf and white bread to 53 c

All prices exclude general sales tax which does not apply to bread
The vice-chairman of the Eastern Cape Traders' Associațion, Mr Shun Pillay, sald he was very sad about the price increase, "particularly when you think of the plight of the average man in the street."
He sald the Govern ment appeared to be "out of contact wth the realities of the problems of the ordmary man, irrespective of colour"

The president of the East Cape African Chamber of Commerce, Mr Monwabisı Mkaza, sald the timing of the increase was bad
"We are in a recession Wages aren't going up The Government should have done better than that," he said

Mr Mkaza added that many people might be forced to bake their own bread in future

The cost of two weeks supply of flour was about R9 while a family which ate four loaves a day would spend R12,60 a week on brown bread



## Staff Reporter

SUPERMARKET bosses, critical of the bread-price rise, believe the Government is planning another major increase in October
They have criticised the "illtimed" action and have urged the Minister of Agriculture, Mr Greying Wentzel, not to consider another rise in October
Spokesmen for supermarkets, which say they will try to hold down the increase as long as possible, said pointers by the Government led them to believe that the new 5c uncrease on white and brown bread was an interim move and that the big shock would hit consumers in October
They all warned that the increase in price of a basic food would have a devastating effect on the unemployed and poor of the country - an effect which could lead to further unrest
All major store spokesmen | said they welcomed the inquiry which is to be set up to investigate bread subsides and sald they would take part fully in a bid to protect consumers

Pick'n Pay announced that it would keep bread prices as it they were for the next three i months at a cost to the company of about R500 000
Checkers will increase the cost of white bread but would keep selling brown bread at cost for the forseeable future
Mr Wellwood Basson of Shoprite, which has given 5000 loaves to the Penensula School Feeding Associaton, said his stores would continue to sell both breads at cost as long as they could afford it

- The Consumer Councl has expressed apprectation for Mr Wentzel - "on behalf of all consumers of South Africa" that the increase was limited to 5 c a loaf
"In view of the economic climate and the circumstances prevaling in the wheat industry, an increase in the bread price was expected," sard councll chairman Professor Leon Weyers
- The retal price of milk at cafés is increasing at an "alarming and unacceptable" rate, the Consumer Councll has said in a warnng agannst price explotation

The producer price of fresh milk will increase by $3,4 \mathrm{c}$ a h tre from June 1
Council director Mr Jan Cronje sald that "according to information available" retall milk prices at cafés had escalated by as much as 9c a litre

## Bread price may rise amain <br> ANOTHER bread price increase around the start of the new wheat season in <br> By GERRLD REILLY

October appears certain.
In Pretoria yesterday, Wheat Board GM Dennis van Aarde said the board would meet producers in Paarl on June 19 to review production cost increases for the current season. The producer price recommendation for the new season would be studied by the board at its meeting in Pretoria on July 24.
The board's own recommendation to the National Marketing Councll would be made soon after. Van Aarde sald farmers had to contend with recent fuel, fertliser and machinery price increases and a price hike would therefore be justified. He also said that the wheat price was raised from R275 a ton to R299 fur the 1984/85 season.
Last season, farmers had been refused an increase, he said.

Factors other than the wheat price, ncluding the margins of millers' and bakers, the state of the economy and the mpact on consumers, will be taken into account when the decision on another bread price hike is made.
"Another factor is the report of the commission apponted by Agricultural Minister Greyling Wentzel to investigate the bread subsidy system. It has been instructed to submit its report before the start of the new season
The commission's main task, Van Aarde said, would be to find out whether the target of the subsidies - the lower income groups - were getting the full benefit. If not, the commission would recommend other ways of ensuring that they dxd.
-
$\qquad$
$\qquad$
PRICE GENERAL

June - October.


Thursday, June 6, 1985
No hope of early petrol price cuts THERE were no immediate prospects ofaraduction in
the price of petrol, according to a Government spokesthe price of petrol, according to a Gove
This was in spite of specuition at the time of the huge 44 percent hike in February that the price might be reduced towards the middle of the year if the randdollar exchange rate improved.
The Minister of Mineral and Energy Affars, Mr Dame Steyn, had undertaken to adjust the price of petrol regularly - but there was 'no new factor' which could lead to a price drop soon, sald the department's Press spokesman, Mr Theuns Burger
'Some people say the exchange rate has improved 10 percent since February, so why can't the price go down 10 percent? But it's not as stmple as that,' he sald
Although the landed cost of petrol, thanks to falling world prices, was 'quite favourable', the poor rand-dollar exchange rate had negated this, he said.
Mr Burger said even after the February increase, there was still a substantial 'under-recovery - callit a subsidy of you will' - on all petroleum products. The Government was losing 4 c a litre on petrol. price rises for footwear ${ }^{6}$ 6.68

THIS year's consumer price index for footwear is expected to in crease at a faster rate than the average CPI for all commodities, says Dennis Linde, director of the Footwear Manufacturers' Federanion of SA.
The reasons he says is that for a considerable time manufacturers have had to absorb cost increases because of the tremendous pressures caused by imports.
"An investigation recently completed by the National Productivity Institute found that the footwear manufacturing sector in 1983/84 absorbed costs of raw material inputs, which lead to a decline of $32 \%$ in profit margins," Linde says.
He points out that last year imports increased by $47 \%$ in spite of the weak rand. The greatest volume of footwear ever was imported worth R123m.
It is disconcerting that in $1981 \mathrm{im}-$ ported footwear represented less than $20 \%$ of the local shoe marret, but the share since then has consistently increased and in 1984 stood at $31,2 \%$.
The federation was not opposed to imported footwear, very expensive fashion footwear from Europe or very cheap footwear from the Far East.
Of concern were imports which disrupt the local manufacturing $\mathbf{1 n}$ dustry such as importers who take locally made popular makes to Taiwan to be copied and then imported in large quantities.
"Of even greater concern are those importers, who are often retailers, who pocket the extra profit; made without passing on any to the consumer.
Linde says that local material inputs in most cases have higher cost structures than overseas. One of the biggest headaches was the continual cost increases of raw materials such as rubber of which a $14 \%$ increase this month brought about a total rise of $45 \%$ for the past 12 months.
Plastic material is at present twice the world price.
But both raw materials "For strategic reasons" have to be bought

- from local sources which contributes to the price disadvantage when the local producer is compared to overseas manufacturers. - Sap.


## Cheaper

bread if

## Mo-ahead

## is given

" Mercury Reporter CÓNSUMERS could pay anything between $5{ }^{\circ} \mathrm{c}$ and 8 c less than the current price for a loaf of Govern-ment-subsidised bread if an ap'plication-to the Wheat Board py Plck'
Pay is approved 244
Pay is approved 244 Durban North Hypermarket Martın Rosen sald the scheme - enabling bakeri'es in the company's stores throughout the country to bake and market their own standard 900 g loaf - could see consumers paying between 57 c and 60 c for a loaf of white bread, $\}$ and between 37 c and 40 c for a loaf of brown bread
'At the moment a löaf of subsidised white bread costs a maximumation while a loaf of brown bread costs 4 "Just last price was increaser by
5 c with Minster of Agricultural Economiestand Water-Affars Greylıng Wentzel issuing a: warning that another 'moderaitell hoke could be expected in October
The Thapplication, and the reply, could change the face of the bread gindustry. MOMCNO - Several other supermarket chans havè said in'the interim they would follow the lead if Pick 'n Ray' was glyemyengoahead
dy Yẻsterdad Mr Rosen sadd the chain was hoping to get approval without 'unneccessary restrictions and handicaps', such as not being allowed to bake the bread in, tins. 'We have the faclitites and the-right equipment, and really do not want to have to fiddle around with merdboard boxes
and the like.

CONTINUAL increases in rail and electricity tariffs are seriously affecting the operations of some base-metal and ferroalloy producers.
Rallage costs are affected by tarrff changes introduced by SA Transport Services Some users will be hit by railage mereases of up to $29 \%$ this year instead of the average of $15 \%$ clamed by the Minster of Transport Affarrs, Hendrik Schoeman
The base-metal producers are worried that these and other price increases are removing their cost competrtweness in world markets

## Dollar boost

The adverse effects of rising costs on mineral exporters have been more than compensated for by the drop in the value of the rand which has boosted dollar-denomınated earnings
However, the rand appears to have bottomed and could strengthen, inflation contrnues unabated and seems unlikely to drop below $12 \%$ in the next few years and most international mineral prices are either depressed or seem unlikely to improve
Another blow for basemetal producers is the $15 \%$

## By Brendan Ryan

tax surcharge on mining companies imposed in this year's Budget. There is also pressure from employees for wage increases.
Samancor charrman Steve Ellis said in his annual report that if South Africa's inflation rate remained high, the group's competitive position in world markets would be eroded unless the rand continued to fall.
Al Leroy, managing director of copper producer Palabora Mining (Palamin), says the competitive edge of SA mineral companies could have been eliminated already.

Mr Ellis says "Of partıcular concern to the ferroalloy industry is the continuing high rate of increase in the cost of electric power
"The ferroalloy industry", ${ }^{\text {n }}$ South Africa was to a large extent founded on the avallability of relatively lowpriced electric power which assisted in overcoming the disadvantage of being geographically remote from the markets and enabled the industry to compete internationally '
On average, electricity accounts for about $30 \%$ of the production costs of ferroal-
loys. Samancor's power bill last year was about R100million
Escom put up its rates by $10 \%$ on January 1, but the then charman, Jan Smith, sald that would not cover Escom's expected costs in 1985

## Coal switch

Some mining mdustry executives believe tariffs will go up in July and again in January 1986 in spite of what the new Electricity Council now running Escom may try to achieve
The fear is that electricity costs could rise by as much as $30 \%$ between January this year and January 1986 Such an increase would add R30million to Samancor's power bill.
It is believed Samancor is looking at other methods of reducing ore to ferroalloys and is considering switching to coal

Palamm's 1984 electricity bull was R25-million and for the first tume exceeded its diesel bill of R20,7-million because of higher tariffs and power use by the trolley-asSIst system for its haul trucks

A proposal under prelumnary study is that the mine move to in -pit crushmg and belt-conveyors in place of its struck fleet
Mr Leroy says. "This would mean a heavy capital
investment, but it would reduce operating costs which are affected by inflation.
"However, there is a lot of arithmetic to be done and it would take at least three years to set up any system"
The decision by Sats to switch to a rallage rate a truck instead of a ton is criticised by the timber, cement and mining industries in particular
The changeover started in April last year and has not only increased tariffs but caused confusion
One base-metal producer claums it is impossible to work out the tariff to be pald It has serious implications for the company's ability to cost its exports
Another says ravlage costs doubled between 1979 and 1983. Ralage accounts for between $30 \%$ and $40 \%$ of the mput costs to the company's treatment plants.

## Branch lines

Sats has introduced a R2 a ton surcharge on goods carried on branch lines, which are operating at a loss.
Some companies are considering switching to road transport One mining company affected by the surcharge has calculated that it would cost $\mathrm{R} 6,5$ a ton to haul coal from one of its colliernes by road compared with R9 a ton by rall.
Loss of this traffic on branch lines would make them less economic and"put Sats back to square one.

NATAL Portland Cement has slashed the price of bulk cement in Durban by 24 percent and bagged cement by 15 percent from today in a move that has rekindled the simmering price war after a brief iull
$=$ A statement by the company sard a special discount of R20 a ton for bulk cement ex-factory
has dropped the price to R63,40 It clams that in real terms, the price at R83,40 was lower than 25 years ago and the new price is said to be the lowest on record
Bagged cement is down by R13,40 to R76,40 a ton or R3,82 a pocket
In Pletermaritzburg, a pocket will now cost R4,41, a drop of 52 c Cuts have also been made in other centres

A spokesman for Ce . ment Enterprises, (ACE), NPC's rival in the price war, had no comment. It was ACE's importation of Spanish cement last year that sparked a price-cutting fight for the Natal market.
The move comes as something of a surprise as prices rose only in April when previous discounts, instigated because of the battle over prices, were withdrawn

Yesterday, Mr Mike Doyle, general manager of NPC, warned that the new special discounts were temporary and might be withdrawn at any time Customers have been advised not to enter into long-term contracts on the basis of the discounted price
He sadd the discounts will help maintain market share and safeguard the substantial investment and employment in the industry.
${ }^{\text {S }}$ Sales of imported cement dropped substantally after the price rises in April and the importers have instituted pricecutting again,' he alleged

THE current policles of "economic overkil" could be relaxed if the Government was able to keep public sector wage and price increases to a minimum in 1986, Barclays Bank says in its June economic review.
Barclays says the Government has always had ample power to control the domestic inflation rate through the wages and prices it controls directly
"Indeed it was largely this control and influence by the Government which kept our average inflation rate at around the 13 percent level in recent years despite increases in bank credit and in the money supply well in excess of this level"
Barclays doubts that further falls in interest rates would signficantly boost consumer demand for credit, and so increase inflation
"It would accordingly be quite appropriate to reduce the considerable degree of 'overkill' in the economy by either relaxing monetary or fiscal pollcy or both, at least to the extent that the present overkill in the economy will be reversed."
It says the Government must resist pressure to applyan increase of around 15 percent in.public, servants' salaries and wages next year, and. a smilar increase in the maze price, or the effects of this year's'recession will be negated

## Power




MABOPANE residents are angry about a R2 electricity fee increase which they claim came like a bolt from the blue.
According to them, they only became aware of the increase when theywent topay monthly rents Solue lar
Some were tod to go and get more money from their homes. No explanation was given for the decisign it is clamed
Residents also complamed that the local town council did not tell the community about matters affecting them in advance Many people were unemployed and could not cope with the ever-rising tanffs, they argued
"A year ago residents found themselves with increases ranging between R6 and R12 without being cọnsulted Even councl employees at vanous offices could not explan the escalations. That is why most of us will always be in arrears because there is lack of consideration among people sald to be representing us," said an angry Mr Hilda Mokoena
Residents sald they failed to understand the reason for the increase in electricty tanffs whule the supply remained poor

A spokesman for the township manager's office confirmed that restdents were not informed when increases were implemented Herwoud not take the matter further $\qquad$ $\because$

BY NEVILLE SPILLMAN
Weekend Argus Reporter MEDICAL Aid Society members can expect an increase in monthly subscription rates soon

Mr John Ernstzen, charman of the Representative Association of Medical Aid Schemes, sald that members of various societies can expect an increase of "somewhere in the region of 20 percent"

Mr Ernstzen said the increase was due to the rise in the cost of medicines and medr-- cal services

Since July last year the cost of prescribed drugs has risen by 22 percent

In February provincial hospitals increased their dally fees by 32 percent and private hospitals have been granted a 10 percent increase in their rates as from July 1

Because of this, one medical and society has been forced to increase its subscriptions by at least 14 percent with effect from next month

A rise in the levy on all prescriptions can also be expected

## 20 pc rise in subscriptions?

Mr Gideon Barnard, managing director of Cape Medical Plan, sald he does not believe the rise in prescribed drugs was caused only through the current economic situation, but that the over-generosity of doctors was also to blame

Mr Barnard sand the purpose for increasing monthly subscription rates was to strengthen accumulated funds
"The Central Councll of Medical Schemes has prescribed that medical and societies' reserves should equal 25 percent of its annual subscription income Currently our accumulative rates are at 13,3 percent
"Some schemes have a negative figure while others' rates are between five to six percent
"New members don't contribute to the reserve fund and if
there is a fairly large influx of new members the ration can be distorted
"We believe the accumulated fund is there to protect members in case of an emergency," Mr Barnard said

In spite of the fact that there were no increases in scale of benefits there has been an increase in medical costs
Members are making use of more services and there is no control over the issuing of prescribed medicine

Although the current randdollar situation has affected the cost of prescribed drugs, Mr Barnard believes that "the finger must not be pointed at the medical and scheme member, but at the doctor"

The deputy managing director of South African Druggists,

Mr Tony Karıs, defended Mr Barnard's statement when he sand "The rise in prescribed drugs stems from the current economic climate and overgenereous doctors"
"Although there has not been a dramatic increase in medrcines in the past few years, the cost of a prescription has risen considerably because of more sophisticated medicines being used
"The prescribing habits of doctors have become far more generous," ne sald
Mr Karıs said that doctors would prescribe a more expensive drug when a cheaper version would be the remedy "It is a bit lihe using a bazooka where a pellet gun would be sufficient "
In view of the rand-dollar crises Mr Karis said "Many active ingredients are imported etther in dollars or hard European currency and local manufacturers end up paying more for the material
"There was a time when medicine was 10 percent of the medical and costs - now its about 30 percent " .


" jeau jo soiqiquenb jeif
-upisqns ui Knq of gumuifuos si




 Extremely worried through because the buyer
lacked funds to selling the surplus meat last
October but the deal fell
through because the buyer say the Meat Board came close
to selling the surplus meat last Kıisnpui peәui aц7 ut saonnos crease their consumption of
 07 paddonp aq osje pinous suoff
-one je plos jeau पsajf jo ajıd


 арпй
 kick us in the teeth later." cans and not to some wealthy needs to be sold to South Afri-
cans and not to some wealthy
 Board for the past three
months to get it to release the

 piseurayov puouisey $\downarrow \mathrm{W}$ roolj ayd siaunsuos ueatafy ufnos of punoosip e je jeau auf
Ifos of aq pinom uoiznios ayt Ifos of $\partial \mathrm{q}$ pinom uolinios out
pites uəzmufsom sap uen dN
 -lifod osje si eordiy yinos," kets There was also a glut of
meat on the European market
 Established exporters of
meat, such as Australia, were chances of exporting South Africa A spokesman for the OLP, Mr Roy van der Westhuizen, said the can export the surplus at very good prices - we will not give "The rand-dollar exchange rate is very fave we presently busy with negotations We certain we could be found to sell the surplus at a profit. Dr Coetzee conceded that there was a substantial glut of meat
world markets but said he was confident an overseas, buyer borrot as its beef stabilisation fund has run out of money The board is also in financial difficulty and has been forced to past three years Farmers have been forced to get rid of stock Prolonged droughe market
Special, subsidised meat had been sold to the puhlic in previcus
years but it had not cleared the surplus in the long term The general manager of the Meat Board, Dr Pieter Coetzee,
said it was not practical to arll the meat at discount to the local
market



4 The Argus. Wednesday June 191985

| MKas aldbs |
| :---: |
| Sort out the red meat 'mess', say housewives |

TOS WENTZEL Political Correspondent :THE Opposition today called for an urgent inquiry into the meat-marketing system in South Africa
Following reports that there was a R100-milion meat surplus which has created a financial nightmare for the Meat Board, Mr Errol Moorcroft, the Progressive Federal Party's spokesman on agriculture, said the board and the marketing system needed to be investigated

A commission of inquiry should conssst of outside independent economists and businessmen with no interests in the meat trade
"ABSURD"
The Argus correspondent in Pretoria reports that the Housewives' League has called for an urgent investigation into the marketing of red meat, de-
"an absolute mess".
The R100-million surplus of beef was the result of the Mea Board's control policy, the lea gue's president, Mrs Joy Hur witz, sand today
"It is absurd for the Mea Board to tell consumers that they should buy more meat they simply cannot afford $1 t$, ," she added

The league was opposed to the board's plan to export 210000 frozen carcasses
"We would like to see this meat sold on the local marke in a way that would benefit consumers, and not exported overseas at a loss"

- Mrs Hurwitz rejected the board's claim that consumer prices of meat had dropped since February
"Our survey shows that consumers are not benefiting from lower prices"

Gite Tantich $2160^{\circ}$


## Some bus fares may

 be increased again
## Chef Reporter

CITY TRAMWAIS which in February increased its fares to offse: higher fuel costs hac agan applied to the Local Rodd Transporta tion Board for permis. sion to amend its tariffis
If the application is granted there will be further fare increases or some routes with reduc. tions on others
In a statement vester. day the managing director of the compans. Mir Nic Cronje sald the application provided for"a complete rationalization of economic fares with a minimum fare of 40 cents'
Due to this rationalı zation certan economic fares will increase but at the same time a great mans fares will be re.
duced"
Mr Crome sard it was indppropriate at this stage to alscuss the de talls of the economus fares appheo for The merits of the case irt cluding a fullv detanled motivation. would be made avalable to the media before the public hearing of the appica. non
'Sympathy'
No date had been set for the hearing and it was not yei knoun whether the Local Road Transportation Board or the Nauonal Transport Commission (NTC) would hear the apphcation
"As in the past." Mr Cronje said, "the company will approach the NTC and the Minister of

Transport Affairs re. garding passenger subsidies should the fares be approved We are confident this approach kill be viewed with the ap propriate svmpathy
Notice of City Tramways' appiication was gazetted on Friday and in terms of the Road Transportation Act objections must be lodged within 21 davs of publication of the notice These must be addressed to The Secretary, Local Road Transportation Board Private Bag X9021 Cape Town 8000
Meanwhile the proposed new tariffs are open for perusal at the board s offices on the fourth floor of the Nedbank Building on the bank Bulling on th
Cape Town Foreshore

## Bread price may 24.4 . jump by 20 cents in face of twin assault

## Own Correspondent

DURBAN - The price of bread could jump by as much as 20 c a loaf before the end of the year unless the Governmont increases the bread subsidy which will run out by the end of Septemper.
At the same time wheat farmers will be asking for an increase in the price paid for their crops, so the bread price faces a twin assault.
"Either the Government will have to put in more money or the consumer "will have to pay a higher price for bread," said Mr Bill Lacey, of the Ass:crated Chambers of Commerce.
"We do not know how much the Gov
ernment will allocate for the bread subsidy, but considering that they are strung for cash and reluctant to fund extraneous expenses, we will have to wart and see."
The allocated R200-million will be used up by early October and with the Government policy of limiting involvemint in the economy in the stringent economic climate, many believe that the chances of a substantial subsidy boost look decidedly unlikely.
At the same time it appears likely that wheat may have to be imported. The Eastern Free State, which normalby produces about half the country's wheat crop, is in a grim drought and in the Western the Western Cape rains are also late.
12 Cape Times, Friday, June 21, 1985


# Need for ceiling on prices and 



BLOEMFONTBIN
Even if the gold and foreign exchange reserves are restored to a satisfactory level in 1985, South Africa cannot allow a renewed upswing to take place next year unless the inflation rate is brought below 10 percent
This was stated yesterday by Dr J Cloete, group economist for Barclays National Bank, when he addressed the Assocom's Free State regional congress
Otherwise any deceleration in the inflation rate achieved by the current "overkill" of the economy would soon cease and be transformed agan into a renewed acceleration.
Dr Cloete sard that whether or not the hikely favourable impact of
this year's "overkill" of the economy would be
translated into an inflation rate below 10 per cent by early next year, would depend on the size of the administered price and wage increases that the government allowed to take place in the early part of next year
If the severe damage done to the economy this year was not to be in vain, it was essential that the government should set, and should announce in advance, an appropriate cerling for average increases in administered prices and in public service salaries and wages that it would allow for 1986.
In the prevalling circumstances, the private sector would almost certanly follow the example set by the public sector in this respect
If the, government placed án appropriate
celling on administered price and wage in creases for 1986, a reduction in the inflation rate to below 10 percent was a real possibility There would then be scope to allow a recovery to start The outcome on the balance of payments would have an important bearing on the general economic outlook.
The recession could be at its deepest in the third quarter of this year when the full impact of the government expenditure cutbacks and the tax increases in the March Budget were likely to come through to the economy.
Given likely trends in imports and exports a substantial current account surplus was likely to be realized for 1985, unless the gold price should fall agan price sh

- Sapa


## Mercury Reporter

FARES on Durban's Blue Line (white) buses will increase by an average 15 percent from Monday, July 1, pushing the cheapest bus ticket (Stage 1) from 70c to 80 c
Mr MS Sampalo, traffic manager for the Durban Transport Management Board, sald the increases, applied for last month, had been granted by the Local Transportation

Board yesterday
He sald the sole purpose of the rise was to allow the DTMB to meet mflation
'We have had a 10 percent increase in fares in January this year but this was to offset the 50 percent, rise in the ofuel bill,'"he saıd, adding that fuel, comprised about 35 percent of the total expenditure
The last tume the DTMB
increased its fares to
meet inflation was in June last year when it put them up by 12 percent Mr Sampan sald most for three stages to commuters on Blue Line Umbilo will be increased buses used coupons, from 69 cto 80 c which was cheaper than paying cash However, the price of coupons would also increase by an average of 15 percent s Stage one thckets for adults will increase from 70 c to -80 c while three stages to Umbilo will rise from 95 c to $\mathrm{Rl}, 10$
The price for a one.

I
stage coupon will in crease from 59 c to 57 c while the coupon price「 Åfive保 tothe Bluff will increase from R1,15 to R1,35 and the coupon price will rise from 87 c to R1
-The price of school pupils' coupons will go up accordingly, but pensioners' concessions will remain the same

 wholesale trade appeal for the increase" trade to absorb this

# LUYT/NAMPO DEAL <br>  $286 / 85$ Competition Board acts 

Opposition fertiliser producers are saying little about Nampo's bid for control of Louss Luyts Triomf Fertilzer But behnd the tactful silence hes the fear that their products could be locked out of one of their biggest markets - the agricultural co-operatives in maze areas

However, there is still hope that the deal will be blocked after an investigation by the Compettion Board The FM understands that the board has already called for information on the grounds that it could constrtute a "restrictive practice"
There are also doubts about Nampo's legal rights, as a non-profit organisation representing maize farmers, to enter into a deal with Luyt
Nampo has wide representation on some maize area co-ops, and the board might also look into the objectivity of co-ops in fertuliser deals $\ln 1980$ the board effectively forced certan co-ops to shed ther investments in Triomf because this was felt to be vertical integration

Most farmers, hit by drought, rely on coop credit Without access to the co-ops and the maize growers' majonty share of fertiliser purchases - some $70 \%$ - the four opposition ferthiser producers would find it difficult to survive in the already deeplytroubled industry

They are locked into a vicious price war, and plant is running at below half capacity at a tume of falling ferthser sales

Deputy registrar of co-ops Lous du Tort says there is nothing to stop co-ops stockng only one brand of fertiliser "They are business organisations acting in a free market We are not banks and the Land Bank credit we administer is available only for the coops' stock"
The R1 billion/year Sentraal-Wes Kooperasse, operating in the Nampo stronghold of Bothaville, has "several" Nampo members on ats board and already operates three fertiliser blending plants Each bas a capacity of 20000 t /year
"We buy basic fertiliser ingredients from the major producers and we intend to expand our blending operations considerably int The foreseeable future," says GM Pine Pienaar
The opposition producers - Omna, AECl's Kynoch, Sentrachem's Fedmis and Sasol Fertuhser - will not be drawn into public comment on the deal
Some say their attendance at a bearing to explain the position should not be seen as an expression of approval, as a newspaper report suggested this week.
One company spokesman says that comment before the deal is through could upset business dealings with customers - co-ops
and independent farmers However, the four are clearly concerned about the long-term market imphcations Their best hope, it seems, hes in Competition Board action

Industry sources speculate that the deal does not involve a cash transaction but that Luyt will take a $7 \%$ kichback on annual profits over five years "This must make the whole deal highly speculative because no one's making profits in the industry today," one executive tellis the $F M$
He also queries the attutude of Tromf's creditor banks to anything which will dilute their security "The legal aspects concerning minority shareholders' rights also raise a major question mark"
He says that if the deal does eventually go through it could result in a worsening of the current price war
This would be critical for the industry, where there are already fears that some producers are set for a fall (Business January 18)

The opposition companies feel that Triomf's own position is "delicate" at best Apparently, its R140m DAP granulation plant at Richards Bay, built for export production, is running at about half capacity and at a loss
They also point out that, since the divorce from AECI, Triomf $1 s$ entirely dependent on other producers - including rivals - for essential raw materials


Bread prices are set to rise another 15 c $20 \mathrm{c} /$ loaf later this year, unless government increases its bread subsidy The R200m already allocated will last only untll the end of September

In today's stringent financial climate and with government's declared policy of limiting involvement in the economy, chances of a substantal subsidy boost are decidedly slim

Agricultural Economics and Water Affairs Minister Greyling Wentzel's brief to the commission of inquiry looking at the bread subsidy is to investrgate "the justification or otherwise of the scheme and whether or not its continued existence is deemed to be justified " This appears to bear out the view that government is thinking of cutting and further
Aggravating the situation is the possibiltyy, based on current crop prospects, that SA may have to import wheat next year
"In the eastern Free State, which normally produces some $50 \%$ of SA's wheat crop,


Agriculture's Wentzel ... looking at subsidies
the drought is grim And in the westem Free State, it is now almost too late to plant The western Cape is also suffering from late rans," says Wheat Board (WB) GM Dennis van Aarde
Carry-over stocks of about 560000 t from this year's 2,176 Mt crop should cover three months' use, but imports next year cannot be excluded And it's too early to guess the effect of this on 1986 prices
The commission - due to report by September 15 -will investigate finance sources for a subsidy It must also ensure the scheme is used most effectively "for the advantage of less privileged consumers"

The WB will decide on its recommended wheat price increase on July 24 This will go to Wentzel, who is expected to announce the new price by October 1, with a concomitant bread price bike
Industry sources say there is little chance of an increased subsidy, and apparently the Finance Department is trying to pass the ball to Agriculture The WB will have to throw its stabilsation fund into the gap, or the consumer will have to pay more
"Our fund should stand at R70m by yearend - 1 t grows by some R20m/year But we gave government R40m last year to keep bread prices down, while in 1983 producers recelved a R48m agterskot in leu of a wheat price bike We cannot afford a repeat exercise this year," says Van Aarde
The WB is sensitive to consumer reaction to bread price bikes after an $8,3 \%$ jump in wheat milled last year This compares with average growth of $4 \%-5 \%$ in the last 30
 blacks, in particular, are showing greater preference for bread. This is partly due to their dislike for yellow maize. We want to expand this market, and expect $5 \%$ growth this year," Van Aarde adds.
But with a likely price hike in October, this black market advantage could disappear "Substitutes like potatoes, rice and maize will move in of bread goes up - and we don't want that," he says.
Blacks consume some $72 \%$ of all bread sold in SA , and coloureds and Indrans take another $12 \%$. Whites account for the rest. Heavily subsidised brown and wholewheat bread make up about $75 \%$ of total sales, showing that the subsidy is correctly aimed, he adds.
Government's $1 \mathrm{c} /$ loaf increase last year was too low, and led to the recent sharp price jump, with another huke expected in October. "We need at least another R200m to keep bread prices pegged until March," Van Aarde says.
"The current subsidy is $12 \mathrm{c} /$ brown loaf With a wheat price hike possible this year, the loss of the subsidy could mean an increase of at least $15 \mathrm{c} /$ loaf on brown bread," he adds.

Producers say they cannot reduce input costs, because they are subject to the same constraints as maize farmers
Losses of up to R150/t on the export of surplus production add further to industry overheads. "We expect a $2,176 \mathrm{Mt}$ crop this year," says Van Aarde, "and some 140000 t will be exported to Zare, Zimbabwe, Zambia, Mozambique, Malawi and the Seychelles We want to expand these markets, as losses are lower than on overseas sales"
Black states prefer SA wheat, because transport costs are lower. Because of poor storage facilities, they prefer a continuous, guaranteed flow of SA wheat to large shipments from the EEC or Australia.
But financing is a problem. Complains Van Aarde: "With some of these countries selling to Africa on 30 -year, $2,5 \%$ credit lines, it's hard to compete." 1
7 Paraffin up but no cut
in fuel priee
2ques JOHANNESBURG-The price of industrial illuminating paraffin was to be raised by 15 c a litre from July 1, the Minister of Mineral ard Energy Affairs, Mr Danie Steyn, announced in Pretoria yesterday.
$3:$ And $4,7 \mathrm{c}$ of the in crease will be levied for the fuel equalisation fund. : 1 ab
The price of domestic paraffin will be un-

Mr Steyn-emphasised exchange rates would largely determne future fuel prices. .
From a price'breakdown of 93 octane it was clear there was an overrecovery of $0,9 \mathrm{c}$ a litre ?
This would be taken into account in the next price'adjastment Mr Steyn gave no hint as to when this would happen.
'- He also announced that the 2 c reduction in the price of diesel, other than for agricultural and marine purposes, made possible by reasonable supply and prices of crude orl, would be channelled to the national road fund The price therefore would reman unchanged
chand be channelled to the national road fund and the current price mantamed
He denied that onl com panies were making"excessive profits or that they recelved a guaran-s teed return of 15 percent on invested capital
The percentage return fluctuated between companes and in total
Mr Steyn sard that since the January 24 price adjustments, the rand had strengthened
However, the fuel price was subsidised by 4 c a litre for petrol and cer tain diesel applications and also for jet fuel and power paraffin
At the same time diesel for agricultual and marine purposes was subsidised to the tune of 10 c a Itre to minmise the effect on basic food producers
The: charrman of the Federated.Chamber, of Industrys energy sub committee, ${ }^{2} \mathrm{Mr}$ Rudolph Fockema, sald the FCI re gretted the opportunity had not been taken to reduce the petrol price
Mr Steyn sald that after an investigation the Government had decided there was no justification
$\qquad$ $\lambda$
$\qquad$ for a domestice price of paraffin andzan industri-



## Frozen

Mr Richard Cohen, durector of Pick'n Pay, said there was a chicken surplus in the Transvaal and in Natal but not in the Cape

Frozen chickens were selling
at R1,59 a kilogram at Pick'n Pay outlets in the Transvaal and at R1,55 a kilogram in Natal
"If the price is right we can get rid of surpluses Perhaps our friends in the Meat Board should take note and spread its surplus to as many people as possıble," he sald

Argus Correspondent

JOHANNESBURG - There has been a decline in the rate of price increases for domestic commodities in the past five months
. Consumer Councll research shows

## Price rise rate shows a decline

Mr Nigel Smallindge, branch manager of ICS Foods which drstributes-Festive chickens, said "The chicken breeders have placed too many eggs and the chicken mortality rate is not as hugh as normal.
"There seems to be a surplus of 2,5 to 3 -million birds during a 10 -week cycle on the Transvaal We have to take a lower price to get rid of them

## Expected

"Blacks, the biggest consumers of chicken, are suffering because of the recession and have not been buying as much chicken as normal"

Mr Smallridge said the price of chicken was expected to rise

Miss Peta Lomberg, public affairs manager of Checkers, said stores reduced frozen chicken prices from over R2 a kilogram.

She sard. "We are selling chickens from R1,49 to R1,99 a kilogram depending on the type of store"

## W Cape man new SA chief Scout

Argus Correspondent PRETORIA - South Africa's chuef Scout for elght years, Mr Colun Inglis, who retired from the movement at the weekend, has been succeeded by Mr Garnet de la Hunt of the Western Cape.

Mr Ingls was born in Mar1tzburg and attended Maritz burg College and the University of Natal before going to Cambridge University in Eng. land, where he attained his MA in economics.
He served as a heutenant ins the South African Air Forces between 1943 and 1945
He has been a Scout for 50 years, having started in his home town where he also became a Scoutmaster in 1947
Mr de la Hunt was born and

## Masterplan

He declined to give anydetailsand stated "all detals will be contamed in the publication"
The last rent huke in Tembisa was ef. fected in February Residents were charged R4 a permut and busnessmen R20 a site It was to have been effected in September but was delayed after the Tembisa Civic Association (TCA) sought legal add
An executive member of the TCA, Mr Leonard Mavuso, yesterday sard they hadsubmitted a formal objection against theintended increase.
He sad "If our objection is not noted we will do all in our power to get a hearing because the councll publishes the notices in The Star knowng well that Tembisa people read The SoWETAN more than any other paper".

The increases are reportedly for the electricity masterplan, sewerage, and refuse removal
"The phasing out of the bucket system is the people's prority and not the electricity masterplan There are more than five sections in Tembisa each with morethan 1000 residents still using the bucket system," sard Mr Mavuso
He accused the councll of provoking volence in the township Meanwhile. Tembisa is still tense with elther police or SADF patrols at almost every corner


By Maud Motanyane and Jackie Unwin
The prices of mutton and lamb have soared in the past month and butchers claimed today that the increase was due to a faulty computer system．
The Meat Board had to step in yesterday to avert a crisis at the City Deep abattorr．
The board had to stop sales and call on the abattoir to revert to the catalogue system of selling when the Witwaters－ rand Retal Master Butchers＇Association（WRMBA）called on it to intervene
The Abattor Corporation，which installed the computer early last month，denied that the moreased prices were caused by the new system and saxd yesterday＇s mondent was＂an overreaction＂by the charman of the WRMBA，Mr Eddue Belovich

Meat buyers have clamed that the computer has led to delays during auction time
With limited time to buy， butchers had to rush through their buying and accept inflated prices which they then had to pass on to the consumer
A crisis was reached on Tues－ day thus week as only 50 percent of the 8000 sheep carcasses were sold，said Mr Belovich Mutton went up from R3，80 a kulo to RA，18，he sand
He blamed the Abator Cor－ poration for instaling a com－ pater syster winh had not been proved to be eifficient． －＂And ners the consumer has to pay for the Abattoir Corpora－ tion＇s experimentation，＂Mr Ble－ lovich said
＇Not interested＇

Mr Andre Fourie，develop－ ment manager of the Abattoir Corporation，sad the matter could have been amicably dis－ cussed between Mir Bielovich and the abattoir manager．
He sald there was no brdding on 2000 sheep cárcasses on Frr－ day and on 1600 sheep on Mon day＂Why were the buyers not interested then？The asked
He sald＂Wéadmit we have had computer problems but you can get teething＂troubles in a computer as in a new car＂
He sad some computer soft－ ware was being，flown from America to solve＇the problem and，if all went well，the com－ puter system should be in opera－ tion by tomorrow afternoon

## Urgent appeal

The South African Federation of Meat Traders has appealed urgently to relevant authorities not to implement the same com－ puterised system at other abat－ torrs
The association has also de－ manded that private enterprise take over the responsibility of the loading of meat and that the Abattor Corporation＂refram from interfering with marketing functions that can have a bear－ ing on the price of meat＂．

Further negotiations between the Meat Board and the associa－ tion may bring a more reason－ able meat price to the consum－ er，says Mr Bielovich

Mrs Joy Hurwitz，president of the Housewives＇League，sald ＂We cannot have a situation in which a price is increased be－ cause of mistahes and errors＂

## summise comsumrier

# Lamb prices expeeted to drop after change to catalogue system 



## The bread ba

Only two. supermarkets surveyed continue to sel! bread below cost; the others are selling it at cost.

Checkers and Pick'n Pay are charging 38 c for brown bread.

Pıck 'n Pay is also subsidising white bread and selling it at 58 c .
The new loaf, which weighs 50 g less than the old one, was introduced on Monday

The new bread, wheb is made from purer flour;

$\longrightarrow$ by<br>Maud Motanyane and Jackie Unwin

Beef and chicken are comparatively good buys at the moment.

But lamb prices have skyrocketed Butchers claim this is because of a malfunctioning computer system at the City Deep abattorr
Thus was reflected in the 22,02 percent increase in the cost of lamb chops in The Star survey
The computer system has been replaced by the catalogue system and prices of lamb are expected to drop soon.
Pork is also comparatively low in price.

## 'Alternative Meat'

Mr George McGregor of McGregor's Meat Market recommends housewives look to alternative meat such as veal, which is less expensive, very tasty and can be used in dishes instead of lamb "It is also healthier, being less fatty and has a lower cholestrol content," he sald
Mr McGregor reports rabbit is increasing in popularity "You can feed a whole family with one rabbit at a cost of between R4 and R5," he said.
But if you feel like spolling your family or having a special dinner party and want to provide something different, have a chat to your butcher Many have specialities
Mr Barry Lockyer, butcher at Spar
in Blackheath, does a rolled fore-rib which is popular with his customers "Topside can be dry in the middle I roll the meat with pleces of fat through it which improves the flavour and it does not dry out."

Mr Nick Loots, butcher at the OK in Cresta, offers pin wheels - lamb rib with spices and Hollywood chops
Many of the butcheries offered Cordon Bleu schnitzel with cheese and ham, egg and breadcrumbs, which just need to popped in the pan

The Farrland Meat Market offers butterfly legs of lamb which are deboned, marinated and can be either roasted or are lovely for a braal They weigh about $21 / 2 \mathrm{~kg}$ and can feed between 10 and 12 people.
Some butchers vacuum pack Mr Johnny Chidrawi of the Meat Counter, Florida, said vacuum-packed steak is extremely tender It ages in the bag and rather than freeze it, the meat should be left in the bag for about two weeks to age It can then be either frozen or eaten

Mr Chidrawl puts suggestions on how to cook the meat on the price tags of the cuts in his shop

Mr Syd Reinhardt co-owner of Polony King makes over 100 items in his continental meat factory "They are" convenient for the housewife to cook and inexpensive," he said "The man with a discerning palette who might turn up his nose at a Vienna sausage would enjoy a good quality German bockwurst and it is easy for the housewife They are convenience foods of a high quality at realistic cost"

Kosher
The Commission.
Kosher Meat and: Poultry: completed its task of heas 2t Itsfreport shoulld ber $=$ preseffation in the tom? $1985{ }^{\circ}{ }^{\circ}=$

Mrs Doreen Bendet $r^{\frac{1}{2 x}}$ South African Kosher C gansation, sald that - at tinn of the enmmeannoren

| n 5 0 0 0 3 3 0 0 3 3 3 |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\pm .9$ | ＊R6，99 | R8， 38 | R7，99 | ＊R6，99 | ＊ 86,99 | R7，72 | R7，90 | －2，28 |
| － 49 | R6，99 | R7，08 | R6，88 | ＊R4，99 | ＊ $\mathrm{R}, 99$ | R6， 32 | R5，81 | 8，78 |
| － 79 | R3，63 | R2，99 | R3，6 | R2，99 | ＊R2，69 | R3，43 | 83，73 | $-8,04$ |
| －－ 19 | R6，98 | 86，98 | R6，98 | ＊R4，99 | R5，50 | R6，87 | 85，63 | 22，02 |
| \＃39 | R5，99 | R3，99 | 25，88 | ＊R2，99 | R4，99 | R5，42 | R5，35 | $-7.35$ |
| －， 19 | R3，99 | R3，15 | － | R2，99 | ＊R2，89 | R3，55 | R4，04 | $-12,13$ |
| － 19 | ＊R4，99 | R6，49 | ＊R4，99 | ＊R4，99 | ＊R4，99 | R5，23 | R6，04 | －3，48 |
| $\bar{\square} 59$ | R10，99 | R10，99 | R9，98 | ＊R7，99 | R8，50 | R9，78 | R9，78 |  |
| － 59 | R6，99 | R6，99 | R6，99 | ＊R4，99 | R5，95 | R6，4 | R6，57 | $-1,98$ |
| － | R3，89 | R3，89 | R3，29 | R2，99 | R3，50 | R3，38 | R3，80 | －11，05 |
| － | R4，19 | R3，98 | R4，69 | R3，99 | R4，20 | R4，22 | R4，08 | 3，43 |
| 三 79 | R3，98 | － | R3，98 | R2，99 | ＊R2，40 | R3，39 | R3，70 | $-8,38$ |
| －7，69 | R4，59 | R4，59 | R3，98 | ＊R2，99 | R3，50 | R4，05 | R4，20 | $-3,57$ |
| $\overline{79}$ | R3，99 | R3，99 | R3，89 | R2，99 | ＊R2，69 | 83，59 | R3，52 | 1，99 |
| ． 49 | R2，35 | R2，38 | ＊R1，99 | R2，99 | R2，49 | R2，49 | R3，00 | －17，00 |

## tte rages on

Et2l had a longer shelf hife and did not crumble easuly，a －spokesman for the Wheat Board sand

He said that althongh the new loaf weighed less it was the same volume as the old Government loaf and produced the same number of slices．

The brown loaf had more bran added to it．
The cost of extracting the new flour had been absorbed by the bakers who were producing more loaves than they did before，the spokesman said．

## report in August

[^2]|  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | $\begin{aligned} & 0 \\ & 2 \\ & 2 \\ & 2 \\ & 2 \\ & 2 \\ & 2 \end{aligned}$ |  |
| BREAD：Whute | 58c | 63 | 63 | 63 | 6 | 6 |  | 1，3 |
| Brown | 38c | 38 | 4 | 43 c | 4 | 39 |  | 5， |
| MILK：］l | 71 c | 75 | 79 | 77 c | 7 | 73 |  | 2，4 |
| EGGS： <br> 1／2 doz large | 66 c | 67 | － | 68 c | 6 | 69 |  | 2，0 |
| MAIZE MEAL： 2，5 kg Impala | R1，25 | R1， | R1， | － | R1， | RI， |  | 1 |
| MARGARINE． 500 g Rama | R1，41 | R1， | R1 | R1， | R1， | R1， |  | 2，1 |
| CHEESE： <br> 1 kg Elite Gouda | R6，37 | R6，3 | R6， | R6， | R6 | R6， |  | $\pm$ |
| JAM： 900 g All Gold Superfin Smooth Apricot | R1，68 | R1，7 | － | － | R1， | R1，5 |  | $\begin{gathered} ! \\ \vdots \\ 79 \end{gathered}$ |
| SUGAR： <br> $2,5 \mathrm{~kg}$ Huletts | R1，99 | － | R2，0 | － | R2，0 | R2，0 |  |  |
| TEA： 100 tagless teabags Joko | R2，89 | R2，7 | R2，7 | R2，89 | R2， | R2，8 | 1 | 1）5 |
| COFFEE： $\mathbf{2 5 0} \mathrm{g}$ Nescafe Classic | R5，29 | R5，4 | R4，9 | R5，95 | R5， | R5，18 |  | 4／3 |
| CEREAL． <br> 500 g Kellogg＇s Cornflakes | R1，35 | R1，39 | R1，45 | R1，29 | R1，3 | R1，37 |  |  |
| COOKING OIL： 750 ml Ole | R1，99 | R2，19 | R2，1 | R2，19 | R2， | R2，17 | －2 | 3 |
| RICE <br> 1 kg Tastic | R1，59 | R1，59 | R1，75 | R1，58 | R1，63 | R1，68 | －2） | 2）8 |
| SALT： <br> 1 kg bag Buffalo | 52c | 52c | 53c | 52c | 52c | 52c | －－ |  |
| MEAT： <br> 1 kg brısket | R3，69 | R2，99 | R3，68 | R3，88 | R3，56 | R3，66 | －2， | 2，3 |
| 1 kg porterhouse | R6，58 | R7，99 | R7，98 | R7，98 | R7，63 | R7，99 | ， | 4 |
| 1 kg lamb loin chops | R5，98 | R6，98 | R6，98 | R8，28 | R7，06 | R7，23 | －2， | 5 |
| 1 kg fresh chicken | R1，99 | R2，38 | R2，35 | R2，49 | R2，30 | R2，34 | －1， | ， 1 |
| 250 g Eskort streaky bacon | R1，84 | R1，79 | R1，89 | R1，89 | R1，85 | R1，84 | 0，9 | ， 4 |
| 1 kg deep water hake fillets l\＆J | R3，25 | R3，59 | R3，59 | － | R3，48 | R3，41 | 2，6 | ， 6 |
| VEGETABLES： <br> 1 kg potatoes | 69 c | 79c | 59c | 59 ${ }^{\circ}$ | $67 c$ | 67c | $\underline{-}$ | ， |
| 1 kg frozen peas Table Top | R2，79 | R3，29 | R3，45 | 83，49 | R3，26 | R3，11 | 4，8 | 8 |
| CANDLES： 450 g Buffalo | 99 c | 99 c | 87e | － | $95 c$ | 99 c | －4，0 |  |
| WASHING POWDER： 1 kg Sunlight | R2,44 | ＊－ <br> ＋ R2,45 | R2，59 | R2，49 | R2，49 | R2，44 | ＇ | 04 |
| SURVEY：JULY 21985 \％． |  |  |  |  | PRICES EXCLUDE GST |  |  |  |

AN INCREASE in the steel price is expected to tbe:announced by Ninister of Trade and Industries Dawre de Vllhers within the next 10 days
But that it anill mo modest one is confirmed by iscor senior general manager, (steel) Nols FOlivier, who sadd in Pretoria yesterday an adjustment was unavoidable.
However, the increase would be lumted against a background of the extraor-

dinaly high $16,1 \%$ inflation rate, and other factors.
t-E Olivierspointed out that İscor's margins on export and local steelsales were under pressure
"Sure the rand-dollar rate favours exports, but in recent months the price of steel on an over-suppied world market has sagged signficantly " He pointed out
n-that during the past five years increases in the price of steel had been kept four to five percent below the inflation rate.
EThe coming adjustment was still being discussed but the increase would not seriously aggravate the inflation rate.
Iscor had always made strenous ef forts wherever possible to absorb costs and keep increases down to a minımum but a point was inevitably reached where an adjustment had to be made.

## Marge and cooking gililil prices rise

JOHANNESBURG-The prices of cooking and salad oll and margarine are porsed to shoot up between 13 percent and 14 percent.'
Sapareports that Mr Lance Japhet, charrman of the SA Oil Expressers' Assoctation' and the SA Margarine Manufacturers' Association, said the cost of oll for bottling and for the" manufacture of margarine had increased by that percentage this year.
He appealed to manufacturers not to pass the full increase on to con-* sumers and to absorb as much as possible, but sand a substantial in-crease is unevitable.
He has also appeantudu the Minister fofmase,
 réconsider appeals, which have so far fallen on 'deaf ears', for salad and cooking oll to be included in:a GST-free category
He sald that rice had been exempted from GST and that vegetable oils were a basic and essenthal foodstuff for 'a very broad spectrum of the community'.
A Mercury Reporter writes that the price of mutton and lamb in Durban has shot up by more than 30 percent in the past month and butchers are recommending that people buy quality beef instead.

According to the chairman $^{n}$ of the Durban and District Meat Traders' As-
 least 41 'percent more for these commodities. In some cases the price nise may be more since the price of oil products is not controlled $9 / 4 / 85^{\circ}$
MriLance Japhet, chairman of the $5 / \mathrm{A}^{-} \mathrm{EX}^{-}$ MriLance Japhet, chairman of the SAlon Expressers Association, attributed the increase to the
local crop shortfall - estumated at 130000 tons local crop shortfall - estumated at 130000 tons -
of vegetable onl seeds and sunflower seeds ${ }^{\text {this }}$ of vegetable onl seeds and sunflower
year, as well as high import onl pnces,
Mr Japhet said it was difficult to determune what consumers would eventually pay for these commodities, since there was no collusion among manufacturers.

## Electricity costs

Drought was the major factor for this year's crop shortfall, Mr Japhet sard. Oil expressers also had to pay higher prices for local oilseeds this season, including ralage and electricty costs.
Spokesmen for OK Bazaars and Pick 'n Pay supermarkets told The SOWETAN yesterday that they would hold their prices untal old stocks cleared. Both had not recelved new price tistst from their suppliers by yesterday.

Checkers supermarket said in'a statemènt: "We are not satisfied with the reasons given for the m crease in the price of margarine and oil. We will be conductung our own investigation into the situation. In the meantume, the price of these comino ties will remain at current levels at our outlets,tini ?
Meanwhile Mr Japhet has appealed to the manp facturers to absorb the full increase "as muchyas possible". He said his organisation had made.representations to the Minster of Finance, Mr Barend du. Plessis, to have salad and cooking, ol included in the list of GST-free commodites 0 : 7
"If the Munister responds positively," consumers will buy oil products at old prices," Mr Japhet added.


## Margarine, oils set for price rise <br> THE prices of cooking and salad oil and margarine are poised to shoot up by be- <br> By ISOBEL HUMPHREYS

tween $13 \%$ and $14 \%$
In the light of the expected mereases the chairman of the SA Oil Manufacturers' Association and SA Margarine Manufacturers Association, Lance Japhet, yesterday appealed to government to consider exempting seed cooking oils from sales tax in order to dampen the increase.
He told a Press conference "The combined effect of contmuing high imported oil prices and local increases on oilseeds has increased the cost of these commodities by $13 \%$ to $14 \%$ so far this year."
Japhet said among the reasons for the likely increases was that the? latest crop estimates for vegetable oilseeds and sunflower seed were disappomting. "Last year, the sunflower

seed harvest yielded almost 180000 tons. This yeari we had expected about 400000 tons which would have suppplied a substantial proportion of our local needs for salad and cooking oil and for yellow margarine. We are now expecting only about 270000 tons, which means that a significant quantity of oil is still having to be miported."

Imported olls are quoted in dollars, resulting in a high landed cost.

No specific date was given when the higher prices would reach the consumer.
"This depends "on "individual manufacturers, but ẁe have appealed to them to attempt to absorb as much of the increases as possible," he said.


# Unskilled women traders prevalent 

ONE in eight of the world's entire lahour force works in the informal Ertix, according to the State of the World's Women report 1985.
This sector is overwhelmingly occu-
-. hy women whose precarious liveliis threatened by factories and r= $=$ 年modern urban development. The report, prepared in the run-up the United Nations World Conferon Women, goes on to character.. what it calls "This huge and vibrant $--=$ of world society" as consisting of millıons of people offering ser-
int and engaging in small scale activon the margins of official life.
-They do not carry briefcases o Fig cigars, but women traders --mig cigars, but women traders Third World cities."
"They dodge in and out of traffic -=- with trays of homemade sweets; $\therefore$ make and sell leather sandals or -- m washing; they sell rice cakes, $=-\operatorname{cig}_{\text {git }}$ cotton skirts, and cups of murky ,
Between 20 and 70 percent of the force in Third World cities are thing in the informal sector, which $\cdots$ about 50 percent of the poor "드에 population in developing coun-

The report goes on to say women traders are most prevalent in the Car ibbean, West Africa, and South Asia where they sell between 70 to 90 percent of all the farm and fishing produce.
This informal trading gives them an independent income and enables them to develop a flexible working schedule that allows them to combine business and domestic chores.
Their earnings are very low but it is the only chance these women who are often migrants, have to generate an come.
The report stresses that this sector is vulnerable because of the relocation of industry and will undermine their mode of employment. They cannot compete with the smart new shops beliterate and without coined, unskilled, il-
"Going forthout capital.
Going formal means getting loans investing in learning to handle figures, investing in transport, making contracts, signing contracts and doing deals. These activities are made easier for men and give them a head-start over women. Men are beginning to take over the only sector that in some parts of the world, women can be said to control."


HEY DO not carry briefcases or smoke big cigars, but women traders create up to a third of the wealth in some Third World cities."

## Vomen for priesthood

OMEN deacons
$=$ be ordained in eChurchof ANㅡ를 (Anglican)
year following General Synod's x- sal of the idea.
ine measure still to be passed by -ament where it - meet opposiMost of the 350 conesses in the chil want to transto the new status, ch would give the nght to use the nght to use title "Reverend" technically make - members of the 'gy
he synod com-
posed of bishops, clergy and the latty on Tuesday voted 324 to 83 - an 80 percent majonty to allow women to be ordanned as deacons the church which in the church which are not open to deaconesses
Deacons may perform marnages, but do not give the blessing at the end They are not permitted to celebrate Holy Communion, nor give absolution
If the deaconesses transfer, they will not need any further
traming The daconate is one of the three grades of holy The
The Anglo-Catholics opposed the admission of women as a matter of principle They feel it would be asteptowards women being ordaned as prests This has been denledby MrJohn Smallwood, who pushed the measure or the steering committee He sard the move was not intended to signal the eventual acceptance of women as prest

## WOMAK

## Shopping Basket

WRITE to The SOWETAN Woman's Shopping Basket and tell us which shops you would like us to cover on the Reef. Tell us which articles you would like us to include in the
basket, do not forget to mention sizes.



## Club's get-together



THESOWETAN Woman's club will meet his Saturday at Funda Centre. The topic for this month's meeting is Funerals: customs
and rituals. The guest speaker will be MrSello Mthembu who will also describe will funerals were how ducted in the con-
and what is not ne
cessary, but is bein cessary, but is being The me today.
2 pm and starts a
2 pm and members
punctual to be


A CAR set alight outside the KwaThema Stadium where a funeral service for four
unrest victims was held.

WITH clenched fists a crowd, including young children, march to the KwaThema Cemetery carrying aloft the coffin of one of the victims


Figures produced by the Central Sta－ tistical Services show that the index （1980．100）showed a monthly rise of $2,13 \%$ to 177,7 ，after a $0,6 \%$ gain to 174,0 in April．A year ago the index stood at 152，0．
The performance of the index since the beginning of this year has been most disconcerting．Since the beginning of the year，the monthly year－on－year in－ creases have been：

| creases have been： | $12,9 \%$ |
| :--- | ---: |
| January |  |
| February | $14,9 \%$ |
| March | $, 15,4 \%$ |

March

The index includes the prices not only of primary products and the wholesale prices of goods produced in SA but＇also the landed cost of imported products and components．
In the past five months the index for imported goods has risen faster than the local indices because of the weaker rand，compared with its value a year ago．The imported content of mand pro－ ducts has given a nasty upward thriust to： the cost of goods manufactured in this country，as well as to the pricés＇of fin＇ ished＇goods＇which come from abroad
supermarket cham said'If the price does riseby that much it will be
devastating' the Pick 'n
Pay spokesman said
Several months ago
Pıck'n Pay applied for a
licence to make cheap
Government standard
suze bread but-as yet have
not received a reply
The spokesman said it
had already cost the
group R500 000 to hold
the bread price down
since the last increase in
June of 5 c a load
If the expected in-
crease does occur toaf
of white bread could cost
as much as 85 c and
brown bread 65 c
'We would have to de-
cide whether we could af-
ford to absorb an in
crease such as this at the
moment,' sand the spokes-
man
The likely increase is
said to be a result of the
Government subsidy of
R200 million running out
before October and an ex-
pected increase in the
wheat price
However, before a deci-
sion on the price is taken
Agriculture Minister
Greyling Wentzel will
have the report of the
commission he appointed
last month to investigate
last month to investigate
the bread subsidy and to
advise him on whether it
should be continued

The Wheat Board is not likely to use any of its R70m stabilisation fund to mnimise the expected bug merease in the bread price from October 1.
'The bread-price issue, as well as the board's recommendation for a wheat price increase, are on the agenda for a meeting in Pretoria this month
GM Dennus van Aarde sand yesterday that last year the board gave the government R40m to keep bread prices down to a minimum
Stressing the importance of keeping the R70m fund intact, Van Aarde sald that if the board had a surplus in the 1986-87 season of, say 500000 tons, and had to export under current market conditions, the loss could amount to R150 a ton or a total of R75m
"It is clear, therefore, that we cannot under the circumstances risk depleting the fund further"
On the prospects for this season's crop
, and the possiblity of supplementary m sports, Van Aarde said that the drought had caused heavy damage in the Free State where about three-fifths of the total crop was normally harvested
A shortfall next year was, therefore hikely and, in spite of the 500000 -ton carry-over - about three months' supply - wheat would probably have to be umported
However, Van Aarde, back from a meeting of the International Wheat Council in London, said that world wheat surplus was enormous and prices had dropped To reduce its surplus the US was selling at a discount of $25 \%$ to meet competition from EEC countries
"If we do import next April or May at least the prices will be strongly in favour of the buyer," he sald
Minister replies to call from PFP member

also time that an end was"
Minister of Mineral system whereby inland

| and Energy Affairs, | motorists had to subsi- |
| :--- | :--- |
| Mr Danie Steyn today, | dise the South African |

said petrol prices Transport Services
would not be reduced There was no justifica,
at this stage, but añ
tion for inland motorists
opposition spokesman paying an extrá
Sald there was scope
for a price cut
or a price cut
Calling for an
Calling for an immedi-
ate reduction in petrol ate reduction in petrol
prices, Mr Bran Goodall,
MP for Edenvale and MP for Edenvale and
Progressive Federal
Party spokesman on minineral and energy anfarrs,
said it was clear that ecosald it was clear that eco-
nomic factors affecting
fuel prices had
 such a decrease
Indications were that
oll prices would conthae to decline and that South
Africa's balance of payments would continue tof
improve This would have a beneficial effect on the
rand-dollar exchange
INFLATION




## Oil firms cut

 many prices on Monday12170 Financial Staff
IL companies are to cut prices of a wide range of oil and other petroleum products from Monday.
Petrol and most other price-controlled products fwill not be cheaper.
But'the 'Government is allowing diesel used for road transport "other than passenger buses to be cut by $1,7 \mathrm{c}$ a litre at the coast and $1,6 \mathrm{c}$ on the Reef, depending. on the' rounding off of Géneŕal 'Sáles 'Täx
The driver of a diesel-engine car with a 72-litre tank will save about R1,22, when he fills up.
The cuts follow an improvement in the rand-dollar exchange rate and if the rand continues to rise there is a chance of petrol and other prices being lowered.
There will also be a 5 c a litre cut in the controlled price of diesel for some industrial and commercial uses.
An'oil company source said today: "For the motorist the reductions will be minimal Garages are not forced to pass on cuts in items that are not price-controlled," he said.
"But over a year, the lower prices make a difference running into millions of rands."
A 5 litre tin of SEA 50 engine oin, for example, will be $15 c$ cheaper to the dealer. Other engine oils will be 2 c a 500 ml can cheaper.

FLYING İS CHEAPER
Lubricants such as oils and greases are not price-controlled. Prices of multigrade and monograde engine oils will be about $3,10 \mathrm{c}$ and $4,10 \mathrm{c}$ a litre cheaper but forecourt prices will depend on transport costs, packs and brands.
The biggest reduction is in aviation fuel, down by 9c a litre to a saving of R18 on a 200 litre container. Liquid petroleum gas will be cheaper by: 5 e a litre or 9 c a kg.

- The Argus Political Staff reports that the Minister of Mineral and Energy Affairs, Mr Danie Steyn; made it clear today that a decrease, in petrol prices was not imminent.
: Mr Brian Goodall, MP for Edenvale and Progressive Federal Party spokesman on mineral and energy affairs, said however that factors had improved sufficiently to warrant an immediate decrease.
- Indications were that oil prices would continue to decline and that the balance of payments would continue to improve.
Mr Steyn sad the first objective was to strengthen the road fund.


er Councll and the Housewives' League, as well as the AA-and
 price and the pricing structure
Dr Frans van Staden, the Con
servatıve Party spokesmán 0 n
mıneral and energy affairs said mineral and energy affans, any attempt to obtain cheaper
fuel for the South Afrıcan mo
cles in The Star concerning ticles in The Star concerning profits made by Saso that it was no longer State controlled and was entitled to make a' profit Spokesmen for consumer or-
ganisations such as the Consumdollar meant good profits but
ponted out that if the situation,
changed they could lose profits. Síructure

The Automobile Association
 Board to investigate the pricing
and distribution structure of and distribution structure of The president of the AA, Mr
Pet'er Good, described the Peter Good,
40 percent increase in the price
of fuel and the increase in GST of fuel and the increase in GST
as "the bbggest blow to motoring Mr Ken Warren, Assocom's
legal adviser, said Assocom
would support the AA in its call would support the AA in its call
for the pricing structure and dustribution of fuel to be invest1-
gated by the Competition Board.
 because the free market system
in South Africa is ganning more and more ground, the trend
shorild also be promoted as far
 The chuncl accepts that the
rate of exchange is largely re-

 says consumers are baffled by
the high price of locally prothe high price of locallý pro-
duced Sasol fuel Mrs Joy Hurwitz, president of
the Housewives' League, said she would welcome a petrol
probe by the Competition Board "I would like to see the price
pome down, she added


## PAGE 4 CITY PRESS, Juiv 14th, 198

## By MUDHN MAIVHA

MAHWELERENG residents in the Northern Transvaal - fresh from a "victorious" boycott of Potgretersrus OK Bazaars - have launched another boycott on Lebowa Transport because of fare increases

The OK boycott - because of "racist body searches" - started after a June 16 commemoration service organised by Azapo
Residents clamed a new manager, a Mr Wahl, had instructed securty men to frisk black customers, who were "treated like thieves"
Parcels were left strewn on the floor and there were complants of assault, with about 60 people handed over to the police and released without beng charged
The boycott co-ordinating committee demanded that the OK stop the searches and raclal segregation, introduce better customer service, dismiss manager Wahl and a security officer, Mr Pienaar, and reinstate worker Paul Rametsi
Mr Rametsı was dismissed during the boycott because he allegedly told a customer to allegediy told a custornty offibeat up or sta cer at the OK

He has since been reinstated
OK Northern Tvl district manager Neville Stuart sáid

Mr Wahl has been "trans
ferred" to Pretoria and Mr ferred to Pretoria "has left us"
Meanwhile Lebowa police have come out in full force have co the bus boycotters who against the bus boycoters who refuse to pay the 20 to 30 per cent fare hike that came into effect on July I
Youths were lashed with quirts and 17 were arrested only to be released later

Residents claim even pre school chaldren were taken to the police station in town and accused of distributing boycott pamphlets They were late taken back to the township
Lebowa police chief Phillip Moloto sad his men had arrested no pre-school children or


youths Colonel Moloto sard the only reports he had recenved from Mabwelereng were of stonings on Monday and Tuesday

Pohce prevented a Sunday meetıng to "re-evaluate, res-
tructure and intensify" the paral boycott at Molala Hall Cops also stopped the launching of the Mabwelereng Youth Congress at the Lakalakal on Monday - saying the meeting was "banned" untul next year


Milk petition: 'Unfair price'

Staff Reporter
A GROUP of shopowners is to present a petition to the Dairy Board today calling for controls on the milk price, following what they believe are unfair differences in the price of mılk sold in different areas

Mr M Graca, Sea Point supermarket owner and spokésman for a group of about 50 shopowners from the Sea Point, Bakoven, Milnerton and Gooddwood areas, sald on Friday that milk was being sold to them for 78 c a litre whereas it was being, supplied in areas such as Athlone and Mitchells Plain for 68,5c a litre.
"We would like to have a. controlled price Then we could buy from whoever: we pleased at the controlled price Milk is the same as bread, it is a general commodity and
the price of bread is.con trolled The price war among the dairies is killing us We feel oppressed," he said
He said the petition would be circulated amongst shopowners and presented to the Darry Board today
Mr Martın Henning, regional general man ager of Darrybelle, said his darry offered milk at 68,5c a litre in Athlone, Mitchells Plain and Bonteheuwel as part of a specific promotion to increase milk sales in those areas.
"In these areas we do not have the facilities for promotion that we do at the big supermarkets and the only way to promote milk is to keep the prices low," hés'sad He expected that the price would increase in these areas once the annual winter slump in mılk sales was over

## Oil, diesel, spirit prices <br> go down today

CAPE TOWN-Wholesale prices of a wide range of oil and other petroleum products will be cut from today, but petrol and other price-controlled products will not be cheaper
The Government is allowing the price of diesel used for road transport other than passenger buses to be;cut by $1,7 \mathrm{c} / \ell$ at the coast and $1,6 \mathrm{c} / \ell$ on the Reef.
The driver of a diesel-engined car with a $72 \ell \operatorname{tank}$ will save about R1,22
The aviation fuel price is to drop by $9 \mathrm{c} / \ell$ and the price of liquid petroleum gas will go down by $5 \mathrm{c} / \ell^{\prime}$
"It is understood that the benefits to the motorist could be minimal as dealers are not compelled to pass on reduced prices on products which are not price controlled.
The cuts are attributed by oil industry spokesmen'to the improving rand-dollar exchange rate.
The Minister of Mineral and Energy Affarisit Mr Danie Steyn, sald a decrease in the hetrol price was not likely at this stage

## 244

He sadd the firgt objective was tostrengthen the road fund

Exanmples of Nrice reductions are 185
Heavy furnace oil - down $3,5 \mathrm{c} / \ell$. Bitumen - d ,
$3,5 \mathrm{c} / \ell$. Aviation turbine fuel - down $2 \mathrm{c} / \ell$. Benzine down $2 \mathrm{c} / \ell$ White spirits - down $3 \mathrm{c} / \ell$. Power paraffin - down $2 \mathrm{c} / \ell$. - (Sapa)
1
13
1.1.1

: 585

號
Matir




## 8 <br> The, Star. Tues


(y) Dental technicians' fees increase by 25 percent from August 1, causing a 'further hake in dentists' bills. Soul

The increase was announced in the Government Gazette and confirmed by the Registrar of the Dental Techniclans' Council, Mr AD van der Merwe, today.

The rising cost of matrials was one of the reasons for the increase, he said
Dental technicians are responsible for the construction of dentures, bridges and a variety of other dental fixtures.
"This will affect the public to the extent that the public pays for our services," said Mr van der Merwe. - Pretoria Correspondent.

## Petrol ²u4.) price hop hopes fade <br> He said that when the ex-

DESPITE the wholesale price reduction of a wide range of oll and petroleum products, the consumer may not benefit and there is no chance of a drop in the petrol price
An oll company spokesman in Cape Town satd the wholesale price cuts were in respect of non-price controlled products and retailers were not compelled to pass the benefit on to the consumer.
But government is allowing diesel used for road transport other than passenger buses to be cut by $1,7 \mathrm{c}$ a litre at the coast and $1,6 \mathrm{c}$ on the Reef.
The driver of a diesel-engined car with a 721 tank will save about R1,22 when filling up
PFP finance spokesman Harry Schwarz sad '\%On,theiface of it there is a strong case to bring down the price of petrol"
He added that it did not make sense to wait for the rand to

## By PETER WALLINGTON

strengthen further aganst the dollar because the exchange rate had stabilsed well above the 0,47 January price and the indications were that it would continue to improve
The company spokesman said the wholesale price on all petroleum products was mereased in January when the rand was worth only 46 US cents.
"The exchange rate has improved since then to range just over 0,50 . This has resulted in over-recoveries in terms of government's petroleum price for mula and has enabled the price reductions."
Despite the improved exchange rate, a spokesman for the Department of Mineral and Energy Affars said it was unlikely the petrol price would be adjusted.
change rate reached 60 US cents, and remained stable for at least a month, then an adjustment might be considered
He said that though the rate had improved recently it had for a time dropped as low as 42 US cents. The price of petrol was not increased because money was drawn from the Equalisation Fund and oll was obtained from the country's reserves.

Among the oll and petroleum products affected by the reductions are:
$\square$ Aviation fuel.......... down 9c/l
$\square$ Liquid petroleum gas..... $5 \mathrm{c} / 1$ $\square$ Heavy furnace oil..........3,5c/I $\square$ Bitumen............................3,5c/l
$\square$ Aviation turbine fuel.... $2 \mathrm{c} / 1$
$\square$ Benzine . ................ $2 \mathrm{c} / 1$
$\square$ White spirits. .... ..... ..........3c/I
Power paraffin .......... .... 2c/l.

# Reserve Bank rejects 

 possibility of freezzing wages and prices $\frac{375)}{(244)}$Ows Correspondent DURBAN - The Reserve Bank had looked "very seriously" at the possibilities of a wage and price freeze policy, but had decided it was not likely to work in practice, Governor Dr Gerhard de Kock sand in Durban this week
In an interview after he addressed leading local businessmen at The Daily News, Dr de Kock said that price and wage restraints had been tried without real success through the centuries
The most notable recent attempt had been that of President Nixon and George Shultz (US Treasury Secretary from 1972 to 1974) - and Mr Shultz later publicly conceded the policy had not worked

## THE TAUTH

Dr de Kock said such polucies - which locally have been urged by a number of economists mitially usually are meant to supplement basic monetary and fiscal policles However experience showed that, in practice, they became a substitute rather than a supplement for tight monetary controls
"Once the policy is gazetted people tend to feel the problem of inflation has been addressed.
"They don't worry too much whether money supply rises another 10 percent or so" This, he sadd, meant going back to "square one"
"The truth is that if you print too much money, you will have inflation. A price and wages policy will not save you then"

Dr de Kock said experience un Chile a few years ago had shown it


Dr Gerhard de Kock . no real success
was possible to bring m flation down very rapidly. Sudden and sharp monetarst policies adopted in that country had brought the rate of inflation dramatically down from enormous figures, showing that the theories outlined by leadugg monetanist economst Milton Friedman were correct

However, the measures taken in Chile had been so dramatic they had caused great disruption and unemployment The government changed and the country returned to its old ways
"You can't just rush in and say we have only one objective on hife - to cut the rate of inflation The cost would be too high 1 tion
think we are doing the raght thing now
"Thus far the policy has been very successful in terms of government spending, money supply the surplus on the balance of payments and in repaying short-term forelgn debt. The next thung is to see a decline in the rate of mflation."
"Of course, if you allow inflation to run on too far, as we have done, and then you take proper steps, then those steps are painful. You have to sweat it out. You have to sit through a year or two of unemployment, low profits and low growth. It works in time - as it had in the US and UK"

## GROWTH RATE

It was possible to go all-out to reduce the rate of inflation but the action taken would exacerbate unemployment and the recession - "we have to proceed cautiously - no bull in a chuna shop antıinflationary approach But I belleve that of we persist long enough we can get it down".

A lower inflation rate would, in the long ran, lead to a higher growtb rate and more job creation
 Boarde fipezers thorta raspokesman said yesterday nere was

 tis expected betore Christmas W， ziftonequsiders ${ }^{3}$ the high percentage of female dround him $i$ aughtered in the last three years of 4shorta＇ge of beef．Where，is also no meentive for ＂farmers to yenturethito beef production＂＂end
 02000 tons in Meat Board coolers throughout the Heountry the the the thoard $\mathrm{is}_{2}$ still buyng in 500 tsuper－grade carcasses a week．Wi，
 －Et thoutsuiccess，to negotiate an export deal to get
 Sthe secretary of the South African Feediot As ＂Sociatıon，＂Mr＇Tommy＇Thompson，＂，＂said this week rconsumers could not afford to eat red meat any－ more．This was seriously affecting the feedlots， Twhich produced 35 percent of South Africa＇s beef． wThe recent increase in the Meat Board levy by stwoic／kg to 5 femove surplus meat from the mar－ Fret as well as a two $\mathrm{c} / \mathrm{kg}$ ncrease in abattor

Sthl mure ane expected to shuthe sad
Tht umeasediprice of maize，high witerest
 iny feedlots to suspend production
斯解䆗ded that in the end this would be bad for the＇consímer，who would be faced with poor qual－ sty meat at high prices
w－Meat Board spokesman said＂While the board knows consumers cut down on red meat in a recession，it will not admit there is a reduction in meat consumption The commercial consump ation of red meat has increased faster than the apopulation growth：＂－
APretorna figares show that the slaughter rate at the first week of this month， 240 less cattle compared to the same perted year．
＇At the＂City Deep abattoir in Johannesburg， 662 less cattle were slaughtered in the first week o July compared to last year，and 1050 less in the second week
In the nine controlled areas across the country a total of 12660 less cattle were slaughtered las month compared to June 1984.

## WCTA wants meat for the Work <br> Staff Reporter

THE Western Cape Traders Association （WCTA）yesterday blamed the＂rigid con－ trol＂exercised by the Meat Board for pushing up prices＂sky high＂．
The association，which
represents 2000 small
local retailers including
butchers，was reacting to
an announcement by the board which said con－ sumers faced a beef price increase A short－
age of meat was also pre－
dicted for later this year
The WCTA referred to the mountain of car－ casses being held by the board which has been trying to negotiate an ex－
port deal for several months The surplus now stands at $42000^{\circ}$ tons
＂We say reduce the price of the meat to reach the ordinary man and the internal market is ready at our door－ eps．
It also called for butchers and consumers to have a say in the dis－ tribution of meat，not only farmers and pro ducers
＂It is a government re－ sponsibility to build a strong and virile work－ force The only way they can be strong is by eat－ ing more meat at a re－ duced price The work－ force are the people＂

## Shopping Basket

|  <br>  <br>  <br>  <br>  <br>  <br>  <br>  |
| :---: |
|  |  |
|  |  |

#  <br> <br> Prices of homes <br> <br> Prices of homes will plunge?say will plunge?say property agents 

 property agents}


Property prices, already depressed by the unrest during recent months and the economic slump, will plunge to new lows because of the state of emergency, say industry sources.
Some estate agents say home prices have already dropped by as much as 50 percent. They add that this is partly because of uncertainty about the country's'political future.
Central Statistical Services figures show that soaring interest rates have discouraged borrowing, and the number of building society bonds granted in the first three months of this year for the construction of new houses was nearly 50 percent down on the same period in 1984.
Bonds for the purchase of existing homes and flats slumped by about 37 percent in the same period
Johannesburg estate agent Mrs Alda Geffen said the emergency would wake people up "We have lived like ostriches, hoping the country and the rand will recover"

Recession and unrest hit builders

Many" builders are succumbing to the effects of the recession andiunrest as prospective homeowniers sheive their plans to build.
Director of the Master Builders Association in Johannesburg, Mr Basie Pretorius, confirmed that bulders were suf'fering', saying he knew of "about 30 " MBA members who had been forced to close up shop

Most bulders were now cutting their profit margins.

- However, there was "some optimism" that things could ${ }^{3}$ pick up next year, in spite of the general feeling of gloom

An executive of the United Bulding Society, Mr Mike de Blanche,'said Central Statistical Servicest figures, which showed a substantial drop in building society: bonds, indicated the Government's stringency measures aimed at curbing;spending were workince
"It was inevitabie the higher interest rates in the early part of the year had turned some "borrowers away, he sald
$\because$ But Mr de Blanche pointed out that there had been a recent softening in interest rates, partucularly for new loans and sald figures for May to July would probably paint a "different picture"

She sard she expected many people to leave the country, selling therr properties in a hurry at rock-bottom prices.
"Unless the Government can solve its problems, sellers will not get their prices, and there will be an increasing number of homes on the market"
Mrs Geffen sald the prices of upmarket houses had dropped by about half in the past two years, while those of more modest homes were down by as much as 20 percent.
Another estate agent, Mr Wilf Isaacs, sald he believed some people ${ }^{\text {w }}$ were talking of leaving the country because of the poltical situation. Those staying were prepared to pay high prices to live in flats with tight security.
He said flat rents had dropped 10 to 15 percent, but this was manly because of the financial situation

The senior general manager of the Permanent Bullding Soclety, Mr Brian Kemmey, sald the recent Langa rots had caused a "marked dip" in property prices.
"There is no doubt that there has been concern ábout the unrest" But he added that the recession was the strongesticause of the property slump

- According to "CSS fig"res, 1508 bonds for new houses valued at R76,2 million were granted in the first quarter of this year - a drop of just over 48 percent áaganst 1984 Bonds for existing dwellings dropped by- 37 percent - from 13721 (R593 million) to 8553 (R399 mil-




## mutto

THE consumer price of mutton has risen by up to 15 percent over the past two weeks and mutton passed the R5-a-kilogram mark at the Cato Ridge abattorr on Tuesday
Although there was a slight drop in price on the abattolr yesterday, high prices for both mut ton and lamb mught last ton and lamb might las
for another month or two A Meat Board spokes man in Durban sald mut-
ton B1 sold for between R4,20 and R5,05 a kllo. gram on Tuesday and super lamb from between R4,20 and R4,98/kg Yes terday's highest prices for mutton B1 were R4,82 and for super lamb R4,49

Mr Bill Delport, abat toir division manager of Stockowners attributed the short supply to the prolonged drought and the fact that farmers were about to shear therer
anmals

The national sheep herd had dropped from 33 million to slightly more than 27 million, he sald
The chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, confirmed that mutton prices had 'risen everywhere'
Some major supermarkets contacted yesterday said they had not yet found it neccessary to put up their prices

MABOPANE and Soshangave train commuters are up in arms against "overcharging" ticket examiners whom they claim also refuse to issue tickets for the money they receive.
This problem dates back to when a direct bus service between two areas and Pretona was stopped from operating Thousands of people started complaining about disparities in what certain thcket examiners charged for partucular distances There were

those whose tickets went as far as the new Belle Ombre Station but were forced to board trans to mann local statoons as a result of urregular services.
"There are times when we are forced to jump into any train arriving at the station because of problems we often encounter when trams are late And on arnval at any of the statoons, one has to pay the difference in cash But surprisingly enough, ticket examiners do not issue tuckets and also charge different amounts for the same distance," said Mr Jack Mokone, a commuter

Mr Mokone added that those who tred to find out why they were not being issued with tickets were sad to be interfenng
Mr J S Meyer, acting regonal manager for the South Afncan Transport Services (SATS), told The SOWETAN that he was not aware of such complaunts No verbal or written correspondence was made to the effect, he sald

When the matter was first reported in The SOWETAN, the SATS had promised to investigate .The spokesman had then sard it was improper to receive money and not sssue a ticket

## Fuel price decision

## is delayed

24 htawi harean
The Department of 1 in
eral and Energy Affarrs
has not yet taken any firm decision on whether to drop the price of petrol, although the rand exchange rate is being closely monitored to see if a reduction is viable
A spokesman for the department, Mr Theuns Burger, sald today that if the exchange rate stabllised at a reasonable level for a period, the price of petrol may be dropped
However, he sald, 'the amount of any decrease would be determined by a number of factors
The National Road Fund, for example, was in need of a boost and it might be decided to allocate funds to this

It may also be decided to channel some of the money to the Motor Vehicle Insurance Fund for third parties

## Stefel productick prices to rise

PRETORIA
South African $T$ Th dustry was entering 1 difficult phase" entering a future prose", and its would profitability would largely be deter mined by the effect of new tariff structure of a nounced yesteture angovered yesterday by government, Iscor's chairman, Mr Floors Kotzee, said yesterday Mr Kotzee released statement in Pretoria a reaction nouncement the an and Industry by Trade Dr Dawie abolishing de Villiers, mport products rop on steel with a customs recing it 1 tem

The new policy, which also abolished, which control on basic price products, wll be steel tive from today
Mr Kom today
nouncement said the anexpected was not un"pected
"Owang
tional cond the excep
valling in thens pre-
tional steel the interna-
the pasteel industry for
the past few years, and
the consequent cutworld steompetition, world steel prices in the enport market are abnormally low at pre. sent," he said
Ther position
was ag.
gravated by the increase certain production in certain countries, as well as government subsidization, especially subEEC member county in "These abn countries. ditions abnormal con ditions are expected to persist for a long time yet, which means that for some time to come ther will not be to come there normal market hope for ed prices for international steel in the Mr Kotional markets" the Motzee said while would offer tariff system protection" "moderate industry, "the the local of price, "the abolition of price control on primary steel products hertory of the South the hissteel industry" African Local industry
Local steel prices among the country's producependent steel producers would in future develop largely in keeping with market forces, without marke ment interfout governin comperference and port In $M r$ Kotzee sald Kot his statement, Mr Kotzee also said price increases on several steel products several announced to Whll be said inced today, but below they: would be below the current rate of nflation - Sapa

##  Govt drops price control on steel

PRETORIA - Price on the world markets are control and quantitive at unrealistically lou import control on prima- levels on account of the ry steel products is to be imbalance existing be abolished with effect tween supply and defrom today, the Minister of Trade and Industry, Dr Dawie de Vilhers announced yesterday
Dr De Villiers said price control on primary steel products dated back to 1941 when it was introduced as a war measure to curtail rising prices in a period of shortages
He sald that since then the government had been of the opinion that it would not have been advisable to expose the local industry to foreign competition without tarIff protection
It is common knowledge that steel prices
mand
"Consequently overseas steel producers are preopared to export primary steel products at marginal prices while the governments concerned are prepared support their steel industries by means of export subsidies and other forms of assistance,
Dr De Villiers said these measures did not apply in the case of South Africa steel producers
In view of these factors the government had de. cided that it was now opportune to abolish price control as well as quantitive import control on primary steel products He said the abolition would come into effect today when revised customs duties come into effect
Dr De Villiers sadd the abolition of price control would have numerous advantages for the country because among other things it would result in greater competition between steel producers and more price flexibility - Sapa

- Steel product prices to rise, page 13



humpy evident in the past con
14
Steel pricing system to be changed
Steel pricing ster city

Financial Staff
South Africa steel pricing system is to be remoulded
The Minister of Trade and industry Dr Law le de Vilhers announced yesterday that price controls on locally produced prymary steel products and quant tative import controls over fordeign primary steel imports are to be scrapped
In place of the quantitative import controls "appropriate customs duties" will come into operation from today Dr De Vil-
leers said $(2144$ The extent and method acted to customs duties are expected to be outlined in schedules to be pubhshed in the Government Gazette today
But at the same time many local primary steel product manufacturers will also 1 n crease their prices from today!
Price control on primary steel products from Iscor and other South African rolled sue] producers date back nearly 45 years, to 1941 when it was in-
reduced as a war measure to curtail rising prices during a period of shortages
In recent years though, the South African steel industry has come under severe pressure become of high internal produc ton costs and the cheap price of 'dumped" foreign steel much of it produced with the ald of government subsidies

Steel prices were "traditionalby" reviewed - and increased - in July of each year after the go ahead from the government

## Reef wi war on

 Supermarkets say store's criticism
## is just sour grapes

by<br>Maud Motanyane and Jackie Unwin

The wine price war has hotted up to the extent that a hquor store has broken with tradition and advertised its prices in the Press
Benny Goldberg, which has accused supermarkets of immature marketing and selling wine at below cost, has launched an aggressive marketing campaign, and says it has reduced prices dramatically Supermarkets have welcomed the competition and clamed the criticism was a case of "sour grapes". They have denied they are selling wine as a loss leader, but attributed their low prices to efficient marketing systems
Although there was nothing preventing lequor stores from advertising, it was not common for them to do so, Mr Dave Botha of Benny Goldberg's sald
"It's a practice which we have decided to change because the supermarkets advertise
"SWIPE AT GROCER'S"
"We are tured of them insinuating they are better wine merchants than we are and offering better prices," he said
Mr Richard Cohen of Pick 'n Pay said the statements were a swipe at the grocer's wine licence segment because it was the only section in the marketplace showing growth
"We tend to be the pariah of the industry because we discount and advertise prices," Mr Cohen sald
"We just happen to be particularly efficient in our distribution and are able to get the goods to the consumer at what appears to be better prices
"We are often accused of loss leadering This is incorrect because we have rentals to pay and we have to make a profit on our wine sales Seling below cost would mean we would have to adjust prices elsewhere to cover costs and we have to compete on the whecery side as well"
Ms Peta Lomberg sad Checkers marketed wine like any other product and called on bottle stores to work towards more aggressive marketing policies
"There is a huge surplus of wine in the country As
it is becoming more difficult to market overseas, the only way we sell the wine is to encourage competition and sell it to the local people," Ms Lomberg said

## sunrise copisumer

Cheese price 244 hike in

6L＇I2 y ：：


|  |  | 40 | $B \mathrm{P}$ | H2 | BASME |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |
| BREAD：White | 58c | 63 c | 63 c | 63 c | 62c | 62c | － |
| Brown | 38c | 38c | 38c | 43c | 396 | 41c | －4，9 |
| MILK： 11 | 79c | 72c | 796 | 77c | 77c | $77{ }^{1}$ | －1 |
| EGGS： <br> 1／2 doz large | 66 c | $67 ¢$ | 68c | 68c | 67c | 67 c | 一 |
| MAIZE MEAL： 2，5 kg lwisa | R1，59 | R1，62 | RT，62 | R1，59 | R1，61 | R1，61 | － |
| MARGARINE． 500 g Rama | R1，41 | R1，42 | R1，42 | R1，44 | R1，42 | R1，39 | ＋2，2 |
| CHEESE： <br> 1 kg Elite Gouda | R6，37 | R6，37 | R6，37 | R6，37 | R6，37 | R6，37 | － |
| JAM： 900 g <br> Koo Smooth Apricot | R1，68 | R1，59 | R1，59 | R1，65 | R1，63 | R1，63 | － |
| SUGAR： <br> $2,5 \mathrm{~kg}$ Huletts | R2，04 | － | R2，09 | － | R2，07 | R2，07 | － |
| TEA： 100 tagless teabags Joko | R2，79 | R2，79 | R2，89 | R2，99 | R2，87 | R2，86 | ＋0，3 |
| COFFEE： 250 g Nescafe Classic | 25，29 | R5，49 | R4，95 | R5，95 | R5，42 | R5，58 | －2，9 |
| CEREAL： <br> 500 g Kellogg＇s Cornflakes | R1，35 | R1，39 | R1，45 | R1，35 | R1，39 | R1，39 | － |
| COOKING OIL： 750 ml Olé | R1，99 | R2，19 | R2，12 | R2，19 | R2，12 | R2，12 | － |
| RICE： <br> 1 kg Tastic | R1，69 | R1，69 | R1，75 | R1，79 | R1，73 | R1，73 | － |
| SALT： <br> 1 kg bag Buffalo | 52c | ＇52c | 53c | 52c | 52c | 52c | － |
| MEAT： <br> 1 kg brisket | R3，79 | R3，69 | R3，68 | R3，67 | R3，71 | R3，76 | －1，3 |
| 1 kg porterhouse | R6，58 | R7，99 | R7，98 | R6，59 | R7，29 | R7，63 | －4，5 |
| 1 kg lamb loin chops | R6，98 | R7，99 | R6，98 | R6，98 | R7，23 | R7，76 | －6，8 |
| I＇kg fresh chicken | R2，29 | R2，38 | R2，09 | R2，29 | R2，26 | R2，43 | 1－7；1 |
| 250 g Eskort streaky bacon | R1，84 | R1，79 | $\begin{array}{r} \mathrm{Z} \\ \mathrm{R} 1,79^{\circ} \end{array}$ | 'R'1,89 | R1，83 | R1，85 | 星1，1 |
| 1 kg deep water hake fillets I\＆J | R3，25 | R3，59 | R3，59 | R3，25 | R3，42 | R3，46 | －2 |
| VEGETABLES： <br> 1 kg potatoes | 49c | 69\％ | 496 | 39c | 52c | 52c | $\cdots$ |
| 1 kg frozen peas Table Top | R3，19 | R2，95 | R2，99 | R3，49 | R3，16 | R3，09 | ＋2，3 |
| CANDLES： 450 g Buffalo | 996 | 996 | R1，03 | － | R1，00 | $\mathrm{RI}^{4}, 00$ | － |
| WASHING POWDER： <br> 1 kg Sunlight | R2，44 | R2，45 | R2，59 | R2，22 | R2，43 | R2,43 | － |
| SURVEY：JULY 231985 |  | PRICES EXCLUDE GST |  |  |  |  |  |

加 ：：5．jnah zuadang

 ZI apeds
tt ：5mah puasanj
l2 $\angle 0^{\circ} 08 \quad 00^{\circ} 0 \quad 00^{\circ} 0$
OZ $65^{\circ} \angle 1 \quad 00^{\circ} 0 \quad 00^{\circ} 0$

OI apedg

# Rent: <br> More evictions 

 expected in Atlantis
## Tygerberg Bureau

MORE evictions are expect ed this week in Atlantis where authorities say householders have misunderstood the terms of a temporary Government concession to residents unable to pay their rents

Sixteen householders were put out of therr rented homes last week and a community spokesman expects more evictions this week after residents
refused to attend a discussion with authorities on the issue at the weekend

Mr W R Vivier, secretary of the Divisional Council of the Cape, sald residents misunderstood the temporary rehef promised recently by the Department of Local Government, Housing and Agriculture

Some householders in Atlantis have claimed the evictions contradicted the Government's promise to give six months'
grace to tenants unable to pay rent because of the recession
Mr Vivier sadd postponement on payment of rent or interest and redemption appled only to tenants or home-owners who had lost their income or received reduced income because of circumstances beyond their control
He sard the Atlantis resldents who had been evicted still had heads of household who were employed or re celved an income, whle arrear
rents ranged from R128,93 (for three months) to R681,25 (for five months)
Mr Noel Williams, chairman of the Atlantis Residents' Assoclation, sald hundreds of tenants were served with notices last Friday to discuss their arrear rent with officials of the councll's rent office on Saturday
"As a form of protest no one attended," he sald He expected "many more" evictions this week, probably from tomorrow

## 




Elite mature cheddar will，ga，up from R6，99 a
 ＂Goulan from R6，37 to Ftas
Mr Bevin Mervis，
＂Tramftaal foods buyer
－for Grand Bazaars Ultra－
－market suggested con－ sumets compare the prietes of cheese at the dificatessen sections of ：supertmathith
＂The feonsumer pays ＂extra E 解 the vacuum
年rade cherdiar cheese Boutht．from the delica－ tessen can be about R1 a kg cheaper．＂；－

## OTHER RISES

－Other price rises in the mppeline mclude about a 12 percent hake in the ＊pitice of onl and mar－ －garmé，which should hit the tonsumer soon
＂We have laid in stocks and the new price will not be passed on to the consữiner untir these run put，＂${ }^{\text {and }}$ Mr Mervis
$\therefore$ 管 OHe tight consolation is the dropping of GST on rice asom August 1
Piet＇n Pay dropped its ride price by 12 percent his week．It will revert to the old price at the be－ Ginnugg of August，but the cohsumer will not notice the difference as this will be made up by the 12 per－ teent saving on GST．
－The bread prices are bting contaned by the majer $\frac{1}{\text { s }}$ supermarkets， which are selling this item at or below cost．


PORT ELIZABETH - there is no demand Meat prices m and lamb the buving pubered and zabeth espectall lamb the have soared over the past feu days and the backlog caused by the strike at the the problem. added butchers in the city
However, the hiring of
Howe workers to replace
white workers orkers dis249 black workers and missed on Inurs - Tuesan auction today - Wednesday's day's and Wednecould were cancelled - courket be see the meat mark gunnl

Mutton offer lamb, sold inclusive of 1857 yesterday tota with a top carcasses, wor a kloprice of R5 29 for a last gram of super lamb Last Friday mutton offered was 501 carcasses with was 2501 car uper lamb the price for super being R3.57-DP EL prices up P8
 geek

But whle butchers sas there is a shortage of there is a shoult of the meat as a result of the Classired
$-5$
TV.... ............. . 8 Business, aircran ... 12 Weather mild..... ... 12 Radıo. ships, tides ... ... 13-18

Finance Reporter
The Government was urged yesterday to exercise durect control over sequential increases in wages and prices in a bid to halt the excessively high inflation rate
Dr J J Cloete, group economist of Barclays Bank, addressing a luncheon of the Durban branch of the Institute of Chartered Secretaries and Administrators on 'Our Inflation Problem,' said if the government placed an appropriate ceiling for average annual increases on administratuve prices and wages it would be in a position to exert a powerful influence on annual increases in general price levels

## Ceilings

Dr Cloete said if the private sector also extended these cellings on wages and price increases to their own employees it would hold down the inflation rate to a very considerable extent
'In this way, it should be possible to achieve a steadily lower inflation rate each year without the authorities having to apply very restrictive monetary or fiscal measures and so having to create a recession in the economy in order to force the necessary cutbacks in wages and prices through unemployment and depressed sales'
Dr Cloete said monetary policy and the setting of targets for annual increases in money supply, 'as the de Kock Commission has now recommended, can then be used to reinforce the restrictive impact on the inflation rate of the Government imposed celling on the annual increases in administered prices and wages'

# Sumpise consumper <br> 244) <br>  <br> War 

by
Jackie Unwin and Maud Motanyane

## Supermarket tactics

## hit local products,

## say liquor retailers

contacted by The Star were opposed to the "grocers wine hcence"
Mr Hoffman said "Fedhasa had gone on record as being opposed to the grocers' wine-hcence facility and understood, in many instances, that this facihty was used to generate business by using wine as a loss leader"
He said the original intention of the grocers' wine licence was to promote the sale of South African wines
"But this objective has been disregarded by the supermarkets and many of them are handling the promotion and sale of imported wines on a scale equal to that of local wine This must affect the South African products' market share
"Visits to major super and hypermarkets where wine is sold show approximately 50 percent of the avanlable shelf space is occupied by imported wine products, which, in many instances, are being sold at prices below an equivalent South African product
"The situation in the super* markets is that wine is being
sold below listed cost which Fedhasa views as being irresponsible It is a potentially harmful product, when sold at a price which encourages consumption and possible abuse
Mr Richard Dimitri. development and marketing director of Solly Kramer s, sald "We do not mind competition But supermarkets have a competitive edge on us They can sell other products, while we are restricted to hquor
He was concerned that supermarkets might not be controlled as stringently as liquor stores

Mr Trevor Pearman, manag. ing director of the Rebel Group, said he had always worried about the grocers' wine licence from a moral point of vieu, not a commercial one
"I believe that a member of the public has to make a-specific decision to buy liquer when he goes to a bottle store In a grocery store, where he goes to buy groceries and clothing and comes across liquor, it is an impulse purchase It is a product which has potential problems'

Mr Brian Sacks, a spokesman for Checkers said the percent-
age of imported wine sales compared to locally made uines was negigible
"Fedhasa was basıcally opposed to competion," he said He added that this was a pity because in a free-entreprise system, competition should be welcomed
He pointed out that the licensing of supermakets had created more awareness among consumers and helped to stımulate the market

Supermarkets were limited to 35 licences per chain
"I do not understand why ldqour stores should feel so threatened because our market share is inhibited from growing by the limited number of licences we are allowed to have " Mr Sacks added

Mr Peter Dove, of Pick 'n Pay, sald "We definitely do not give 50 percent of our shelf space to imported wines It is totally incorrect
"We don't use any category as a loss leader We negotiate, hike we do on any other product, as strongly as possible to get the most advantageous price and pass it on to the customer "

|  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 7 \\ & 7 \end{aligned}$ | PATIL OF THE GRAPE |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | Douglas Green Premier Grand Cru 750 ml | R3,79 | R3,19 | R3,39 | - | R3,05 | R4,25 | R4,07 | R3,69 |
|  | Nederburg Paarl Rieshing 750 ml | R3,94 | R3,89 | - | - | R3,89 | R4,36 | R4,20 | R3,84 |
| nil- | Grunberger Stein 750 ml | R2,99 | R2,85 | R2,79 | R3,39 | R2,69 | R3,36 | R3,32 | R2,94 |
| op- <br> He <br> be- <br> ys <br> 'el- | Autumn Harvest Crackling | R1,87 | R1,69 | R1,69 | R1,99 | R1,65 | R1,89 | R1,87 | R1,79 |
|  | Bellingham Aımeida Rose 750 ml | R3,09 | R2,79 | - | R3,45 | R2,95 | R3,39 | R3,27 | R2,99 |
| $\begin{aligned} & \text { IS- } \\ & \text { ted } \\ & \text { on- } \\ & =10 \end{aligned}$ | Zonnebloem <br> Cabernet Sauvignon <br> 750 ml | R4,99 | R4,39 | R4,65 | R5,55 | R4,89 | R5,55 | - | R4,84 |
| $\begin{gathered} \text { 'to } \\ \text { l- } \\ \text { ea- } \\ \text { ene } \\ \text { the } \\ \text { we } \\ \text { ne } \end{gathered}$ | Cellar Cask Premier Dry Red 5 hitres | R8,99 | R8,79 | R8,85 | R8,79 | R8,85 | R9,99 | R8,89 | R9,29 |
|  | Kellerprinz <br> Grand Cru 5 <br> litres | R8,99 | R8,99 | R8,85 | - | R8,85 | R9,99 | R8,89 | R9,29 |
|  | Grand Mousseux Vin Sec | R3,79 | R3,59 | R3,65 | R4,35 | R3,85 | R3,99 | R3,99 | R3,79 |
| 位 | Survey July 30.31 1985 Prices exclude GST |  |  |  |  |  |  |  |  |

A snap survey of wine by The Star showed that wine sold by the bottle is generally cheaper in supermarkets than liquor stores Benny Goldberg's drop in wine prices in the wine war has been mainly applied to case lots However the liquor stores claim they offer a greater range of choice and wine expertise They also say advice is more freely avalabie than in supermarkets Of the stores surveyed, Solly Kramer's in Sandton appeared to be the most expensive But Mr Richard Dimitri, development and marketing director, explained his company concentrated its wine marketing effort on its exclusive brands "We are educating our customers to buy products we believe are top quality products at lower prices rather than the brond leaders " The company also offers stamps on some products Their customers coliect
these and when they have obtaned a certan number can choose an tem from among a selection

It's back to age-old war on who will tipple whom
The age-old fight between liquor stores and supermarkets has again erupted, 19 years after amendment of the Liquor Act to allow applications for grocer's wine licences
The licences were granted after a Government commission's recommendation to im prove drinking habits by encouraging the consumption of natural alcohohe beverages in conjuction with food
The first wine war broke out at the beginning of 1967 with some grocery stores slashing therr prices by 10 percent Later that vear the Cape Wine and Spirns Institute, headed by Mr J van Maartens, appealed to the Government to suspend the issuing of licences to supermarkets

The instıtute was supported by the Federated Hotels Assocration of Southern Africa (Fedhasa) in its claim that supermarkets would lower the status of wine

## INDIGNITY

"We do not want to see wine being subjected to the indignity of being used as a loss leader by supermarkets primarily interested in increasing sales of detergents and baked beans," the institute said
It expressed fears that supermarkets would sell inferior wines under "own brand names"

Grocery and supermarket chains hit back strongly at the accusations They felt South Africa was lagging behind in the matter of grocery wine licences, which had been part and parcel of supermarket trade throughout Europe, Rhodesia and Zambia



## Dispatch Reporter

 EAST LONDON - The consumer price index for the city has risen by 80,2 per cent since the base year in 1980, according to the latest Government GazetteThe figures released by the Central Statistical Services were for the month of June, and indrcated an average increase of 91,9 per cent

The highest increases were at Durban and the Free State goldfields which reflected 97 per cent hikes Figures for other centres were Cape Town 91,9 per cent, Port Elizabeth 86, Kımberley 86,7, Pıetermaritzburg 96,1, Pretoria Itzburg 96,1 , Pretorla Klerksdorp 83,2, Vaal Triangle 96,1, and

Bloemfontein 84,1
The indices did not make it possible to compare price levels and living costs between the centres "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 that have taken place," the notice said


Dispatch Correspondent PORT ELIZABETH The South African Federation of Meat Traders yesterday rejected an appeal by the Meat Board to accept only a marginal profit in an effort to assist the board in getting rid of its surplus red meat
After a closed meeting of the executive committee of the federation at the annual congress here a resolution was passed requesting the board to revise the book price of the frozen surplus to bring it more in ine with current prices

At the beginning of the congress, the Meat Board charrman, Dr Pieter Coetzee, rejected a request by the traders for a 25 per cent discount on surplus meat and appealed to them to reconside their re quest
When antoincibe the outcome of the deliberations of the closed meeting, Mr Eddie Bielovich, the federation's charrman, sadd traders were concerned about a possible meat shortage
He appealed to the Meat Board to adopt a Mesponsible attitude in connection with the surplus
"We are of thouprinon that surplus red meat should be made avall* able when the shortage appears Dispateia
"If, for example 800 carcasses are usually slaughtered at a certan centre and there are only 400 avallable on the specific day, the board should make avalable the equivalent to the shortfall in frozen meat
"This should be auctioned with a reserve of the revised book price because frozen meat does not have the same comsumer appeal as fresh meat." $07: 08: 85$


Dispatch Cornespondent retainingthe subsidy unPORT ELIZABETH - $t_{l} l$ the economy lifted The national president and she had written a of the Housewives League, Mrs Joy Hurwitz, has warned con- gard sumers of a possible 17 c increase in the price of brown bread if a rumoured removal of the government subsidy is effected
She said that while the subsidy on white bread shad been dropped, subsidy on brown and whole wheat bread had increased yearly to around R200 million It was now rumoured that the subI sidy would be removed next month - pushing the price of a loaf of bread up by at least 17 cents

The league, she said,
totally in favour of was totally in favour of

- . . paper to the Department of Agriculture in this regard
"It would be deplorable to remove it (the subsidy), and I belleve with enough persuasion not only from the Housewives League but from other bodies the subsidy will be retained"
She said she was delighted that the government was considering making surplus meat avallable to South Afrlcans instead of exporting it She would be more pleased if it was sold direct to the public at no profit
"Consumers need something, a goodwill, to give them a boost in these difficult times Some are simply fed up with red meat and have changed their eating habits But I am sure if frozen meat is sold to them at half price they will buy it"

Mrs Hurwitz also sand she believed the doubledigit inflation was the biggest threat facing consumers
"Inflation is public enemy number one, more than what is happening overseas we must starve it not feed it We must counter it from all angles Many families are living on the breadline and others are making sacrifices to keep up. If inflation is not down, there is no hope of recovery," she said

## Higher S A sucrose prices expected 2046 this season <br> Finance Editor <br> SOUTH African sucrose-prices are expected to be up

 slightly this season, the chairman, Mr I F G Gillatt, of Crookes Brothers sad at the annual meeting yesterday.Provisiona sucrose price or the guaranteed price A provisionat sugar wil be R234,24 aton while the B pool price will be R70,83 a ton--ptus R4,07 a ton for cane transport refunds

MAMaNM
port refunds
The A pool is expected to dor apout 77 percent of the industry's production-while the B pool/will be sold, at the best price, on the export market.
Mr Glllatt expects that the average price for the group will be R232,28 a ton compared with R219,89 a ton for last season - an improvement of 5,6 percent.
The Swazland price is expected to fall to R187,49 a ton from R213,44 last season

Rain has fallen at Renishaw but not elsewhere on the company's properties and the drought remains Normal spring rains, at the right time, should provide the estimated 378000 tons of cane. With a higher-thanexpected sucrose content this season any drop in cane volume should be offset
Record prices are being achieved for citrus sales as a result of the rand's exchange rate drop and the industry is having a good 'quality' year, Mr Gillatt reported
The downturn in the tourist industry has seen a 24 percent drop in expected attendance at the'Croctworld complex, at Scottburgh.
Mr Gillatt expected they would receive, a, dividend on their investment in Farm-Ag this year and that total dividend income would be higher than 4 n 1984-5


## Others join <br> liquor war

Mercury Reporter
THREE more liquor stores jomed the liquor price war yesterday two of them big chain stores

Consumers will be in for a bumper weekend with five liquor stores al ready having placed advertisements in tomorrow's Mercury advertı sing discount prices some as low as cost
Yesterday a spokesman for Liquor Town said he had 'no comment to make' on the price war except 'walt and see'
And Mr John Brockway, senior regional manager of Rebel Discount Liquor Store, sald he was still sticking to his earlier comment that 'we have a responsibility to our customers and we will keep them happy
Meanwhile, Mr Frank Jason, owner of One-Up Liquors which advertised in yesterday's Mercury, sand he could assure cus tomers that he was selling beer at 'genume cost price' while other brands
mexam ixd competitive ofrice'.
'As an independent liquor store it is our duty to look after the consumer and we have been adver tising in other parts of Natal for some time,' sand Mr Jason
He added that the price war had been brewing for some time and now was the time to do something positive in the consum ers' interests'
The Pick 'n Pay Hypermarket general manager, Mr Martin Rosen, said yesterday 'We have carried huge wine advertising cam paggns in the media and we will continue to do so
He welcomed the price war because it would 'give the consumer more chance to compare prices and get the best deal

Mr Ian Walmsley, a drrector of Booths Bottle Store which was the first Durban store to advertise its prices since 1983 , said sales were 'steady' after Tuesday's advertisement in the Mercury

## By Stan Kennedy

The price of low density polyethylene (LDPE), the major component in plastic packaging, is to go up by mine percent later this month

It will be the third price increase this year, and will bring the total increase to 20,75 percent, raising the average price from R1 474 to R1780 a ton

In January it went up by four percent from R1 474 a ton - a price which had been maintained since March 1983 - to
R1540 a ton and again by six percent in March to R1630 a ton

Mr Donaid Grant, durector (polyolefınes and feedstocks), Chlor-Alkalı \& Plastics, a subsidiary of AECI, told The Star that although there had been some pressure from Sasol to get the LDPE prices up, this was not entirely the real reason for the increase
"Our profitability gets progressively squeezed by holding back increases We have to take advantage of the situation when the overseas prices are high and the rand rate is low and try to recover some of what we have lost during the period of stabil-

## Plastic packing base price to rise by 9\% <br> ty," he sard <br> at Sasol will still be well below

The market sees just here increases over a short space of time and it looks bad, but they really need to be seen in the perspective of pricing over a long period For instance, there was a three percent decrease in March 1983 and a six percent decrease in September the same year"
It was possible that import control could disapear as government wanted to move to a more freer, open market-related economy The only protection for local industry would then be modest tariffs
Part of the reason for the plastics division's low profitabil1ty was that one of the two plants at Sasolburg was working at 33 percent capacity

Mr Grant said it had enough

Africa's meeds for the next 10 at R1 000 a ton
years, which were growing at six percent a year
"That is our dilemma We have put up a world-scale plant which is costing us a lot of money in the early stages and, hopefully, as we buld up to full capacity we may get some returns for our capital investment of almost R230 million," satd Mr Grant
Even with the latest increases, the plastics division was not doing as well as the rest of the group and there would stull not be a good return on capital
The price of ethylene in Europe is about R1 200 a ton, and when the latest proposed increase goes into effect, the price

Mr Grant pointed out that the increase due this month was based on the rand exchange rate of 48,75 to the dollar, which made the price of LDPE from Europe R1935 a ton, reflecting some element of dumping, and the price from the US R1 877 a ton, which was still considerably higher than local prices
Despite the fact that the rand had dropped to just over 44c, the group would resist taking advantage of the situation to push up the price again
"We compete with high density polyethylene, paper and glass And if we get out of line with these products, it would jeopardise our place in the market," he said

## Egg price

reductiven
on 1085
on cards
Pietemartiture 3 :n
THE Natal Compercial
Poultry' 'Producers' Asso
clation has recommended
that the price of eggs be
reduced by up to 10 c a dozen from Monday
The chairman of the association, Mr Warwick Barnsley, said the recommendation had been made at a committee meeting on Thursday in view'of the 'flush' of eggs at this time
'The days are getting longer, and warmer and fowls tend to lay a little better in the eárly spring period Our'committee has therefore ${ }_{2}^{\prime}$ recommended that the price of eggs be reduced by up to 10 c a, dozen unthl further notice'
$\qquad$



## Motoring Reporter

A NATIONAL campaign by Alfa Romeo $S A$, in which the company reduced the prices of its new cars to 1983 levels, resulted in the company selling almost 1000 units in July from a low of 400-odd a month earlier
this year.
But Toyota S A, still riding the crest of the wave, agan topped the hist by selling more than 4170 new cars, with the Corolla range alone selling 3009 units, more than any other manufacturer's entire range
Second behind Toyota was Volkswagen with
2276 sales, while Samcor's Mazda/Mitsubish1/ Peugeot line-up topped the 2000 mark to make third place
Commenting on sales, the director of the Na tional Association of Automobile Manufacturers of South Africa (Naamsa), Mr Nico Vermeulen, said the gradual recovery in sales of new motor vehrcles, particularly cars, was most welcome

## Improvement

'However, the improvement must be viewed agannst the background of the exceptionally low level of new vehicle sales experienced during the past few months,' sand Mr Vermeulen
"The resurgence of replacement demand, the continuing stimulus provided by recent new model introductions and aggressive marketing by manufacturers are factors which have contributed to the improvement of 14,1 percent, or 2184
units, in new car sales which totalled 17656 units'

He sard July car sales were, however, down by 12,2 percent compared with the corresponding month last year
Mr Vermeulen said new car sales in the year to date confirmed the severe impact of the recession on the South African motor industry and reflected a decline of 35,1 percent compared to the corresponding period last year
'Sales of new light commercial vehicles during July, 1985, showed a mar ginal improvement of 554 units or 8,2 percent compared with June
'At 7258 units, the July lıght commercial vehicle sales reflects a decline of 21,7 percent compared with the corresponding month last year,' sand Mr Vermeulen

He sald July sales of medıum commercial vehicles recorded a fall of 1,5 percent compared with the previous month and a drop of 16,09 percent compared with the corresponding month last year
Sales of trucks and buses during July amounted to 867 units, a marginal increase of 71 units or 8,9 percent compared with June
'While the problems facing the motor industry are far from over, it is clear that the market for new motor vehicles bottomed during the second quarter and Naamsa remains cautiously optımıstic that vehicle sales will continue to improve, albeit gradually, during the months ahead,' concluded Mr Vermeulen

## Shopping Basket

THE Shopping Basket this week visited the Blackchain and Maponya supermarkets in Soweto. A spokesman for Blackchain said it is important that consumers realise that meat is very cheap in the townships, not only in the supermarkets, but also in the butcheries. A spokesman for Maponya Supermarket said the price of meat fluctuates like the price of vegetables. She said meat prices have been very low for the past three weeks, but prices are going up again.

| Foodstuff | Blackchan Diepkloof | Maponya |
| :---: | :---: | :---: |
| Hour |  |  |
| Snownake |  |  |
| 12,5kg | R9,73 | R9,35 |
| 5 kg | 3,69 | 3,89 |
| 2,5 kg | 1,99 | 2,05 |
| Sasko |  |  |
| 12,5 hg | 8,99 |  |
| 5 hg | 3,59 |  |
| 2,5 kg | 2,09 |  |
| Mealie Meal |  |  |
| 12,5kg | 7,89 | 7,14 |
| 5 kg | 3,16 |  |
| $2,5 \mathrm{~kg}$ | 1,59 | 1,62 |
| Ace |  |  |
| 12,5 kg | 7,89 |  |
| $2,5 \mathrm{~kg}$ | 1,59 |  |
| A1 |  |  |
| 12,5 kg | 6,83 |  |
| 5 kg | 2,68 |  |
| 2,5 kg | 1,36 |  |
| Impala |  |  |
| 12,5 kg | 6,99 | 6.59 |
| 5 kg |  | 2,49 |
| 2,5 hg |  | 1,29 |
| Induna |  |  |
| 2,5kg | 1,39 |  |
| Sugar Huletts |  |  |
| $12,5 \mathrm{~kg}$ |  | 10,59 |
| 2,5 kg |  | 2,05 |
| Selati $2,5 \mathrm{~kg}$ | 2,17 |  |
| Cascade $12,5 \mathrm{~kg}$ | 10,69 |  |
| Oll |  |  |
| Solo |  |  |
| 750 ml | 2,29 | 1,89 |
| Sunol |  |  |
| 750 ml | 2,39 |  |
| Olé |  |  |
| 750 ml | 2.75 |  |
| Cotons |  |  |
| 750 ml | 2,29 | 229 |
| Tea |  |  |
| Joko |  |  |
| 500 g | 6,84 |  |
| 250 g | 3,58 | 3,79 |



# Average pay rises far outstripped by bonds, rents, food and drink <br> - by -_ 

Jackie Unwin

A comparison between what the consumer used to pay for products in 1977 and 1982 and what they cost now makes interesting but rather depressing reading
And average salaries have not gone up - in almost all cases to the same extent
The chart indicates how house prices soared between 1977 and 1982, but have not increased much in value between 1982 and now In fact with the inflation rate taken into account house values have dropped
But this does not help the houseinto his pock to having to dig deeper me his pocket to pay off his bond as the rates have increased over the years Monthly repayments on a R40 000 bond pard over a 20 -year period in 1977 were R490 Now a simı
ar bond costs R664 a month
House and flat rentals have remaned approximately the same for past three-and-a-half years incredibly, but these arice have risen the prices recorded are seasonal and and 1977 were in in the years 1982 and 1977 were in January and this

## year's were surveyed in August <br> Now you

 to open your supperJacke Unwin

The latest method of food packaging - a flexible pouch - has come to South Africa
Called a "flexitaner", it gives unrefrigerated food products a conservative shelf life of about six months
Mr Ian Willis, manag. ing director of Kohler, which manufactures the container, sald the princlple was the same as in the tin canning process The pouch is sealed in a vacuum condition, then heated and all the bacte-

Supermarkets still involved in price wars are trying to give the consumer the best deal by keeping prices down
This week The Star surveg found that all four north-western stores surveyed were selling brown bread at 38 c
Several other items also cost the same at nevaral stores
Three stoles marked jam at R159, milk at 79c and bacon at R1 79 Cheese now costs R692 per kilo at all stores
Bargains this week were rice at Spar, Blackheath, costing R1 48 per kilo and salt at 46c at Pick n' Pay, Randpark

## MEAT

Meat prices were down Porterhouse steak dropped by 8,1 percent and lamb loin chops by 0,4 percent The chapest price for porterhouse was R6.58 and R6 78 for lamb loin chops at Pick n' Pay, Randpark
Rainbow chickens were a bargain at OK Bazaars, Cesta, costing R1 89 per kilo At Spar, Blackheath, twinpacked chickens cost R2 09 per kilo, less than the single chickens price of R2 24
Spar's butchery manager, Mr Barry Lockyer, said this price strategy encourged consumers to buy in bulk and save money
Prices stabilised on varionus products - milk, maze meal, magarine, salt, cooking oil, tea and sugar
Eggs were marked up by 6,3 percent as supermarkets were $\mathrm{m}^{5}$, longer offering last week's special of All prices in the survey exclude the 12 parent GST payable on, some

## New fuel price rise threatent <br> PRETORIA-Another increase in the price of fuel - it would be the

 second this year - threatens if there is no substantial improvement soon in the exchange value of the rand, according to sources here.Earher this year, when he announced the 40 percent petrol price hike, the Minister of Mineral and Energy Affars, Mr Danue
Steyn, warned of the threat of another fuel price hike later in the year
In Pretoria yesterday the Director General of Mineral and Energy Affars, Mr Louw Alberts, sald the price increase *announced in February had been based on a rand-dollar exchange rate of $50,5 \mathrm{c}$
However, 'for quite a few months' the rate had hovered around 52 and 53 c
'The result was we were able to build up our "slate" fund in the interests of the motorist', he sald

At this stage motorists had been paying a little more than they strictly should have been paying, but the excess had gone into the fund for their ultimate benefit
'At present the fund is being used to support and maintan the current price and the motorist is actually now paying less than he should be paying for his petrol

However, when the fund was empty and there was no indication of a substantial strengthening of the rand, 'we will have to look at the situation again - we will have no chorce', Mr Alberts said Other sources pointed ut that last month and earler this month, when the rand was steady above 50 c , there was
strong speculation that the petrol price would be cut MeNCuNG
The Government ac. cording to departmental sources, had been eager to drop the price as soon as there was a reasonable possibility of the rand holding steady above 50 c
However, 'the roof fell in' after President Bot ha's address in Durban last week.
The rand plunged below 38 c following strong adverse international reaction to his speech Al though it had recovered somewhat, if it continued at this low level the high dollar costs of crude would make an upward adjustment of the price unavordable, the source sald
then was 46,5 cents
"In other words the prices were being carried to an extent of 4 cents," he sald

For quite a few months now the rate had hovered between 52 and 53 US cents, resulting in $a$, wim "slate fund" having been built up for motorists

At that stage motorasts were paying more than they should have been, but the excess went into the fund for their ultimate benefit
Last week, after President P W Botha's "letdown' speech at the Natal National Party congress in Durban, the rand plunged to below 38 cents, and has snce recovered to just above 40 cents, which is way below the 50,5 cents set as a
base in February
名 "The amounts we used ${ }^{2} \mathrm{~m}_{3}$ (in the 'slate fund') are obviously now being used up and if there is no indication of a substantial strengthening of the rand, we will have to look at the situation again
"We may be talking not of years, but of a period in the order of months," Dr Alberts warned today


## Petrol: Same price

THERE is sto beino im. . Twithin the nept few
mediate rise in the petrol price following the sharp drop 'tin' the rexchange rate of the rand against the dollar, but the Goverrment is watching the
 eral and Energy_Athars Mr Dame Steyn, is ex pectedtoissuea statement- $\ddagger 0-$ this-effect
days 231818 The rand has gone as How as 38 -US cents and zyesterday it was hovering around 39c.

Thé South African pe trol price is based on a calculation assuming 'that the rand is worth 50 iUS cents SOWetou

Ohl supplies are paid for in dollars -SOWE-


JOHANNESBURG - Bread prices may go up from October 1, according to reports here
A Cabinet decision is due to be taken within the next few weeks on whether prices are to be ncreased from October 1 when the new season's *wheat price takes effect $\qquad$

- Reports say that the probable ncrease in the consumer price of bread is causing anxiety in Gov-
${ }^{\prime}$ ernment circles because of the political repercus, slons during the present unrest and other social consequences during a time of recession and unem-- ployment $23: 08: 85$
Earher this year the Mimister of Fmance, Mr Barend du Plessis, warned that there would be no subsidy increase

The result was an increase of 5 c a loaf from June 1 with another increase due on October 1 in order to "stretch" the R200-milion subsidy through the 1985-- 86 financial year

Without Cabinet approval for a larger bread subsidy, prices will have to rise and the unrest has made this a possible political issue

Earlier, the Minister of Agricultural Economics, Mr Greyling Wentzel, sand the Government was fully aware of the economic situation of the ordinary man and of unemployment and did not want the bread price to increase drastically.

He added "We are hoping to keep to a moderate increase in October"

## AA discounts fuel price peeports <br> week the price increase <br> But, while some

## Dispatch Bureau

 JOHANNESBURG The Automobile Association has discounted reports that the price of petrol will be increased unless there is a substantial improvement in the rand's exchange rateThe AA predicts the price of petrol will come down before it goes up
Mr Gideon van Oudt shoorn, manager of the public relations division of the AA, said yesterday that when the price of petrol jumped by 40 per cent in January this year, the Minister of

Affars had promised to cut the price of fuel "the moment the rand-dollar price stabilised '
"We are holding the minister to his promise," he said "We may not be financiers but we do not believe the rand-dollar exchange rates will stay as low as they are for long "

The exchange rate is still hovering at 40 US cents to the rand The director-general of mineral and energy affarrs, Dr Louw Alberts, said in Pretoria this
in petrol announced earlier this year was based on a rand/dollar exchange rate of $50,5 \mathrm{c}$

And while the motorist, for several months, was paying slightly more for fuel, it had been possible to build up a "slate fund" in his interests

The situation had now been reversed and the motorist was paying less than he should for petrol The fund, he sald, was being used to support and maintain the current fuel prices untıl the rand strengthened
sources speculate that the price of fuel will rise If the fund runs dry before the exchange rates improve, Mr Van Oudtshoorn believes political consideration will not influence exchange rates for long

Petrol wall come down by about 10 per cent a litre, he says
"However, we will sup port a move to pay an extra two cents a litre for petrol if the govern ment decides to abolish third party insurance and levy fuel instead,'

Mr Van Oudtshoorn added "We belleve a fuel tax will be farrer than increased third party insurance charges"

- The volatility of the rand on foreign exchange markets was again evident yesterday with thin trading further aggravating movements of the currency, reports Sapa

The rand, which hit a low of 39,60 US cents on Wednesday dropped further yesterday to a low of 38,50 , before closing at 40.50 Editorial opinion P17



Different meat cuts were highlighted in this week's Star shopping basket survey, part of a spotprice check
The owner of the Spar, Blackheath, Mr Nick Saviddes, sald spot checks encouraged price competition among stores which resulted in a lower price for the consumer

## FOUR STORES

The survey found that meat prices at four north-western stores were on average the same
Chuck at R3,98 was on a special at Pick 'n Pay, Randpark The best rump steak price of R6,99 at Checkers, Cresta, and lamb braal chops at R5,48 at OK Bazaars, Cresta

## 'SUNFLOWER OIL

Another spot check was done on oll prices In some stores house brands of 750 ml of sunflower onl were cheapest

- Spar, Blackheath Spar sunflower oul R1,99, Nola sunflower on R2,49, and Covo R2,45
- Pick'n Pay Randpark - Solo on R1,99, Pantry Pride pure sunflower on R2,09
- OK Bazaars, Cresta -

Pot o' Gold oil R1,75, Nola sunflower onl R1,69, Solo R1,99, and Epic R2,09

- Checkers, Cresta -

Sunflower Yellowband R1,99, Nola sunflower oll R2,29, and Cardin R2,39

The price of margarine dropped by 1,4 percent and cereal by 2,9 percent because of Checkers bargain prices this week of R1,35 for magarine and R1,25 for cereal

Bacon and frozen peas
also decreased and all stores charged the same price on these items
. Coffee had increased very slightly and fresh chicken increased by 6,3 percent

Elghteen other survey items remaned static in price All prices exclude the 12 percent GST payable on some items

Id give tices bas strenathonsin

## Price of white goods rising by ${ }^{5}$

## CHERILYN IRETON

THE price of white goods - stoves, refrigerators, washing machines - will rise by $15 \%$ to $30 \%$ in the next two months
The price of imported goods is to in crease by $30 \%$ and the price of locally made products by $15 \%$, says Domestic Applances Manufacturers' Association charrman Owen Dinsdale.
Manufacturers say the increase is unavordable because they are struggling to keep production at cost-efficient levels
Sales of white goods are down $30 \%$ to $40 \%$ Barlows predicts that unit sales will total only 500000 this year - $23 \%$ less than in 1984
But the value of sales, cushoned by the price increases, is expected to drop by $10 \%$
Manufacturers have had to trim their operations and Dinsdale says most factories are running at half-capacity
Working hours have been reduced and 2000 jobs axed
Adding to the manufacturers' misery is the refusal of government to ease stringent credit regulations laid down last year
To buy applances on credit, customers must put down a $15 \%$ deposit and pay the balance within 18 months TEK sales director Brian Cape has

SPENDING ON DURABLie goods

called for new ground rules because many apphances are basic household necessities
He says government granted rehef to the furniture industry earlher this year, with credit rules stipulating a $15 \%$ deposit and 24 months to pay
"We feel very bitter The government is reducing its support for our industry at a time when we desperately need its help," says Cape

# Fertiliser giants may rationalise - AECI 

RATIONALISATION could be imminent for the over-traded fertiliser industry, says AECI director Chris von Solms.
He says some fertiliser companies may consider rationalising their operations - but adds he is happy with subsidiary Kynoch's present size.
Five manufacturers are competing for the depressed fertiliser business - Kynoch, Sasol, Triomf, Fedmis and Omnia Von Solms says the industry is oversubscribed and the continuing overcapacity will ensure competitive prices
"Consumers are squeezing manufacturers, but if they squeeze too much they will end up

By ALAN RUDDOCK
dependent on imported fertı lisers"
Industry observers agree Ommia and Fedmis are the two companies most threatened Omnia's resurgent share price in the past few weeks - despite heavy interim losses - has given rise to speculation that it is in line for a takeover
Triomf - one of the troubled manufacturers - was thrown a lifeline in June by Nampo, the National Marze Producers' Organisation, which said it wanted to prevent the industry being dominated by Sasol and Kynoch

While Von Solms expects demand for fertiliser to grow $12 \%$ this year, he points to the rand's depreciation as cause for concern
"Prices will have to go up as the dollar price of raw materials rises"
The impact of rising raw material cost will be felt most by those compantes without access to lo-cally-produced nitrogen - which represents "a signficant cost"
Agann, it is Omnia, Fedmis and Triomf which must rely on mm ported supplies of nitrogen, although Fedmis has a limited local supply Sasol and AECI provide their own production require ments

THE price of retread rubber is increasing today for the second tume this year amid mdustry confusion over the actual percentage rise.
Previously, manufacturers had agreed on a maximum rise, but there now appears to be a split.
When the cost of rubber rose by $9,25 \%$ in May, new tyre prices went up by the same amount
Firestone announced over the weekend its maxlmum increase for retread rubber was $6,6 \%$, but General Tyres, the other major supplier, has yet to declare its hand.
Laśs Thursday, the chairman ${ }^{3 f}$ of the $330-\mathrm{member}$ National Retreaders and Tyre 'Dealers' Association, John Sharwood, announced a $12 \%$ increase from today, based, he sald this weekend, on information from the retread rubber company representatives.
"We were orignally advised by representatives that retread rubber prices 'were going up on Monday, August 19, and to lay in stocks in advance of the announcement We didn't because investigation showed that from 1984 the price had gone up 38\%," Sharwood said.
"Subsequently, we discovered - through the offices of Business Day this weekend - that one company was increasing its retread rubber price by a maximum $6,6 \%$, and not $12 \%$ as we were originally told. There is an element of confusion here."
Frrestone's deputy MD and marketing director Bill Taylor said at the weekend his zcompany's maximum \% roweeks".
Firestone's tempertread

LAWRENCE BEDFORD
and curetread prices would remain static, and, for material for one particular wheel size, it would go down $5,9 \%$, Taylor said. In the period June 27, 1984, to August 23, 1985, the company had increased its prices on retread materials twice For basic retread rubber it was $8,17 \%$ on Decmber 21 and $9,25 \%$ in May.
Thus, the increase for the period on basic retread rubber (hot vulcanising system) was $18,1 \%$. Firestone's price increase was uniform for the three main ranges of tyre retreads, being passenger (car), medium tyres and heavy tyres
For precured rubber (only truck tyres), the increase was $31,7 \%$. In this field, Firestone was the most competituve of all suppliers For other retread materials, its increases had been between $7 \%$ and $7.5 \%$.
General Tyres' MD Richard Nicholson, who is also chairman of the SA Tyre Manufacturers' Conference, sald on Thursday night that they (the company and the conference) did not conduct negotiations on business or labour in the medra
Sharwood sald at the weekend that the retreaders were in the dark "It is not right that we should just accept an increase without being told what's happening," he said.
The increases are thought to result from a rise in the retread rubber manufacturers' raw material inputs. synthetic rubber from Karbochem, nylon cord from SA Nylon Spinners and carbon black (an extender material) if from Phillips Carbon 'Black':

# Rủbber price rises，so retreads up $\mathbf{u p} 10^{r y}$ <br> THE price of retread rubber suppise $24\left(45^{\circ}\right)$ 

THE price of retread rubber supplikd by two major tyre manufacturers has been increased by between 5,8 percent and 12 percent．
．A Firestone spokesman said his company＇s increase of between 5,8 percent and 6,6 percent was related to an increase in the price of raw materials．
A spokesman from General Tyre would only confirm that his company＇s prices had been increased ${ }^{5} \mathrm{~s}$ y＇12 percent from last Monday
Meanwhile，the Motor Industries Federation yester－ day sent a crrcular to retread retallers advising them that the recommended price of retreads was＇being in creased by 10 percent．
There is no control over＇the price of retread tyres

pard R 40 m from the fund to strengthen the govern-
ment bread subsidy account ment bread subsidy account the bread price rise could be as much as 20 c a loas were unavoidable it would such a big an increase were una
probably be introduced in stages.
Other sources says this could mean an increase and April , 1 and stagger Meanwhile, prospects for the current crop indicate
that more than 300000 tons will have to be imported

 after the expected local price increase


He indicated that an merease would become unavordable of the rand contmued to flag after the avoldable ${ }^{\text {Johannesburg }}$ Stock Exchange resumed trading on Monday

The authorites, he said, would be watchung the situation closely and if it continued at present levels, there would be no option but to raise the fuel price.
However, Mr Burger declined to comment on how
big the increase could be. There has been speculation that it may be as much as 10 c a litre.

Earlier this year, motorists had to budget for a 40 percent rise in the petrol price
When that came unto effect, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, warned that another increase might be necessary this year.
However, just last month there were reports that a firming of the rand meant the price could be cut. firming of the now to have been dashed.
These hopes appear now to have been dashed.
ticularly in the light of its drop yesterday to
35 US cents. The Cabinet is expect on how muct longer the Govweekment can delay passing the increased imported cost of fuel on to the consumer.
Mr Theuns Burger, spokesman for the Department of Mineral and Energy Affairs, said the dwindling of Mineral and Erica's carrency had put the authorivies in "a very precarious position".
-THE SHOPPING BASKET this week visited two Supermarkets in Soweto, Maponyai in Dube and Blackchain in Pımville.
*We found the prices farly competitive.
Write to us and tell us your views about the
basket: The SOWETAN, Women's Department,
POBBx 6663, JOHANNESBURG 2000




THE massive merease in funeral levies，from $\mathbf{R 3} 0$ to R150－a 500 percent increase－which has been imposed on under－ takers from outside So－ weto，will hit the resi－ dents even harder than the undertakers．

This is the view rased by a manager of one of the largest such opera－ töns outside Soweto－ City Funeral Undertak－ $\mathrm{ers}_{4} \mathrm{Mr}$ Tony Guiness，a manager at City Under－
－taker＇s said yesterday． they were shocked at the levy and believed it was armed at therr business specifically．Sowetan
＂We have to be realis－ tic We are innovators in this busness．We inher－ itted it and we believe we have become the professionals that has made us so popular We were first to introduce a package deal for ，be－ reaved familes，by giv－ mg out tents，chars and so on Many others ${ }^{+}$co－ pred our mnovations ${ }^{2}$

Mr Nico Malan，the Soweto Town Clerk told The SOWETAN that the increase on levies for In－ dan and white under－ takers was unavordable because they did not pay taxes and rates as locals ${ }_{1}$ did

Escom
$10 p \mathrm{C}$
Escom has announced an average increase of 10 per cent in electricity charges with effect from September

Escom estımates that together with the inrrease announced in January this year, the price increase for the year as a whole will be approximately 15 per cent and, as such, will not further increase the present rate of inflation
Announcing this yesterday, Mr John Maree, Escom's new chairman, said the need for a further 10 per cent uncrease in the middle of 1985 had been foreseen when the last 10 per cent rise was announced in January

The projected midyear increase had been deferred for two months to enable the newlyappointed Electricity Council and Escom's management board to give due consideration to the utility's financial needs The delay in 1 m plementing this new price had saved consumers nearly R100 million
Mr Maree said all the main electricity consumer groups were represented on the Electricity Councli and were party to the decision
Electricity Council and the management board were taking a hard look at Escom's capital programme and its financing needs in the context of the rapidly changing financial en-

Sepptan
vironment, which is affecting the whole of South Africa at present, he said

With the risk of more restricted access to overseas sources of capital, and therefore greater pressure for funds in the local capital market, Escom has to generate higher levels of income to cover its expenses and the cost of servicing its borrowing, and to create a cash source to contribute towards finaneing its expansion
"It is essential that Escom contributes from 1ts own cash resources some of the money needed to finance its already committed capital projects," Mr Maree said
$3 i 10885$
"Escom is a large foreign borrower, and in the current climate, we have to hedge against the risk of overseas sources of funds running dry, as also the increasing cost of those funds Up to now we have not had serious problems, but we have to take a long-term view," he said
Mr Maree said Escom's management was busy with a major efficiency drive and would shortly be embarking on a campaign to persuade electricity consumers to conserve their usage
"In all-out planning we have to be able to meet the growth in the demand for electricity," he said
Farmers reassured P14



Manicipal Reporter ESCOM'S 10 percent electricity tariff hike, due to come into effect tomorrow, is unlikely to affect Cape Town consumers until November at the earhest. according to City Electrical Englneer, Mr Dennis Palser

Mr Palser said the fact that the Escom increase had been delayed by two months, and that Escom was considering introducing a uniform national tariff would both favour Cape Town

However, because Cape Town supplies electricity to outside areas, it has to apply to the Electricity Control Board before it can revise its tariff
The council's various standing committees and the full counct will also have to approve the new charges first.
This delay will make the increase a little hagher than it would have otherwise have been but he expected to be able to hold thas to below 14 percent.

Pietermaritzburg Bureau
THE city councll here has approved fare uncreases of 7 c on cash fares and 3 c on clipcard fares from September 30
The councll has apphed for an increase in Government subsidy on the city's black service and has decided to re strict the increase to not more than 7 c on cash fares and 3 c on clipcard fares
-"
Adult cash fares on the general service (white areas) will go up from 63 c to 70 c , adult chpcard fare will go up from 56 c to $59 \mathrm{c}{ }^{\text {atchildren's fares }}$ from 48 c to 50 c and scholars' fares from 40 c to 42 c
in the Coloured and Indian areas will go up from -48 c to 55 c , adult clipeard fares will go up from 43 c to 46 c chlldren's fares from 33 c to 40 c and pupils' fares from 31 c to 34 c
During debate on the recommendation yesterday, the charrman of the Indian Local Affarrs Committee, Mr EV Moham med, "said his committee objected to the increases and added that if implemented, they would re sult in more illegal minlbus taxis on the road

Councillor Leshe Sr mon was strongly opposed to any increase during the present clamate, saying that if fares went up there would be 'a bloody revolution in the city'

## 10 p c electricity



Mercury Correspondent mithe delay in amplement-JOHANNESBURG-Escom has announced an average increase of 10 percent in electricity charges with effect from tomorrow, September 1
Escom estimates that
together with the in crease announced in January this year, the price increase for the year will be about 15 percent and, as such, will not further increase the present rate of inflation
MrJohn Maree, Escom's new chalrman, said the need for a further 10 percent increase in the middle of 1985 had been foreseen when the last rise was announced in January
The projected mid-year increase had been deferred for two months to enable the newly-appointed Electricity Councll and Escom's management board to give consideration to the utllity's financial needs ng the ney price had saved consumers close to R100 million

Mr Maree sald that all the mann electricty consumer groups were represented on the Electricity Councl and were party to the decision
The Electricity Councl and the management board were taking a hard look at Escom's capital programme and its financing needs in the context of the rapidly changing financial environment, which is affect ing the whole of South Africa at present.
With the risk of more restricted access to overseas captal, and therefore greater pressure for funds in the local market, Escom had to generate higher levels of income to cover its expenses and the cost of servicing its borrowings, and to create cash source to contribute towards financing its expansion

|  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |
| BREAD: White | 58c | 63c | 63c | 58c | 61 c | 615 | 一 |
| Brown | 38c | 38c | 43c | 38c | 39c | 38 c | + 2,6 |
| MILK: 11 | 79 c | 79 c | 79 c | 77c | 79c | 79c | sinsen |
| EGGS: <br> 1/2 doz large | $66 c$ | 67 c | 68c | 68c | 67 c | 67c | - |
| MAIZE MEAL: $2,5 \mathrm{~kg}$ Iwiza | R1,59 | R1,62 | R1,62 | R1,60 | R1,61 | R1,61 |  |
| MARCARINE: 500 g Rama | R1,41 | R1,35 | R1,42 | R1,41 | R1,40 | R1,40 | क" |
| CHEESE: <br> 1 kg Elite Gouda | R6,92 | R6,92 | R6,92 | R6,92 | R6,92 | R6,92 | 1 |
| JAM: 900 g Koo Smooth Apricot | R1,49 | R1,59 | R1,59 | R1,54 | R1,55 | R1,58 | $\left\|\begin{array}{ll} \because & \\ \hdashline & \because \\ -1,9 \end{array}\right\|$ |
| SUGAR: <br> $2,5 \mathrm{~kg}$ Huletts | R2,07 | - | R2,09 | - | R2,08 | R2,08 |  |
| TEA: 100 tagless teabags Joko | R2,79 | - | R2,99 | R2,79 | R2,87 | R2,88 |  |
| COFFEE: 250 g Nescafe Classic | R5,39 | R5,69 | R5,59 | R5,29 | R5,49 | R5,49 | ${ }^{8}$ \% |
| CEREAL: <br> 500 g Kellogg's Cornflakes | R1,24 | R1,25 | R1,45 | R1,35 | R1,32 | R1,35 | $\begin{array}{r} 24 \\ 3+1 \\ -2,2 \\ 4.2 \\ \hline \end{array}$ |
| COOKING OIL: 750 mil Ole | R1,99 | R2,15 | R2,12 | R2,29 | R2,14 | R2,10 | $08$ |
| RICE: <br> 1 kg Țastic | R1,69 | R1,69 | R1,75 | R1,69 | R1,71 | R1,65 | $\begin{aligned} & 5,9 \\ & 5+3,6 \end{aligned}$ |
| SALT: <br> (i)kg bag Buffalo | 46c | , 52c | 53c) | 46c | 49c. | 51 c |  |
| MEAT: <br> 1 lkg Chuck | R4,08 | R4,59 | R4,59 | R3,98 | R4,31 | $\begin{array}{r} A 8 \\ \mathrm{R} 4,34 \end{array}$ |  |
| '1 kg'Rump Steak | R8,38 | R6,99 | R6,45 | R7,88 | R7,43 | R7,810 | 1014, 4 |
| 1 kg Lamb Braai Chops | R6,88 | R6,89 | R6,98 | R6,98 | R6,89 | $\text { R6, } \mathrm{ZB}$ |  |
| 1 kg.fresh Chicken | R2,29 | R2,09 | R2,09 | R2,24 | R2,18 | R2,37 | $-8,0$ |
| 250舜 Eskort streaky Bacon | R1,79 | - | R1,89 | R1,79 | R1,82 | R1,79 | $+1,7$ |
| $1 \mathbf{k g}$ Deep Water Hake Fillets I\&J | R2,99 | R3,59 | R3,69 | R2,99 | R3,32 | R3,22 | $\begin{array}{r} 4 \\ +3,1 \end{array}$ |
| VEGETABLES: <br> 1 kg Pótatoes | 29c | 69c | \% 49 c | 49c | 49c | 54c | $-9,3$ |
| 1 kg frozen Peas Table Top | R2,89 | R2,89 | R3,59 | R2,89 | R3,07 | R2,89 |  |
| CANDIES: 450ig Buffalo | 95 c | 99c | 95c | 94c | $96 c$ | 96c | $\cdots$ |
| :WASHING POWDER: 177.kg'Süf | R2,24 | R2,29 | R2,25 | R2,23 | R2,25 | $\begin{array}{r} \text { ris } \\ 24 \\ \text { R2,35 } \end{array}$ |  |
| SURVEY: AUGUS | T 27198 |  |  |  | PRICES | EXCLUD | DE GST |

सु $=$
0with the windfall profits whichSasol would derive from the na-
"The current
tore
The current forelgn ex-
change situation is without prec-
edent in our economic history
and the steps now being taken to
temporarily suspend foreign ex- change transactions will hopefully staunch the run on our currency," he sald 318185 "However, if the Government is serious about contannng inflation, flexibility should be shown in the petrol price structure"
The spokesman sald the cur rent share price and level of ac tivity on the Johannesburg Stock Exchange for Sasol shares was indicative of the market's expectations that this counter would yet again make windfall profits on the back of the nation's woes
He sald Sasol's petroleum industry, to a large extent, was created from the tax imposed on fuel - whereafter it was priva-
tised
"The assoclation has no objection to the investor deriving reasonable profits, but viewed aganst the background of rela tively small increases in operating costs, with farrly constant demand, the benefit it enjoyed from huge increases in the landed cost of fuel because of the weakness of the rand should not accrue to the shareholder in full"
The AA proposed a levy on Sasol's profits to boost the stablusatuon fund as a cushion
agaunst fuel price aganst fuel price increases
arising triong in trom currency fluctua. tion in the short term




THOUSANDS of
people in the Transval face leath tand chronic illness choosing to stay gway from hospitals tince the sfees were wincreased last year.
"We're going to have-: situation where people, are simply going to be dying," sad Soweto's Dr'Athato Motlana A. a mos ${ }^{-}$Fewer people are taking treatment from provncial hospitals
${ }^{2}$ Their ' numbers 'Ghave droppped markedly since last April when the latest tariff thes was announced
Over 260000 people chose not to use the provincial hosprtals' out-patients section after March 31 to September 30 last year
The figure soared to over a mulhon in the three months from September to December of the same year
These facts emerged from figures supplised in a reply to Progressive Federal Party health spokesperson Irene Menell by Transvaal MEC Dan Kirstern
Dr Motlana, who was alarmed by the drop in numbers of people attending hosprtals, said "For the elderly, the sick and the destutute it will be one way to the cemetery"

> The drop is particularly high in hospitals and clinics serving blacks
In some cases, like Davey-

on Cinic, more than 13 3 00 people were treated between October 1983 and March 1984 but the number has"fallen to 4700 for the nexts six months up to December
Baragwanath (including its 10 clincs) saw the number of its out-patients vists dropping by over half from 670000 to 280000 in the same perioid
"The clerks who admat, patuents insist that all should pay the required tanffs," Dr Mollana sald

Dr Kırstein also supplied figures which showed that less than 200 patients have apphed to have their meome status reconsidered

Hospitals such as those in Natalsprut and Laudum, and clinics including those in'Senaone and Pmville in Soweto, had not received requests for lower fees, he added

## Pcople diniti herk to trawitionad hediors

HOSPITAL costs are soaring - so many people have resorted to sangomas and traditional healers

Many would-be hospital patients are flocking to herbalists, says African Skilled Herbalssts' Associatıon head Galaza Msibı
"More people have lately resorted to sangomas
and traditional heaiers in the wake of soanng hospltal costs and inflation,'s.he sard
"Sangomas have special mixtures which clean their patients' bodies easily, as weil as other inexpensive concoctions
"It's really cheap One can easily get treatment for less than R3"

## Suts to fright daim

The SA Transport Servicess this week said it will defend the R2000 acton brought aganst it by a Natalspruit man who clams he was assaulted by the ralways carly this year
Mr Nhlapo's lawyer M A Makume sadd he had received a letter from SATS indicating it was going to defend the matter
And a 25 -year-old teacher Sylvia Mathassa of Taung in Bophuthatswana won a R32 134 lawsut against SATS this month, for loss of support.

Her tax-dnver husband was croppled and Jater deed after he was shot in the chest by railways cop Sanwell Kakuiye


## Bus

 Merawiy fares rise ${ }^{244}$Mercury Reporter
${ }^{\text {FARES }}$ on buses run by -Trans-Umzimkulu Trans"port in the Port Shepastone and Margate areas increase by from 7,5 ${ }^{\text {a }}$ percent to 10 percent today
This was sand yesterday
by the managing drector of KwaZulu Trapsport, Mr E Marshall 2985
He sald single-jquiney fares on buses operated by Ilanga Transport in an area north of Durban have been increased by an average of 5,5 percent.
Meanwhile, cash bus fares in Pietermartzburg go up by 7 c from September 30 , the City Councll has decided
The councrl has apphed for an increase in Government subsidy on the black bus service
Adult cash fares on the general service (white areas) increase from 63 c to 70 c , adult clıpeards from 56 c to 59 c , children's fares from 48 c to 50 c and scholars' from 40 c to 42 c

Cash fares for services in the Coloured and Indian areas will go up from 48 c to 55 c , adult clipeards from 43 c to 46 c , children's fares from 33 c to 40 c and scholars' from 31c to 34c
under fire for moreasing priees excessively under cover of the expense of
 Mr Peet J Wessels of the Director

'Marketeers' slated for price rise ate of Agricultural Product Standards stated in a paper presented to SAA FOST '85 that it seemed some "marke teers" had used the necessity for ra durisation (irradiation) to "add to the profits beyond any reasomable limits and this was finally explamed to the consumer as radurising costs"

He said he had discovered that "in some cases the cost of transport and radurisation accounted for an merease of about eight percent while the increase at the stage of reintroduction of the tea was in the vicmity of 38 per-
cen" 244 STAR
dre Andre ghessis, managing dirctor of liso-Ster, the company whictrradiated the tea, said the cost of the irradiating process plus the additional transport involved in transporting the tea to the Transvaal was about $47 \mathrm{c} / \mathrm{kg}$. The price of roolbos tea to the consumer went up by about R2,50/kg 219185
It has been alleged phere has been little drop in the cost to the consumer of the tea which is no longer urradiated But a statement issued by the Roolbos Tea Control Board says twicemonthly price surveys at 17 supermarkets undicated prices had fallen by an average $1,6 \mathrm{c}$ to $1,4 \mathrm{c}$ for a 200 g packet
of tea


## By BRIAN GROBRLER

 Motoring EditorNEW-CAR prices are risng sgain this week as most of South Africa's motor manufacturers have made an across-the-board increase of about four percent in the 1985 last quarter adjustment
Ford Motor Company. UNissan SA and Renault $\rightarrow$ Africa all announced price increases this tweek and at least six other manufacturers are expected to follow suit

With the quarterlv adJustments this year. -prices of new cars have Tisen by between 16 and 20 percent. By the end of 1985 it is expected there will be no or extremely few new cars which cost under R10000 - there are only about five at present and an increase will push the price over the barrier

Twelve years ago a VW Beetle cost R1 499 and 10
years ago'R1 999 Todar the lowest-priced VV Citi Golf is just under R10000, which sepre sents a $500-600$ percent increase in a decade - But worse is apparently to come next year. Executives of moter corrpanies say components now being ordered from Europe, and japan are being paid for at the lou rand rate
Orders take about sin to seven months to reach South Africa and as soon as they start being fitted to new cars on the assembly line prices will have to go up again and will keep going up
Ten years ago the managing director of a German manufacturer predicted that a large luxury model would cost R100 000 in South Africa by the year 2000 In 1985 some top-priced German models need only a price adjustment or two and they will be there 14 years ahead of schedule

## Pietermaritzburg Bureau

PROVINCIAL hospital fees were set to rocket by an average of 30 percent from November 1, increasing the cost of a bed alone from R30 to R40 a day, the MEC in charge of hospital services in Natal,' Dr Fred Clarke, announced here
yesterday.

Ambulance fees would rise by 50 percent and treatment charges using specialised equipment would be increased

Patients admitted to intensive or coronary care units, for example, would face an extra charge of R20 a day
Use of a whole-body scanner or cardiac catheterisation would cost an additional R80, while radiotherapy and intravenous chemotherapy would cost an extra R40
Those on kidney dialysis machines could expect to pay an additional R200 a monthymr Clarke said, whileripatients with their own machines would pay an extra R100
Postmortems would go up from R30 to R40
By comparison, private hospitals in Durban charge nearly R70 a day for a bed in a general ward and Rll4 in a private ward while the charge in an intensivecare minit is R150
Dr CIarsor'sald the Fcesent hathor hospital care yote burealistic and in spite of the critical finamétet positron in which most people found themselves, he could no longer delay an merease
Patients earning up to R1 700 a month would get special consideration
and have fees assessed on their income and number of dependants Only those earning up to R1500 a month had previously qualified for this concession

Dr Clarke said those private patients who found their fees excesslve could apply to the Director of Hospital Services for a review
He described the position of provincial hospitals as 'serious' because of Government cut-backs and the freezing of posts
Exco had decided against closing ${ }^{\text {atw }}$ wo small hospitals in orrder to maintain standards in others, but wards in many institutions had had to be closed because of staff shortages

## Medical centre

Dr Clarke also announced that a R2 000000 medical centre for private doctors would be established on the site of the new Grey's Hospital in Pietermarítzburg
The proposed con'plex was approved in princ' ple by Exco yesterdas and follows approaches by local doctors
It has not been decided yet whether the centre should be funded by the Province or by private enterprise
$\therefore$
1
$\vdots$



## Mercury Reporter

THE Medical Association has recommended that doctors charge fees nearly double those which medical aid societies are prepared to pay
But most Durban doctors are reluctant to do so because of the present financial climate
Rates for a room con sultation charged by general practitioners canvassed yesterday ranged from the approved medr cal and fee of R9,50 to R15 Masa recommends a
fee of R18,90
'I stull charge the old amount, R9,50,' sald one doctor
'If you charge more than that people don't pay The account can't be submitted directly to the medical and socjety and you have to get the money from the patient, who reclaims a portion from medical and
'Your bad debts just go up and you can't afford that'
Another doctor sald 'We feel people can't af ford to pay more, so we're
sticking to charging the medical and fees
'But our overheads are going higher and higher Medical ands should increase therr scale of benefits
The head of Masa in Natal, Dr Margaret Barlow, sand most doctors wanted to charge a fair price to their patients because they were aware of the problems

But I think the Masarecommended fees are very reasonable

She sald they had been
calculated by accoun.
tants.
On the other hand she
thought it unlikely that medical and rates would ever rise to those levels
But she prassed the present year-old system which allowed doctors to set fees at will and to discuss them with patients
A number of doctors said they charged considerably less than their normal fees to poor patients
A spokesman for a medical and society said even though the fees Masa was suggesting mıght be reasonable from a doc
tor's point of vieu, rising medical costs like these would eventually 'price medical and out of the market
It was possible medical and rates would rise at the beginning of next year, but the general state of the economy is not conducive to an across-the-board in. crease'
The medical and scale of benefits fee for a house call was R19 (Masa R31,60) and for an after. hours call R25.30 (Masa R46)

## Petrol

央 may 240 rise

Efosi SOOnospols
PRETORIA - The price of petrol would have to go up soon if the dollar-rand exchange rate did not 1 m prove, the Minister of Mineral and Energy Affars, Mr Danie Steyn, sard today
Speaking to reporters after a meeting in PreAoria of Energy Ministers of the Transke, Bophuthatswana, Venda and Cisker states, he sard funds the Government had available to "cushion" the impact of a price increase to the consumer were exhausted
"If the dollar-rand exchange rate does not 1 m . prove soon, there will have to be a price increase," he sand
Mr Steyn dechned to say specifically what exchange rate would be required to prevent an increase, but pointed out that the present price of fuel was based on a rate of 50 US cents to the rand
This is a figure the rand has not seen for a long time
Mr Steyn emphasised that any change in the price of petrol had to be approved by the Cabmet, which is scheduled to hold its next meeting on Wednesday
He dechned to comment on speculation that a price rise could be announced next week Sapa PRETORIA - An increase in the petrol price would be announced this weekend, but the merease might not come into effect for several days, Goyernment sources come into

They said the rise was likely to be as little as 5 c or 6 c litre, but it could be the first of a series of fuel price increases in the coming months. Sources said this would minimise disruption and avoid a rush by motorists.
Thus the announcement would be far less spectacutar than the one earlier this year, when fuel prices jumped by nearly $40 \%$ - Sapa aimost certainly be announced in the next few days and motorists may find themselves paying in the region of R1 for a intre of premum petrol
$\rightarrow$ There is anew speculation that the increase will be 'the first of several small price rises to'be staggered.' over the coming months dependitg on the perfor--- mance of the rand (0) 988
-The Department of Mineral and Energy Affairs will issue a statement on the fuel situation this after-- noon but, ias the authorities are being cagey over the matter, the statement will be empargoed for 2 pm tomorrow
The Government has made repeated warning noises recently to the effect that, if the rand/dollar exchange rate did not stablise at about 50 US cents, a petrol price rise would be unavoidable

That rate has now plummeted to an average of about 38 US cents

The Cabinet is understood to have approved a price increase at its weekly meeting on Wednesday and the department has since been working out the details
The petrol stabilsation fund - which is intended to cushion the consumer aganst the effects of import price fluctuation - has been depleted in recent months with the steady weakening of the rand to below 40 US cents




Motoring Editor
OIL COMPANY spokesmen in Cape Town yesterday said it was inevitable that the price of petrol would go up because of the rand/dollar exchange rate
Speculation is that the price will jump bv about 14 cents from 86 cents to more than Rl a intre It will be the first time in South Arrica that the price iny in line over the R1/f mark and will put this coun with most other countries in the world
Only 10 years ago petrol cost 10 cents/i If the price does go above Ri this week it will mean a 1000 percent increase in the past decade - certainly the most expensive commodity which the public has to buy on a weekly basis
Service station operators were in the dark vesterday as to when the increase would occur However. they sald they had contacted their bank managers on their overdraft facilities and had placed orders with the oll companies to fill their tanks as soon as possible

The average petrol load is 25000 i so full tanks at the old price at the time of the increase can mean a considerable profit to the operator
Sapa reports from Pretoria that the Minister of Mineral and Energy Affarrs, Mr Danie Steyn, yesterday said the price of petrol would have of the dollar/rand exchange rate did not mprove

## 'Cushion' funds exhausted

Speaking to reporters after a meeting in Pretoria of energy ministers of Transkel Bophuthatswana, Venda and Cisker (TBVC) states, he sald funds the government had available to "cushon" the impact of a price bike on the consumer were exhausted
Mr Steyn dechned to say specifically what exchange rate would be required to prevent an m crease, but pointed out that the present price of fuel was based on a rate of 50 US cents to the rand, a figure the rand has not seen for a long.tıme
Mr Steyn emphasized that any change in the price of petrol had to be approved by the Cabinet, which is scheduled to hold its next meeting on Wednesday The minster declined to comment on speculation that a price hike could be announced next week
Replying to another question, he emphasized that
the by-elections on October 30 would not delay the the by-elections of any increase



Mercury Correspondent PRETORIA-The Cabinet is experted to approve a petrol price increase - it could be rased to a rand a litre-at its meeting in Pretoria next week.
A.point has been reached with the rand trading at less than 40 US cents where the draned stabilisation fund can no longer support the present price
The fund 15 based on an exchange rate of $50,5 \mathrm{US}$ cents to the rand
The battered rand means that currently South Africa is paying about R2,60 for a dollar's worth of oul

Minister of Mineral and Energy Affars Danie Steyn sad last week that funds to hold the price at the current level were limited and a price rise would have to be censidered if the rate remanned low sod June, when the Around June, when the exchange rate stenghened to more than 50 cents, a small price reduction became possible
However, it was decided instead to increase the contribution to the Na tront: Road Fund to 50 日 litre on petrol
The Government, Mr Steyn sald, had learnt a costly lesson earher this year in delaying a price

Government sources sald that even before forelgn exchange deahngs were blocked a decision had been taken to rase the petrol price
However it was decided to delay an announcment until the impact on the rand of the loan repayment freeze could be measured M arcury It seems clear now that no spectacular recovery of the rand cah be expected

PFP finance spokesman Harry Schwarz sald any ncrease would be a serious blow to the anti-mflation campalgn
 giving the consumer a chance to stock up on supplies at reduced prices, this week's shopping basket survey found.
The survey, at four northwestern stores, excludes the 12 percent GST payable on some products
Decreases were noted on maze meal, magarine, jam, tea, coffee, cereal and cooking oll

Magarıne was a special at Steve's Spar, Blackheath, selling at R1 29
Stores also dropped their jam and cereal prices in line with one another Three stores sold cereal at similar prices and jam was R1 49 at two stores.
Maze meal, tea, coffee, and cooking oll was down $0,6,0,3,0,5$, and 0,9 percent respectively
Meat and fresh chicken prices shot up this week with increases of 12 percent, on lamb braal chops and 8,3 percent on fresh chicken The best price for lamb braa1 chops was R6 98, with R209 for fresh chickens.
Prices of rump steak and chuck remained static. Bacon increased by 0,5 percent and R1 79 was the cheapest price Although salt increased by 2,0 percent, two stores were selling salt at a bargan 46c

Potatoes increased 10 percent with the hughest price at 69 c per kulo and the lowest at 39 c per klo

Other prices in the survey remained static


85


Council is unlikely to raise the monthly electricity levy in the near future, town clerk Mr Nico Malan disclosed yesterday. The controversial levy, due to have been in-

R17 in July this year, is currently being reppounted by the thittee appointed by the three
 "frozen" further elec-tricty-levy hikes pending a Government decision on the matter Thér local authorities have notified the Department of Co-opera tion and Development of their intention to in vestigate alternative methods for the repayment of loans financ17g the complex's electrification scheme.
The whole scheme which involved the electrification of about 105000 houses, was financed with loans obtained from the Post Office and a consor-
banks oyerseas banks In Sowto the levy ras to have reen ralsed in phases, from R17 to R23 in July 1985, from R23 to R29 in July 1986 But the repayment programmes was changed after the Soweto Council, per suaded by "the finan cial climate in the country and the confusion it (levy) created among residents," sus pended further hikes Mr Malan sard yesterday: "We are . among other things looking at the possibility of asking for the extension of the loan repayment period We are required to pay one of the loans over a 20-year perrod, but may consider pressing for a 25 -year repay ment period ".

## EL consumers to pay more for electricity (2)

EAST, LONDON - The city's 58000 electricity consumers can expect a nine per cent hike in power they have used from September 1.
Last night the action committee gave the goahead to apply to the Electricity Control Board to implement the hike
This was confirmed by the chairman of the action committee, Mr Donald Card
The hike follows a 10 per cent increase announced by Escom It came into effect on September 1
${ }^{-} \mathrm{Mr}$ Card sard the nine per cent hike would be effected by means of an increase of the present
surcharge from six per cent to 15,5 per cent
He said the Escom announcement had meant an additional R2,3 million had to be found for the 10 -month period of the present financtal year
It had to be passed on to the consumer
"Obviously we don't like burdening the already over-burdened consumer more, but as you can see, we had no alternative," Mr Card sald
The Escom increase followed an increase in January The new hike brought the increases for this year to 15 per cent
Escom sald a hard look
was being taken at its capital programme and its financial needs in the context of the rapidly changing financial environment which was affecting the whole of South Africa
Before the January increase, the city council said the scheduled increases following the Escom hike would be less than five per cent
Two amendments to the electricity tariffs made this possible The first amendment came with the amalgamation of the Border and Orange River Escom undertakings and the second through Escom's announcement of varous increases for different parts of the country

 on the cards with a deficit of R78 million in the R200 million Government subsidy and several *warnings by Minister of Finance Barend du Plessis that no funds will be available to bolster the inadequate subsidy
Yesterday the general manager of the wheat board, Mr'Dennis van Aarde, said he 'personally expected' an increase.
He said the board had asked the Government to stagger the increase over a few months because it was worried about possible consumer resistance if the merease was not introduced slowly
MI would be tragic of the increases are introduced to consumers in one lump sum,'he sasd
sMercury Reporter
THE Government's goahead to Pack 'n Pay Middleburg to bake $a$ 'super bread' in pans is seen as the first phase in deregulating the conditions mposed on the baking of the standardised loaf.

The super bread, being sold at the supermarket on a one-year trial basis, is baked in a pan and can be sliced but must be wrapped, and must contain a minimum amount of protem
At about 85 c a loaf it is an expensive bread
-Mr Dennis van Aarde, general manager of the Wheat ${ }^{\text {Board }}$ sand the board would treat future applications to bake the super bread with leni-
Meanwhte, sources have said that an increase of only 3 c in brown bread would be a direct result of Government's sensitıvity to the current, township violenre' and the fact that the bread price is regarded as being a political tools

Ontune 1 this year the' price of both white and brown bread went up by five cents, pushing white bread to 65 c a loaf and brown to 45 c .

## ency.

+ By beingbaked in a pan - previously forbidden in -terms of Goyernment regulations - the bread is regarded as a 'classy Government bread'.
But the ingredients used in the bread are still controlled and prevent supermarkets from using their own formulas which they clamm could undercut the current price of Government bread by as much as 10 c



## Pucofaresto gorlp <br> Transport eeporter Fiuel cost the eompanyal Putco 15 to increase bus most R1 milliona year

fares following the $4,7 \mathrm{c} / \mathrm{l}$ increase an the price of diesel fúelon yesterday

This news will come as a blow to passengers as Putco has already appled for a 14,1 percent revenue increase from November 1
In a statement released today, Putco sand it had no option but to pass on the fuel increase as every $1 \mathrm{c} / \mathrm{l}$ increase in

The company could not say what the fare increase would be or when it would be introduced, but sad the increase was likely to be introduced at the same tume as the revenue increase
Putco would meanwhile seek increased subsides to absorb as much as possible of any increase, the company statement sard $10 \mid 9185^{-}$

## Increase

in PE's
power tariff
likely 24
Municipal Reporter PORT ELIZABETH consumers may pay more for electricity from next month. Elos
A $5,1 \%$ tariff increase was accepted, by the City Council's Works and Traffic Committee at its monthly meeting yesterday

And if the Administra tor approves a further merease, consumers can expect to pay an overall $8 \%$ more for electricity in the next few months
In a report, the City Electrical Engineer, Mr Charles Adams, said Escom had announced a $10 \%$ increase in the electricity tariff on August 30 and he recommended that a surcharge of $8 \%$, be appled.
The committee chair man, Mr Frikkie Kotze said the local economic situation had deteriorated and instead of a $2 \%$ sale increase, a $2 \%$ sale decrease could be expected.
The municıpality was not permitted to go over the $5,1 \%$ surcharge without the approval of the Administrator, he said.
A decision on the price merease will be made by the City Council before the end of thim month.

|  | a) | member of the K | slogans in |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| BUS fares are to go up | would be made shortly | sarb the new fuel | when it will be intro- any increase to be abduced sorbed by subsidy. |  |
| Durban by as much as 10 | Mr Cuthbert said the | rise because of the |  |  |
| percent following the fuel | DTMB would adjust | of any Governme | However, it is hopeful | , |
| price rise | bus fares by next week. Indian bus owne | 位 | that this will be at the | Bureau writes that Mr |
| The Durban Transport | ndian bus owner | Bux | same time as the 14,1 per | Harry Dyason, charman |
| Management Board and | rned that all fares | e in tyre prices and | cent revenue increase | f Pletermaritzburg's |
| Putco have announced | would go up by at least 10 | costs had been ab- | ready applied for, for | ansportation commit- |
| at they have no option at to pass on the $4,7 \mathrm{c} / \mathrm{l}$ |  |  |  | the city council <br> t yet decided |
| diesel fuel price to com | ation chairman Mahm | Putco said it had no op- | S | ut up its bus |
| muters | Bux said the last rise | tion but to put up the | been heard, but no deci- | fares |
| Mr Marshall Cuthbert, | fares was in March | fares because every $1 \mathrm{c} / \ell$ | sion has been announced | e sald he was expect- |
| DTMB's general manager, | year following a massive | increase in fuel cost the | He said Putco would, in | ing a report soon from the |
| and a spokesman for | increase in the fuel price | company nearly | e meantime, make re- | municıpal transport de- |
| Puteo said no decision | 'We have no chorce but | R1000 000 a year | resentations on behalf | partment on the implica- |
| did been taken on the | to put them up agan,' he | 'The company cannot | of its passengers to the | tions of the fuel price |
| w nereases, but con | said, adding that Indian | say at this stage what the | Department of Transport |  |

## $q$



In a tatement issced
in Johannesbusg this
week, the association ad , ture for the modustry week, the associaion ad" ${ }^{\text {vises mand Many hotellers are }}$
competitive as possible selling room occupancy vises members possible selling room occupancy
in the current business at below cost on the hope in the current business climate but emphasises the need to retain a level of returns on sales which of returns ensure financial na will ensure financial viability and a healthy iu-
public will benefthrom drastic price cus 244 at below cost in the hope of generating additional bar and restaurant sales as an 'equaliser'," the statement sad STA) the
"But in the lang terns, the hotel infrastructure of the country could suffer and this is not in the nterests of the consumer and tourism in general"



 fuel prices,
it mideryetterday it mad no. op: tion tout to pass on the increase of 4,5c per 1 Itre. It claimed every fuel price increase of a cent a litre cost it nearly Rim a year.

In February Putco applied to the National Transport Commission for $14,1 \%$ revenue increase to be introduced from November 1.
"Putco cannot say at this stage what the fare increase will be or when it will be introduced" a
 Patco increased fares by rup to $10 \%$ 'earlier this year.
aspokesman for the company's pub lif relations office sand yesterday等However, it will probably be at the same time as the $14,1 \%$ revenue increase already applied for
"This application has been heard, but no decision has yet been made known"
He said Putco would in the meantume make representations "on behalf of its passengers to the Department of Transport for as much as possible of any morease to herabserped by subsidy".

The SA Bus Operators' Association (Saboa) is considering the increases and will make its decision known next week

The Saboa assistant executive director, A Jong, said yesterday "We as an association for the bus industries countrywide are looking moto the matter and we are havigg discussions rith' the De partment of Transport. We will decide whether to pass the increase on fo the passenger."


Mercury Reporter
DURBAN'S Management
Committee yesterday ap,proved electricits tariff increases of 10 percent on the surcharge as recommended by the City Treasurer and City Englneer The increases have still to be approved by councll before coming into effect 1319185



|  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| SREAD White | 63c | -63c | 63c | 58c | 62 c | 62c | - |
| 亲 ${ }^{\text {a }}$ Brown | 43c | 43c | .43c | 38 c | 42c | $4 i c$ | +2,4 |
| WMHK: 11 | 79c ${ }^{\text { }}$ | - 79c | ${ }^{6} 796$ | 77 c | 796 | 79c | - |
| EGGGS: " $1 / 2$ doz large | 66c | 67 c | 68 c | 68c | 67 c | $67 ¢$ | - |
| MAIZE MEAL -2,5 kg lwisa | R1,59 | R1,62 | R1,62 | R1,59 | R1,61 | R1,60 | +0,6 |
| MARGARINE: <br> 500 g Rama | R1,29 | R1,42 | R1,42 | R1,39 | R1,38 | R1,39 | -0,7 |
| CHEESE: <br> I kg Elite Gouda | R6,79 | R6,92 | R6,92 | R6,92 | R6,89 | R6,92 | -0,4 |
| JAM: 900 g <br> - Koo Smooth Apricot | R1,39 | R1,59 | R1,45 | R1,59 | R1,51 | R1,51 | - |

STAR it 9155 This week's Star surwey establish that meat bargains were unchanged at four - north-western stores " supermarkets were not buying and sellung the Meat Board's surplus meat mountan
Reports say the three biggest supermarket chains are not buyng the Meat Board's surplus trozen beef
One of the reasons given $s$ supermarkets "are not prepared to sell sub-standard meat'
Meat bargains

- Pick 'n Pay, Randpark - lamb leg chops R5 89, sliverside roast R499, budget braal R2 59, regular ground beef R329, porh shoulder chops R399
- Checkers, Cresta chucken luvers R3 27, pork ribs and rashers R344, leg of pork R348, pork chops R399, bulk braal pack R4 28
o K Bazaars, Cresta lamb braal chops R5 98 bulk lamb pack R498 breakfast rashers R3 29


## DECREASES

© Steve's Spar, Blackheath - stewing beef R279, pork packs R2 98 beef munce R299, prime rib and chuck roast R3 29
The price of rump steah increased this week by 5 percent while lamb braal chops went down by 6.9 percent Chicken decreased by 5,5 percent
The bargain price for rump steah was R645 at OK Bazaars. Cresta and R6 89 for lamb braa chops at Checkers, Cresta
Margarne was a real bargain with two stores selling it at special prices of R1 29 and R1 39
Sugar was also down with Pick 'n Pay offering R1 99
Potatoes were a bar gain with two stores sell ing them at 39 c a kulo
Other items which decreased in price were cooking oll, potatoes, candies and washung pou der
Frozen peas, brown bread and cereal shot up by 3,9 percent 24 percent and 2.3 percent respectively
All survey items exclude the 12 percent GST novahle on como itame


By Frank Jeans While the office oversupply stituation will persist for about another 18 months, the eventual economic revival must force the businessman to expand, with the result that rent mereases will be sharp

Mr Nick Hill, commercral leasing manager of Landmark Real Estate, believes prime Johannesburg CBD office space at present commanding rents of R13 a sq m, could go as high as R20 to R27 a sq m by 1987
"The local businessman has geared himself up to economic recovery and cannot afford not to expand himself and his share of the market, despite the fact that certan multi-nationals with South African interests may have put brakes on therr own expansion," he says

Johannesburg's vacancy factor, Landmark believes is far from critical compared with some American cities, even al-

## AP STEEL

EAMS
Metals (Pty) Lid * saturbays
itreet, Germiston
bkins Steel)
5-7720, 325-2307
lowing for their greater further R23 million population densities
While Johannesburg's estımated surplus for next year is about 5.5 percent. the figure in San Francisco is currently 24 percent Dallas is 21 percent, Los Angeles 14 percent ang-Boston xy percent
Nat Mutuat arive In the past nine months. Cape-based life assurer National Mutual has pushed up the value of its
"Property will never be as cheap as it is now," says NM property manager. Mr David Martin
Recent investments include the headquarters for Sky Couriers at DF Malan Airport and the 500 -car Parkade in Commissioner Street. Johannesburg
"We are now at the bottom of the cost cycle and we will never agam have the opportunities that exist now," says Mr property portfolio by_Martin
"When the upswing comes and the oversupplv in office, commercial and industrial property is taken up we are gong to see a round of the most horrendous increases in construotion cost "

bringing to more than R2 5 million the value of sites taken up in the township in the past six momis STAR
"Grand Central Commercial Park is an raeal- 1 . ly-placed township to ${ }^{15}$ serve the growing number of new industries being established along : the Ben Schoeman highway," says Mr Harold Kimmel, of the industrial division of JH isaacs, who handled the latest $t^{*}$ sale


An artist's impression of the proposed R7,8 million headquarters for consulting engineers Liebenberg and Stander on Cape Town's foreshore which is being financed by National Mutual

## Finance Editor

 LOCAL coffee prices art set to soar due to a combination of factors the most nation of fac bers the fallserious one being of the rand against the dollar, which has shoved up the landed price of beans considerably
Nearl half of local tea needs are grown locally and the price of a 'cuppa' is not expected to perform as erraticall
South Africa no longer enjoys a discount on its imported coffee prices local coffee growers and buyers have falled to reach agreement on price and the coffee nations started negotations on a new coffee treaty this weeh

## Stability

Therr talks will most likelv continue the com modities price and sup ply stability - but the talks should lead to a price rise
In London, coffee 1 m porting and exporting nations said they were -optimistuc they could negotiate a new agreement to stabilise volatile coffee prices and supplies for the next 12 months
The International Coffee Agreement (ICA), which arms at keeping world coffee prices within an agreed price range through an export-quota system is often regarded as the most successful of all inter-governmental commodity pacts
But the agreement. which must be re-negotiated before the start of the new coffee year on

October 1 has come under firr
Producers want tighter quotas to limit supply and boost prices while 1 m porter: seek more flex ble quotas to ensure readr supplies and avord wide price fluctuations
Delegates from 75 na trons, meeung for their annual tho weeks of talks at the International Coffee Organisation (ICO) say the nevertheless hope thet can balance the interests of producers and consumers by adjustlng the quota-setting mechanism
Coffee-exporing countries mav propose that the size of the global quota be reduced from its current level of 582 m 60 kg bags while importers are likelv to want it increased to 60 m bags or more delegates sand

## Pressure

Mr Jan Robbertze chairman of T W Beckett ( which covers Ciros Ellis Brown and Koffiehuis) notes that pressure from European and American coffee 1 mporters led to the slashing of the dis count which South Africa had enjoved as a nonmember of the ICO
This action, with a natural shortage of Robusta beans - the principal source of coffee in this country - aggravated the situation

Coffee costs have escalated sharply especialls for Robusta beans he said, noting that Arabica beans are in plentıful supply from most tradi-
thonal sources
There is a theorencal world over-supply of col fee but, says Mr Robbertze sava it is un likely that reduced costs would be passed on to lo cal roasters

Also local growers 'failed to confirm ar agreement regarding the price of locally-groun coffee'

Another factor that will affect the local industr will be a report from the Industrial Development Corporation on tne wadl ity of local coffee growing

Mr Robbertze notes what he calls a disturbing trend the swing from traditional packeted teas and ground coffees to the more modern convenuence variants of teabags and instant cof fee continues



## GOVERNMENT FINANCE

## Pretoria's tax bonanza

The significant gap between government revenue and expenditure in the 1985-1986 tax year has been confirmed by figures for August They show that if taxes continue to come in at the rate they have done in the first five months of the fiscal year, the tax take will be up R7,4 billion on 1984-1985
Put another way, total revenues for the fiscal year would be R31,2 billion, almost
spending seems set to exceed budget
In particular, the costs of financing the recent unrest and what Finance Minister Barend du Plessis calls "strategic costs" are unknown factors in the spending equation Although of hittle comfort to taxpayers, revenue figures more than cover the spending overruns - and the "tax harvest" months are yet to come

Certanly, if Pretoria has any confidence in its undertaking to control its increases in spending, the time for a tax cut announcement is overdue Du Plessis recently suggested rehef for top marginal taxpayers, but told the $F M$ that $\operatorname{tax}$ cuts could be addressed only in the 1986 Budget
There is also a suggestion that unbudgeted amounts will have to be found for massive losses incurred by the Reserve Bank in the recent foreign exchange and banking debacles

Then there is the costs of financing government debt, which Du Plessis says may exceed projections
Nevertheless, Inland Revenue's contribution to the revenue bonanza is growing Its $58 \%$ July-on-July increase slowed
covering projected spending of R31,5 billon and making the Budget defict before borrowing largely academic
The latest stats show that, year-on-year, August revenues increased $21 \%$ ( $52 \%$ in July) At the same time spending slowed to $19 \%$ aganst July's 38\% For the first five months of the 19851986 fiscal year, revenues have increased $31 \%$ against a budgeted $19 \%$, while spending has risen $23 \%$ (11,4\%)
Most encouraging, perbaps, is the lower rate of government spending in August, although the average overspend for the year remains critically above estimates The latest statistics show therefore that revenue estımates have been wildiy under-estımated and, also, that government
 to $28 \%$ in August - partly due to the smaller gap in the gst rate for the respective months

Du Plessis
But overall Inland Revenue's increase for the year as a whole is up $39 \%$ on a year ago, more than double the budgeted $19 \%$
The encouraging fall in August's spending is in line with Pretoria's commitment to improve expenditure montoring in the 1985-1986 fiscal year The purpose of the control system is to create an early warning mechanism for possible overspending

But government has a safety valve in that it may "consider the priority and other implications of unavordable but justrifed additional expenditure"
And clearly, expenditure to finance the
foreign exchange, banking and township unrest disasters is unavoidable So despite the trepayers' gift to government, they can expect very little in return


## Future fall?

The idea that petrol could once again return to $70 \mathrm{c} / /$ may seem like something out of wonderland But then so would a statement in 1973 that oll would cost over $1800 \%$ more in just seven years' time
But that's what happened By late 1980, crade had peaked at $\$ 40$ a barrel, having cimbed from a mere $\$ 2,08$ in 1973 Yet the price is now back down to $\$ 27$ and heading to as low as $\$ 20$ a barrel, according to many energy economists
That the price of petrol was increased by $4,5 \mathrm{c} /$ / recently was not unexpected Nor will it do much to confirm the suggested downtrend in the inflation rate With Reef 93 Octane at $94,6 \mathrm{c} / \mathrm{l}$, it is certain that inflation will resume its upward spiral
The latest figure for the cpi year-on-year rate dropped to $15,9 \%$ for July, after a peak of $16,44 \%$ the month before It had been the first petrol price increase - by a massive $40 \%$ in January from $63,5 \mathrm{c} / \mathrm{l}$ to $88,5 \mathrm{c} / 1$ followed by another in March when gst was rased to $12 \%$, that gave the mflation rate its sharp boost from the beginning of the year It rose from $13,9 \%$ in January to $16,44 \%$ in June
Considering its weighting in the inflation index and accounting for indirect effects, inflation could be pushed up to as much as $17,5 \%$ over the next six months Meanwhile, petrol pump specialists are adapting equipment for the R1 litre of fuel It all looks very gloomy
So perhaps a more cheerful outlook can be gleaned if one looks further ahead A more favourable picture for domestic fuel depends primarily on two factors the cost of crude ol and the dollar-rand exchange rate One could not ask for more elusive imponderables
Nevertheless, there is a distunct possibility that crude could fall to as low as $\$ 20$ a barrel The rand is expected to improve towards the end of this year, to, say, US $\$ 0,65$ Put the two together and that suggests a pump price of $75 \mathrm{c} / \mathrm{l}$ A further improvement in the rand, even of crude picks up back to, say, $\$ 25$ a barrel could still justify the authorities here setting a pump price of $80,5 \mathrm{c} / 1$ by the end of 1986

Those from the dismal science will dismiss

such guesswork as a mere "flight of fancy" So, what are the arguments?

Since 1979 consumption of crude onl has shrivelled by 10 m barrels a day to 44 m , a drop of $20 \%$, according to various reports And while non-Opec producers increased therr output by some 4 m barrels a day during this perrod, the 13 Opec countries had to slash their production by over $50 \%$ Current estumates put therr production at only 15 m barrels a day This welcome reduction in the bargaining position of the cartel has naturally brought about a gradual decrease in world prices from therr peaks of about $\$ 40$ a barrel in 1980, according to Econometrix to $\$ 34$ in 1981, \$29 (1983), \$28 (1984) and around $\$ 27$ currently

Saudi Arabia is producing only $2,5 \mathrm{~m}$ barrels a day at present - considerably below its quota Since it was producing over four times this in 1980, there is a deal of wrangling still being exchanged among cartel members, wrangling that can only send crude prices down further
Meanwhile, according to the Econometrix publication, Revs, a new Iraqı pipehne system will be fully operational next year, several new producers have recently completed refining plants, while there has been a recent proposal to disband the British National Oll Commission, opening the way for more market-related pricing of North Sea Brent crude

As far as the SA pump prices are concerned, the recent domestic increases have been entirely attributable to the fall in the value of the rand (see graph) Whale the crude oul price in dollar terms fell some $32 \%$
to around $\$ 27$, the rand cost per barrel started to rise slowly from 1981, although it was not untll towards the end of last year that deterioration in the currency finally swamped the benefits of falling crude oll prices

By mid-1984, crude cost around R35 a barrel Last week the cost hit R65 Yet it is not the economics of the country that has driven the rand to the wall, at least according to the Governor of the Reserve Bank, Gerhard de Kock
As he sard at a press conference last week "Overseas perceptions of SA have deteriorated enormously over the last six to enght weeks The political and economic situation could not have changed so dramatically, only marginally" He said that, if anything, the economic fundamentals had improved So it could only be one thing people's perceptions had changed He added that these perceptions were, of course, wrong, but we nevertheless had to live with them

As one overseas banker has suggested, if the political perceptions could deteriorate so quickly, they might recover as quickly if a few steps were taken on the political front that would satisfy lobbyists Such moves needed toward political reform are welldocumented The recent announcement regarding citizenship for all blacks may be a precursor of more meaningful reform and a more healthy exchange rate
This could mean cheaper prices in the forecourt
As always, bowever, there is a catch Cheaper world crude oil prices have disadvantages for SA too According to Tony

Twine, economic consultant to Econometrix. this would depress two of SA's largest foreign revenue earners gold and coal
"Should the price of oll fall below present levels, the disinflationary sentiment would have a negative effect on the gold price," he says

He adds that international coal consumptoon would be hurt by cheaper residual fuel ouls which would be reinstated as the main energy source "Decreasing export revenue would obvously reduce the flow of dollars, reduce the value of the rand and therefore push up the costs of imports, including oll," says Twine

He adds that gold would become attractive if and when the dollar loses its impetus "But this is likely to be accompaned by a move to other commodities too, including onl Thus the dollar price of oll would also be likely to increase"

It sounds like a no-win situation - but only of the politicians here fail to act swiftly on the reform front It is remarkable how quickly sentiment can change And if SA does its spring cleaning efficiently and puts its house in order, overseas perceptions will become favourable and the rand will "normalise" once again Then, a htre of petrol at 70.5 c won't look so much a part of wonderland

## TAXATION

## The Lifo loop

Another round has been played in the potential multi-mulhon rand dispute between Inland Revenue and compames which disagree with its Lifo rulings (FM September 13)

Revenue has now issued, for only the third time in 70 years, a practice note which it hopes will clear the uncertanties surrounding valuation of stock (see box) The policy of issuing practice notes is designed to clarify how Revenue treats the application of tax law

With the Income Tax Act's numerous discretionary provisions and uncertainties, there is justification for more "secrets" to be


Kessel Feinstein's Fine ... agrees up to a point


## Steyn lippe al further

 ?


- Mineral and Energy Affars,"Mr it hat consideration be given to Dame Steyn, said yesterday in incorporating third partyitinsur--fret, it would have. to abe in - once, $\mathrm{m}_{\mathrm{n}}$ the petrol price.
 .. change rate did not, improve ex-, road more pays more for his At the National Party's, third party,"shersaid. Transvaal congress in Pretoria, -. AT he Minister of Tr Mr Stein said that there was a sifendrik Schoeman, said hat, Mr $5,45 \mathrm{c}$ a litre deficit in the price of petrol landed in South Africa
oil compass being carried by the low exchange but, if the current continued rate of the rand have to ${ }^{\text {d }}$ his deficit would sumer be passed on to the conReplying to a congress resoluton calling for a reduction in the petrol price, he sard "It's impossible"
Although Mr Steyn gave the assurance that the Government would not maintain the price of petrol if it could be lowered, delegates unanimously ap
coded in Cabinet had already deillation to this effect and legablation to this effect but many out
${ }^{\mathrm{M}} \mathrm{Mr}$ Steen also received approval for his proposal that, in stead of reducing the petrol price when it became possible, the lead content of fuel be reduce
He said that about 4400 tons of lead were being released into the atmosphere annually, mostply in metropolitan areas This was unacceptable in view of the danger of lead poisoning: Sap


By Don Robertson THE Big Three cement producers have cut the price by R3a ton on the Reef in an effort to stimulate sales.
The industry is suffering from a sharp dechne' in demand which has reduced production to about $65 \%$ of nationwide capacity.
Pretoria Portland Cement announced this week that it's huge' Dwaalboom factory ${ }^{\text {in }}$ the North-Western Transväal would be put on a care and maintenance basis for posslbly as long as two years.
Alphatioct Ulico plant niear -Bark WL West'has been. closed form tmonth for modrfications. Loss of production fwill be about 1000000 tons of cement.

## Increase âhead

Although Réef icustomers will benefit from the, price reduction, they will be fit by a nationwrde price increase of up to $15 \%$ which is in the "plóèline.

The price reduction, will save the construction and save the construction and
building imdustries on the Witwatersrand about R6-million in a year.
The decision to reduce prices follows a switch in Reef customers' ordering patterns, which resulted in a decline in offtake from cement factories in the area. cement factories in the area.
They are working at only $35 \%$ of capacity.
The factories belong to Anglo-Alpha, Pretoria Portland Cement (PPC) and Blue Circle
For cost reasons, customers have been buying cement from plants in the Lichtenburg area of the Western Transvaal and have put pres sure on their ability to meet demand. Using" road transport, cement can be delivpored from these factories to ered from these factories to
the Reef at a lower price than charged by factories on the Witwatersrand

Alpha, said yesterday: "The R3 reduction will probably not be enough to acheve What we want, and we might have to reduce prices further."

However, the R3 price cut
-To Page 3

Railage
Factories at Roódepoort,' Witpoort near Brakpan, Jupiter, Hercules near Pretoria and Industria, Johannesburg, have been charging R78,40 for a ton of bulk cement. It is based on the selling price at the Lichtenburg Plants, plus the rallage rate to the Reef. An additional R6 a ton is charged for transport to the construction site, depending on distance.
To counter this, Reef factories have cut their prices to R75,40 a ton from R78,40.
Ronnie Searle, deputy managing director of Anglo-

## Cement cuts

## -From Page 1

is sufficient to counter an 8 c rise in the price of bagged cement, also announced this week. Bagged cement on the Reef will now cost R4,17 compared with R4,24 previously. $x^{2}$
Anglo-Alipha has also announced the introduction of a cemeñ product called PC15SL, which incorporates a slag extender.' It will sell for much less than órdinary cemént at R71, a ton, or R3,95 a bag. gosk

UNLESS. South Africa can regain entry to world capital markets, it faces steep rises in electricity, rallway, steel and telecommunications prices.

A series of administered price increases would give another lift to an inflation rate which is being pushed steeply upwards by the rand's decline

Noting that the authorities are easing up on the economic squeere as this is happening, some economists worry that a sudden extra twist in the minlationary spiral could put it out of control, as in Israel and certain South American nations.

## Standstill

Another implication of be ing shut out of world capital markets would be a sharp slowdown in the rate of de velopment of Escom, SA Transport Services, Iscor and the Post Office.

The debt repayment standstill has placed a large question mark over their continued access to foreign loans.

If these organisations cannot borrow the billions they need in international capital markets, they will have to borrow at home.

SA's capital market can meet only a part of the capfital needs of state corpora - tions if domestic interest rates are not to soar to mm possible levels.

The only means they will have of raising capital will be by increased tariffs Most of them already finance part of capital spending from tariffs.

## Delays

Escom's head of finance, Larry Harper, told Business Times yesterday "Another option is that we can defer expansion"
Escom has five huge power stations due for com-

## STIPPTH

AMERICAN Fred McCul lough is richer than his bank. On August 17, he won \$15million in the Illinois State lottery and automatically be came wealthier 'than the small bank of which he is president. The Bank of Gibson City has assets of US\$12,5-million.
pletion in the next 10 years at a budgeted cost today of R3,5-billion each
Originally they were due for completion in eight years But because of the economic climate, they will come on stream two years later Now completion could be delayed further.
A bank economist said yesterday: "The power stations were planned on the assumption of growing demand for power, but that growth may not take place if we do not get foreggn funding"
The capital costs of these power stations is set to rocket because the weak rand has pushed up the price of mm ported components

## Debt cost up

It has also led to a sharp increase in the cost of servicing existing foreign debt.
The Postmaster-General, William Ridgard, said the Post Office planned to spend R500-million on upgrading the telephone service this year
But loans of R700-million have grown to more than:R1billion because of the rand's fall alone Much of the Post Office's sophisticated equipment is imported and has doubled in price because of the lower rand.
Mr Rudgard sald the Post Office would pursue its infrastructure development programme at all costs.
To continue with it in light of the capital crunch it might be necessary to slow the programme to replace manual and semi-automatic switch ing equipment with digital equipment It might also mean a delay in improving phone services in black townships and rural areas and waitıng lists for phones might grow.
Both Mr Ridgard and Mr Harper were reluctant to admit the politically sensitive prospect that prices would have to rise for their organisations to grow, but observers can see no other option unless South Africa regains access to forelgn capital quickly.



4 "All eyes on bread subsidy Cabinet to meet next week over bread price rise

WHEAT and bread price increases will be announced next week after the Cabinet meeting on Wednesday, according to Pretoria sources

The price of white bread is expected to rise from 65 c to at least 70 c a loaf and brown and wholewheat bread from 45 c to 50 c .

A price rise of 20 c a - loaf could be justified if the R 200 m -subsidy which runs out at the end of October is not extended
Agriculture Minster Greyling Wentzel is studying the recommendations of the Davin Commission on whether the bread subsidy should be contnnued and, if so, in what form
It is understood the Cabinet will be prepared to extend the subsidy at least until the end of the year to ensure a moderate price increase of about 5 c a
Sources in Pretoria sald Cabinet members were aware that a drastic

Pretoria Bureau
increase in the bread price could spark an angry reaction from blacks and that this couid have an mpact on levels of unrest

A continuation of the subsidy would therefore be an investment in security, the sources sald
Brown bread is now subsidised to the extent of $11,4 \mathrm{c}$ a loaf
Removal of the subsidy and a price rise of 12c would cause "consumer shock", the Wheat Board has warned However, the price merease could be bigger than 12c if the higher margins expected by miliers and bakers and the increased wheat price were taken into account
Such an merease would result in a sharp, short-term drop in the sale of brown bread, sources sand
Latest figures show that of the 1,8 billion loaves sold annually $75 \%$ are brown or wholewheat bread

give you more direct connection aplace of Debussy And even to the nes a week That should be music to



From this week Transvaal tipplers coap-expect to pay more for mported whisky in bottle stores, restaurants and hotels, due to the low value of the mand, which has pushed up import prices There have been two increases in , the wholesale price since March, totalling 13 percent 2598

But according to Fedhasa Transvaal, (the Fe derated Hotel, Liquor and Catermg Association Transvaal Region) the retall price need not go up by the full 13 percent
"The recommended re-
tal price on the Witwatersrand is now R13,89 per bottle STAR
"But Fedhasa only indicates price gudelines
"There is no uniform price structure at retall level" said Mr Andy Murray, charman of Fedhasa
Transvaal - Sapa

## Consumers

 will be 244 hit hard by surchärge $T T A R$ Consumers 251918 themselves tor price in creases on goods ontaming imported components - increases which will far exceed ithe 10percent surcharge announiced this weekThe surchatreig is` $e x-$ pected to raise 'additional revenue of R 400 m milion over the next $\cdot \mathrm{c}$ 's months and this will "pe used to help the poor rand the unemployed
Although retallers supported the principle of helping the poor-and generating emplobyment, they felt the move was inflationary.
"Surely the right method would be to frife the economy more tor stimulate employment, not to slap on additional taxes," Mr' Bill Chambers, general" manager (finance) at OK Bäzaars, said or
"Coupled/with the bad exchángés ràte "it" "does not augur: well for prices to the consimer min general It will ${ }^{\text {chend }}$ end to curb impoits," Mr Cliambers said.
This would hèlo local nindustry but was doubtful whether :locial "industry could meet the country's demands ${ }^{2} \times$

FALLINGRAND
MríClivé 'Whel" managing director of / Checkers, sad an imported goods would probabiy ge up by more than 10 percent as the full tmpact of the fall in the rand had rot yet been' felt ${ }^{\text {ences }}$,
The thatiff ${ }^{2}$ thicrease would affect seyeral supermarket fuodstufs , includn'ng" "fish, "tch chocolates and cheeses Motor cars, appliances ; ry tht fobtwear, chemical and paper products would also be affected

Mr Wiel said the move would be inflationary.
Mr Paul Roos, public relations officer of the Consumer Councl, said"We welcome the tariff increase inasmuch as it is intended to protect existing employment, stimulate the ecconomy and create more jobs.
"It will defintely affect the inflation rate"

## Tyre prices zu4y likely <br> -B. Day $25 / 9 / 8 \mathrm{~s}=$ increased

## ALAN PEAT

TYRE prices áre likely to jump - with a price rise due for locally-produced synthetic rubber and the effect of the newly introduced $10 \%$ import duty surcharge.

Sentrachem subsidıary Karbochem intends to push up its synthetic rubber price by an unspecified amount in November to absorb the effect of the exchange rate on its raw material prices

This will directly influence the cost of some of the raw material used for tyres, according to tyre' manufacturers, and follows Karbochem's previous increases estimated at $45 \%$ for the year ending in May.

The $10 \%$ import duty surcharge 1 m posed by Government Gazette on Monday also directly affects tyres Some $40 \%$ of the raw material used by the industry is natural rubber
"This $10 \%$ surcharge on our raw material imports can be translated to a further $5 \%$ increase in our price," saıd Sentrachem MD Dave Marlow "We do not consider that a major impact, although our customers might think differently"

The tyre industry, which absorbs some $70 \%$ of Karbochem's output of synthetic rubber, certainly does think differently.
"The impact of the $10 \%$ surcharge on our natural rubber imports - already faced with a $25 \%$ penalty duty'to protect Karbochem as a local producer of a strategic material - would need about a $2 \%$ price increase to cover the higher cost to us," said Eirestone MD Peter Morum.
"The effect of the artificial' rubber price increase cannot be assessed until- we know how much it will be: But it is all very disturbing to our mastry which is already fighting for $a^{\text {h }}$ deade market"


PRETORIA - Dairy milk's price adjustment pattern was an impor tant contributory factor to recurrent shortages and surpluses in the darry industry, Mr H. D Davel of the West Cape Agricultural Union, told the Natıonal Dary Producers' conference here yesterday.
During surplus conditions, he pointed out price increases were small This discouraged production causing surpluses. He clammed it would be better for the producer the manufacturer and the consumer If there were: small realistıc". price adjustments rather than wildly fluctuating prices

Another speaker så̀d the decision to decontrol the retall price of mulk $\quad$ was a blunder; Pollicy should be directed"at ensuring there 'were no large,surplusest and, not ${ }_{3}$ shortages. is in 4 , 阴, 't.
" He was criticali" too, of the "structure of the Dáry" Board with its
eight producer mem bers s two distributors, twomanufacturers and a consumer member. He recommended the hari should consist, entiey of producer:s members with representatives of distributorsi, industrial1sts'and consumers as non-voting members

## Surcharge shock for shoppers

## Barlows chief warns

 of massive price ${ }^{2 d i s e s}$A MAJOR manufacturer warns that household appliance prices will rocket next month.
Barlows Manufacturing MD Owen Dinsdale predicts that the $10 \%$ import surcharge, plus the foreign exchange burden, will result in a $30 \%$ average increase from October 1.
Government imposed a $10 \%$ surcharge on Monday on a wide range of imports.
Dinsdale says brown goods -hi-fis, TVs, videos and microwave ovens - will bear the brunt of the surcharge with white goods least affected because of high local content. Old stock should be out of the system by December
To absorb the surcharge, says Dinsdale, would be impossible
The good news is that people can stull sip imported whisky while contemplating the bad news.

By FRED STIGLINGH
The $10 \%$ surcharge applies to the fob price, says Solly Kramer's director Nell Schnoor, so the effective increase to the consumer on imported spirits will be only $5 \%$ Existing imported stocks will still be avalable at old prices.
SA Philps chairman Joop van Tilburg says about $90 \%$ of the company's imports will be affected and the additional burden "will run into millons".
The surcharge, he says, will reduce off-take volume, putting even more pressure on bottom lines.
Textile producers are particularly hard hit because almost $70 \%$ of inputs - synthetic fibres and yarns - are imported
Textile Federation marketing economist Brian Brink says that absorbing the surcharge seems impossible and passing it on will
"destroy what little market there "s".

The food processing industry will be affected manly through capital equipment such as imported production machinery

Table Top Foods MD Gert Schoonraad is not concerned with the effect of the surcharge on his company, because no products are imported for local sale, and the company is strong on exports

Bayer-Miles MD Wilhelm Koenig feels inclusion of pharmaceutical products is "contrary to government's wish to bring down cost of medicme" because his company will have to pass on the surcharge in the form of price increases
Art gallery owner Dennis Hotz says serious collectors will still buy international art but the man in the street will now find it more difficult and should look to the buoyant local art market instead.


MR NICO Malan, Chief Executive Officer of the Soweto City Council, yesterday reiterated earlier advice to Soweto residents that they must insist on paying a monthy average of R50 for electricity consumption.
$=-8$
2. This comes amidst widespread dissatisfaction over exorbitant electricitybills which many Soweto pesidents "are rycerying eveny month 244 Mr valan aso consumers who are charged more than R20 for water consumption a month, 'múst' only pay R20, and query the rest. SoWe He admitted that the council was expenencing problems with the handling of electricity -accounts, but promised that this would soon bé a , thing of the past.
"The problems are not mechancal, but he in the processing of elec trictyaccounts 260185 - "If 'residents feel 1
thernelectricity and water meters are faulty, they must pay a deposit of R30. If the meter is found to be not functoning well, the deposit "will be refunded and a néw meter installed," Mr Malan sadd
«Meanwhile, an inspection on water and electricity meters, conduucted by the councll's品ternal auditors, has been launched One of - the issues that is bemg - jinyestigated is the delay - in sending out accounts ton new consumers Many residents have ñot yet received ther bilis since they were connected to the new Greater Soweto electrification project almost two years ago They feel that they will pay very high bolls when the accounts are finally sent
Page 16

| THE Nigel Town Council has come under fire for operating "ar-axpensive bus seryce"/im Duduza Townsifip. 2 _ <br> But thè municıpality has defeřided is tare structure, saying it was doing "our utmost best <br> Council under fire over Duduza fa <br> to render a reliable and . ncipality's flat-rate sys- told The SOWETAN cheap, buis "service" to tem, which is fixed at 50 this week that "there Duduzaresidents. '- cents a trip irrespective Local inesidents have - of the distance travelled compared the Nigel bus fares to Brakpan mio |  |
| :---: | :---: |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  | South African Airways is in reating its domestic

 Transport Affairs Mr Hendrik Schoeman said today. -He said the increase could not tbe:prevented because the rand had weakened 31 pereens ragainst the dollar since February. This had Rost SAA an extra R 30 million for fuel. 244 The discount fares introduced on domeshe roates last year still offered a cheap alternative, he added.
The president of the Association of Sonth African Travel Agents said the increases were a $\begin{aligned} & \text { itter pill for }\end{aligned}$ the hard-pressed tourism industry. "But we know the underlyng reason - our rand is worth nothing."




As black councils battle to balance therr books to pay for water and electricity services, they seem to have thrown caution to the wind and are raising tariffs It should be recalled that attempts to increase service charges in September last year sparked the violence now sweeping the townships.
In Greater Soweto the three councils have "frozen further hikes and are investigatıng alternative methods for the repayment of loans" which finance the complex's electrification scheme But elght counclls have "adjusted" water and electricity tariffs
They are Daveyton, KwaThema, Vosloorus, Tembisa, Tokoza - all in the East Rand, scene of most of the volence in the Reef; Ikageng (Potchefstroom), Jouberton (Klerksdorp) and Galeshewe (Kimberley) Tembisa near Kempton Park is the mnly councll that has also increased rents.
The new tariffs, already approved and gazetted by Co-operation and Development Deputy Minister Sam de Beer on Friday August 30, became effective at the beginning of the month.
Although tariffs for Lekoa are also stipulated in the gazette, town clerk Nic Louw explans that his council has in fact not increased charges and is still asking residents to pay the tariffs stipulated in 1983
The monthly charges are R31 minimum for a metered household and R39,30 unmetered plus R12,50 minimum for electricity
Rent arrears in Lekoa townships run into millons of rands because of the residents' objections to paying any hikes
On September 3 last year, unrest erupted in Sharpeville, one of the Lekoa townships, because of opposition to increased rental and service charges
Several admunistration offices have since been destroyed and pressure put by residents on councillors to resign Many did, while others have been murdered
In KwaThema, the tariffs have gone up from $4,65 \mathrm{c} / \mathrm{unit}$ to $5,4 \mathrm{c}$ for electricty and water from $30 \mathrm{c} / \mathrm{kl}$ to 37 c A spokesman for KwaThema council tells the $F M$ that service charges have not been increased since 1983 while Escom and the Rand Water Board have twice ralsed tariffs' "This means even our new increased charges are outdated. We are running the township at a ioss of approximately R20000 every month for electricity and R10 000 for water"
In Daveyton, charges have been rassed from $24,3 \mathrm{c} / \mathrm{kl}$ to 65 c for water where meters have been installed and a flat R6 charge for households without meters New electricity charges stand at $10 \mathrm{c} / \mathrm{unit}$ for the first 75 units plus $5,5 \mathrm{c}$ a unit thereafter, with a R7 minimum per month.
"We have raised services charges only because these are essential .. and we don't want no break-down in services," says Tom Boya, charman of the Daveyton Council How will residents react?

## Students face big 2441 increase in book prices

## By Susan Pleming, Education Reporter

University students can expect an increase of more than 50 percent in the price of textbooks next year and if the rand/dollar exchange rate does not improve the increase is likely to be larger still.

## SURCHARGE

The poor exchange rate and the Government's recent announcement that a 10 percent import surcharge will have to be pand on books has forced booksellers to increase their prices, according to several Johannesburg bookshop owners

Mr Andre Nylec of LJ Armstrong Booksellers, which supplies books to Unisa students, sald the real impact of the devalued rand would be felt in about December and students could then expect to pay at least 50 percent more.
For book prices to drop, South African publishers would ${ }^{\prime \prime}$ have to print more books locally, Mr Nylec sad
Mr John Savage, man-1 aging director McGraw-Hill Book Company, sald print orders were so small it was often not economical for his company to print overseas books
He sald many students had resorted to photocopying books.
"This form of pirating
has affected our business terribly," he sald.

Mr Chrıs Wolf, managing director of Literary Services, which provides most Wits students with textbooks, satd sales of expensive books had dropped dramatically. There had been a notice able price rise in the R50R 55 bracket
"When we know that a book will be very expensive, we inform the lecturers before we order it. For example, a first-year psychology textbook at R70 is hardly a proposition," Mr Wolf sald.
Mr Marcus de Jong of De Jong's booksellers sald he was ordering fewer books than before.

Mr de Jong said the price of local books had also increased "For example, an Afrikaans poetry book which cost $\mathrm{R} 7,50$ at the beginning of the year now costs about R12,50," he sald.

## 'EXCESSIVE'

The president of the Whts Student Representative Council,' Miss', Claire Wright, said books had been-márked up excessively in the past.
She sald it was important to note that the price of local books had also increased dramatically.
"I hope that the rand/dollar rate is not used as an excuse by booksellers to merease ther prices irresponslbly," she sald

## Lamb at 'cut-throat' price as other meat


 be attributed to the inclu sion in calculations of the low price marked at Pıck 'n Pay, Randpark Centre - R4,99 a kilogram for lamb braal chops. Buthery managers at other supermarkets claimed that this price was unusual, as the cost price of lamb was more than $R 4$.

The butchery manager of 0 K Bazaars, Cresta, Mir Brian Barnes, said he did not understand how lamb could be marked so low as the cost price of lamb was R4,46 a kılogram.

SPOT CHECK.
"To sell super or first grade lamb at R4,99 would mean a very low profit margin," he said

A spot check of another lamb price revealed that the prices at the four stores were similar

Leg of lamb at Pıck 'n Pay, Randpark - R6,98; Checkers, Cresta R6,59, 0 K Bazaars, Cresta - R6 99, and Steve's Spar, Blackheath R6,58
The price of chuck increased by 3,2 percent and rump steak 2 percent. Chuck's best price was $\mathrm{R} 4,05$, and rump steak R8,28, at Steve's Spar.
Other items which dropped in price included eggs, magarine, jam, tea, coffee and cereal.
Sıgnificant price decreases were fresh chicken $-6,3$ percent, tea 2,6 percent, and margarine 2,2 percent. The cheapest price for fresh chicken was that of the Rainbow brand, selling at R1,89 a klogram The best tea bread price rise next week, consumerbodies and retailers bave urged the Government to retain
the sbread subsidy or - even in-

- crease it
- Increased ,bread and wheat prices are expected to be announced by the Minster of Agriculture, Mr Greyling Wentzel on October 2

Consumer bodies have expressed fears that if the m crease in the price of bread came through and the R 200 ml lon subsidy reduced, malnutrtion and hunger would increase
"Consumers are literally living below the bread line," said Mrs Joy Hurwitz, president of the Housewives League
"To place bread beyond the reach of consumers at the lower end of the wage scale is exceedingly shortsighted in a time of recession and unrest," she said
Mr Chve Well, Checkers' managing director, sald the Government was handing out huge amounts to counter the food shortage It was foolhardy to withdraw the bread subsidy and increase mulnutrition
He relterated a call by Checkers to the Government in July to - increase the bread subsidy. $\therefore \because$ EXAMPLES $^{\prime \prime}$
In a report handed to the bread commission Checkers sand there had been many examples where consumers had swiftly change consumption patterns in reaction to price changes
The report sard that in 1974, when the subsudy was split between white and brown bread and the price difference was only three cents, more loaves of white bread were consumed than brown ones
White bread had 65 percent of the market while brown had only 35 percent.
But as the price gap widened brown bread consumption shot up while that of white bread plummeted
In 1978 the subsidy had kept the price of brown bread at 16 cents whule white bread rose from 20 cents to 25 cents
In 1982/83 when a R200 milhon subsidy was set for brown bread brown bread took 75 percent of the market and white bread only 25 percent
Today brown bread at 43 cents holds 78 percent of the market and white bread, atas 63

## Union STAR

 questions $28 / 9 / 85$ increasesGenerie replacement, medical ard schemes, price fixing, flexible shopping hours, the testing of donated blood for Acquired Immune Deficiency Syndrome and the abolition of transport regulations were topics discussed by the South African National Consumer Union yesterday
Resolutions included

- A commendation of the Government's action in allowing generic replacements as a means of reducing the high costs of prescribed medicines
- A request that the authorities investigate the desirability of the introduction of a form of "no claim bonus" as a means of containing medical and increases The union sald it was aware of the burden upon younger members and single contributors and urged that immediate attention be given to keeping increases in contributions to the minimum
- The union fully supported the Competition Board report which recommended a tight discipline being applied to undesirable practices in the economy such as price fixing and collusion
- It urged the introduction of more flexible shopping hours in all provinces
- Restaurants and eating houses would be asked to advertise their menus and prices outside their premises as was done overseas
- The union was concerned at the incidence of AIDS and would urge the Government to make the testing of all donated blood compulsory although it would mean a minmal increase in the cost of blood transfusions



PRETORIA - A new wheat and bread price is expected to be announced this week.

The report of the Davin Commission of Inquiry into the bread subsidy system, which was handed to the Minister of Agricultural Economy and Water Affarrs, Mr Greyling Wentzel, earler this month, and the ex-
pected new wheat price will play a major role in determinng the new bread price The Wheat Board has presented its recommendations concerning a new wheat price to the Government ${ }^{2}$ for approval and Mr Wentzel has already indicated the new price will be retroactive from October 1 . nnica tions are that both the wheat and the bread price ... increased. - Sapa
ㄴ.."4': "

## Bus race pise shelved <br> He pointed out that

Pietermaritwor8 $1) 1085^{\text {burean }} 46$ THE City Coundi has decided to shelve its proposed bus fare increase untll early next year in spite of the heavy burden the delay will place on the delay wils of Peteter maritzburg Wor(CWN The vice-chairman of the Transportation Comthe Transpor Mr George de Beer, sald the increases due to have come into effect at the end of September should be implemented on November 1
commuters aced another fare increase in April 1986. 244

Councillor lionel
Bennet suggested that the department, which is expected to lose about R1 000000 this year, should either work within should eithe or put the bus service up for sale
The deputy Mayor, Mr Mark Cornell, said steps had been taken to cut costs and these included costs and these nservices reducing certain services buses luke, he added
Whle Mrun Newbury expected motor vechle sales to'stay at about the same level
 been projected 4 for this year - others dis-

Mr Naco Nermuelen, director of the Na tronal Assóciation of Automobile Manufacturers (NAAMSA), sald sales would "probably rise higher than is generally expected for the rest:of $1985 "$. Mr Vermuelen is also expecting sales to rise by 10 percent next year over the 1985 figures, which are 30 percent down on the overall vehicle sales - figures of 198.
!'
NAAMSA is predicting losses of R450 milhon for the manufacturing industry and R442 million for the automotive components industry, slightly less than the losses projected for the industry as a whole by Nissan
Mr Newbury sald that a tragedy of the industry's slump was the 15000 jobs which had been lost since the slump began 18 months ago.

## Soweto prices <br> 'favotrable ${ }^{24104}$ <br> By Maud Motanyane <br> larger supermarkets-Had



Prices in two of Soweto's largest supermarkets compare favourably with those of supermarkets in town, a Black Consumer Association (BCA) survey done last month has found.
The BCA did the survey after complaints from consumers that Blackchain was overcharging. The complaints came after the consumer boycott of white businesses in Johannesburg was launched limiting where residents could buy supplies.

A selection of 40 Items was made at two Soweto supermarkets, Blackchain and Maponya's Discount Stores and at Checkers Eastgate, 0 K Eastgate and Prck 'n Pay, Kempton Park

BCA's director Mr Eldrıdge Mathebula saıd yesterday the Soweto prices were competitive.

ACCUSED
But smaller Soweto traders, who were also accused of taking advantage of the boycott and overcharging, had not been included in the survey. That would have been unfair because the
bigger buying muscle and warehouse faclities and could not be compared to the small traders
Mr Mathebula sand it was a myth that Soweto supermarkets were more expensive than those in town.

Whereas some products were found to be more expensive in' Soweto, others were found to be cheaper or the same price.

## POWER

A Blackchain spokesman, Mr Mzamo Nxumalo, sald it was an uphill battle for his company to keep prices down as it did not have the same buying power and storage facilities as Checkers, Pıck 'n Pay, and 0 K.
"But we negotiate the best deals possible, and pass the benefits on to the consumer," he sard
The Greater Soweto Chamber of Commerce and Industries executive director, Mr MD Mailoane, said small traders were faced with enormous problems'and the Chamber was extremely worried about their image.

As a result, the Cham ber would soon launch a campaign to change that negative mage and encourage, consumers to buy, in Soweto. '، ':

Minimum standards and guidelines on pricing and customer services would be, given to the Chàmber's members

# City butchers unable to  <br>  

City butchers will be unable to follow country butch ers lead in offering a discount of 5 percent on 5 kg or more of fresh meat purchased in October

This is because the auction cost of beef at the controlled abattoirs has risen so high, while the plat ı land butchers work on an "entirely different bal game', sard Mr Eddie Bielovich chairman of the South African Federation of Meat Traders

He said the country butenes bought there cattle live and slaughtered on their own account, whereas city butchers bought through controlled abattoirs
The price of beef in controlled areas has risen os about 20 percent during the past four weeks due to a shortage of cattle being sent to the abattoirs, clam the butchers
The country butchers announced their discount scheme at a recent Press conference, when they called for the resignation of the general manager of the Meat Board, Dr Peter Coetzee, following the launch of the discount scheme to sell frozen suplus beef in bulk direct to the consumes
They claimed the scheme was in unfair compete-
fluent consumer
Mir Willem Boshoff, of the Federation of South $\approx$ Afycan Reran MeatriTraders. representing about 3000 platteland butchers said "We want to promote red meat Ii is our business. The fact that the Meat Board is selling direct to the public in direct competeton to us is wrong"
Mr Belovich said "Win the price currently ruling in the controlled market, there is no way the consumer is going to be able to buy fresh meat cheaper when the market has risen more than 20 percent
He blamed the frozen meat discount scheme for :he fresh meat price rise but donned out the Minister of Agricultural Economies and Water: Affairs MGreying Wentze: had sard he would let the scheme run for three weeks before reviewing the situation

The trial period ended yesterday
"We are wing in anticipator' sard Mr Bielovich

The controlled meat areas are Cape Torn Port Elizabeth East London Bloemiontien Kimberley Durbar: (including Marizburug and Pinetown' and the Witwatersrand. which includes Pretoria

Decision on hread price
PORT ELIZABETH $4 \rho$ pected later today in The price of bread and Pretoria from the Minismaze 1 s likely to go up ter of Agricultural Ecotoday, An announcement abWentzel, after a cabinet out price increases is ex- meeting - DDC.

## Proposed rase in it the

was undesirable-from Argus Correspondent
PRETORIA - The Minister of Agri-
cultural Economics and Water Af-
fairs, Mr Greyling Wentzel, is expect-
ed to announce increases in the
prices of wheat and bread today
Bread will probably go up about 5 c
raising the cost of a brown loaf to
50c and white bread to 70c.
The senior president of the United
Democratic'Front in the Western
Cape, Mr Christmas Tinto, described
the proposed rise as "more than a
disgrace" and the PFP spokesman on
Finance, Mr Harry Schwarz, said it

$\operatorname{lin}_{4}^{\prime \prime}$

縓

## INDUSTRY 244) B.Day  up by $6 \%$ to $8 \%$ immediately

FERTILISER prices have been increased for the second time this year. The rises, of $6 \%-8 \%$; are immediate.
The decision could rase farmers' total fertuliser bill by as much as R 50 m a year, according to agricultural sources in Pretor12
The National Marze Producers' Organisation estmates that maize farmers last summer spent up to R425m on fertulisers - or about $28 \%$ of total inputs.
The Department of Agriculture estimates that in the 1984-85 financial year the total spent on fertilisers increased to more than R603m.

Increases are not expected to vary significantly between the main producers - Triomf, Omnia, Kynoch, Fedmis and Sasol

However, those varieties with a

Protoria Bureau
high imported content could rise far higher than $8 \%$.
Kynoch MD J Skeen sald that, although prices were raised $17 \%$ in January, heavy discounting kept the actual price low
Throughout the year discount-
ing, some of it heavy; had taken place in various regions, said Skeen.

Greater stablity, however reigned now because of the normal big demand for fertilisers for early summer planting. This tended to dampen down some of the discounting.

Skeen sald the rand exchange rate had played havoc with profits The latest increases would help shave off some of the losses caused by the depreciated rand, as well as modify the effect of the discounts.

## Bread to 244 B Day cost more on Monday

## Pretoria Bureau

THE price of brown bread will rise on Monday by 5 c a loaf to 50 c , and a white loaf will cost 70c, Agriculture Minister Greyling Wentzel announced at a Press conference in Pretoria yesterday.
This is the second rise this year. The bread price was increased by 5 c a loaf in June.
The wheat price has also been increased, by $8,7 \%$ or R26 to R325 a ton.
Wentzel said that besides the R200m subsidy, which had already run out, another R45m had to be found to limit the price rise to 5 c a loaf.
The additional R45m would last until March next year, when prices would again be reviewed.
However, taking into account the massive unemployment in the country and increasing hunger, Finance Minister Barend du Plessis would probably find additional funds to bolster the price, he said.
He added that government had accepted the Davin Commission recommendation that the milling and baking industries contribute R 5 m to the R45m subsidy.
The Wheat Board, which last year contributed R40m from its wheat fund, would contribute another R15m.
This left a subsidy deficit which would come from the taxpayer.
The Davin Commission, Wentzel said, had also recommended the gradual abolition of the bread-subsidy system, a move still being considered by government. - Sapa.


## Dispatch Bureau

## JOHANNESBURG - The price of bread will be increased by 5c a loaf from Monday.

Brown bread goes up to 50 c a loaf and white to 70c
In addition, the government is consideringt recommendatıon, by the Davin Commission that theroted subsisy "as tem "gradually:be abo lished."
Speaking at a press conference in Pretoria yesterday, the Minister of Agricultural Econo mics, Mr Greyling Wentzel, said it would have been "too much of a shock" to have dropped the subsidy immediate ly, particularly at a time when unemployment was rife and hunger a major factor in South Africa

He added, however, that the bread subsidy was the highest in the world Brown bread, he said, was subsidised by 12c a loaf 20,5 per cent
The R200 million the government had set
aside to subsidise bread, he said, would be exhausted by the end of the month and an additional R45 million would have to be found to limit the increase in the price of thnoad during the rest of the financial year - up to March; $1986^{-2+1}$

The minister has also approved an 8,7, per cent increase in the price of wheat. This is to be raised by R26‘a ton to R325 for the best grade of wheat. (The landed cost of imported wheat is R390 a ton).
Mr Wentzel said urgent attention was being given to a total food strategy and alternative methods of contending effectively with physical hunger.
He added "One of the recommendations we are looking at is the possibility of subsidising the raw product rather than bread" The Trades Union

Council of South Africa which represents more than 300000 workers of all races, sald yesterday it was "horrified by, and totally opposed to", the ncrease, which was "another aspmple of the governments complete mability to understand the plight of workers
The national president of the Housewives' League of South Africa, Mrs Joy Hurwitz sand "This increase will have a negative effect on bread sales as the man in the street simply cannot afford it"
Three major supermarket chains have indrcated they will continue selling bread at the old .prices for as long as possible

Mr John Barry, general manager of Pick'n Pay, said. "We deplore this increase which should not have been allowed at this critical tıme.


The 300000 -strong Trades Union Council of South Africa (Tucsa) and supermarket chams have expressed anger at yesterday's bread price increase

And major supermarkets pledged to keep the price of bread at present levels as long as possible

Tucsa sald it was "horrified by and totally opposed to" the increase in bread prices
It sadd the increase was "yet another example of the Governments complete mabilits to understand the plight of ordinary workers
Checkers' manaping director Mr Clive Well sald "We don't belleve there should be anv bread price increase particularly in the light of the Government's decision to spend R500 milion creating jobs
"There is no sense in planning to spend that amount of money and not subsidise the bread price
"You don't promote subsidies for the sake of subsidies, but there is a real crisis here, with thousands of people literally starving, ${ }^{\text {e' }} \mathrm{Mr}$ Well sand
'Why didn't the Government put up the price of white bread and keep brown at the old level?'

He sald Checkers would hold its prices at 63 c for white bread and 43 c for brown "as long as possible"

OK Bazaars' director and general manager Mr Ralph Horwitz sald his supermarkets would also hold bread prices "until further nouce
He said in present economic crrcumstances

The price of brown bread nas shot up bs 284 percent over the last 10 years and white bread by 337 percent
In 1975 brown bread sold for 13 c and white bread for 16 c Yesterday it was announced the price of brown bread would be 50 c a loaf as from Monday and 70 c for white Both have gone up by 5 c
The last price increases in bread were in June when the Minster of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, said the
R200 million subsidy for bread this year was running out

with unemployment at a high level and disposable income being con stantly eroded, it was "horrendous' that the price of bread was increased at all
"Five cents' increase was the figure bandied around and expected We would have been horrifed of the increase had gone above that. but we would much have preferred to see no in creases at all," Mr Horwitz said

He sald absorbing the bread increase would cost his company "something like R100000 to R120000 a month"

Pıck n Pay co-managing director Mr Ray-
mond Ackerman, who served on the bread commission, sald "We tried our best to keep the bread increase to ml or a maximum of 5 c There was talk of $1 t$ going up much higher because of the wneat price and the millers and bakers' margins
"At least the millers, bakers and the board have put in some money from their reserve funds to belp keep the increases at 5 c and the subsidy has been increased"

Mr Ackerman sand his supermarkets would hold the bread price down for 'possibly three months'

## Brown bread price un 284 percent in 10 years ${ }^{244}$ <br> Stafif Reporter

THE latest price merease means the price of onrown bread has shot up a staggering 28 percent and the price of white bread $33 \%$ per. cent in 10 years

In 1975 brown bread sold for $13 c$ and winte oread for lbe
From Monday brown bread will cost 50 c and whte bread 70c a loaf the $5 \mathrm{c}-\mathrm{e}$-ioaf us crease was announced br the Munster of Ag. ncultural Economies, Mir Greyling Wentzel, in Pretonia yesterdav
It is the secono nerease this year The bread price rose 5 c a loaf in June when the Government sad the R200-million a year subsidy was running out

## "UNAVOIDABEE"

The price merease was unavordable, the Consumer Councll said in a statement in Pretoria yesterday
Thougn the nerease would "undoubtedla come as a severe blow to consumers" the amount budgeted by the Government to make a bread subsids possibie had been depletea, sand Consumer Council director Mr Jan Crome
"The country's baking and milling maustry and especially the Wheat Board should be lauded for their financial support in assisting the State to upholo the subsidy unth at least March next year"
He added tnat in the past some supermarkets sold bread to consumers at a lower price Tus should serve as an example to all dealers and this would not only generate 8 lot of goodwill, but would also help to keep the price of bread down to a mummum.
Bakers of standard loaves were making an extmated profit of lite a loaf, it has been clamed by the nathonal grocery buyer for a large supermarket cham
"Altnough they ciam to make no proft on their bread operatwon, I belueve the Government bread subsidy is purt profit to them" sand Nir Peter Dove of Pick'n Pay

Piek'n Pay would be seling bread at the old price for "a monnmum" of 30 davs Thus was 63 c a loat for white and 43 C for brown
He said bread production was conmolled
by a few large milling inrms - who were aiso heensed to bake loaves They were
"very reluctant' to reinquisi control

Consumer will have to reach deeper into purse

|  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| BREAD. White | 63c | 63c | 63c | 58c | 62c | 62c | - |
| Brown | 43c | 43c | 43c | 38c | 42c | 42c |  |
| MILK: $1 /$ | 79c | 79c | 79c | 77c | 79c | 79c | - |
| EGGS: <br> 1/2 doz large | 59c | 67c | 68c | 68c | 66 c | 66 c | - |
| MAIZE MEAL: $2,5 \mathrm{~kg}$ Iwisa | R1,59 | R1,62 | R1,62 | R1,59 | R1,61 | R1,61 | - |
| MARGARINE: 500 g Sunshine D | R1,28 | R1,29 | R1,28 | R1,39 | R1,31 | R1,34 | -2,2 |
| CHEESE: <br> 1 kg Elite Gouda | R6,92 | R6,92 | R6,92 | R6,92 | R6,92 | R6,92 | - |
| JAM: 900 g Koo Smooth Apricot | R1,39 | R1,59 | R1,45 | R1,39 | R1,46 | R1,47 | -0,7 |
| SUGAR: <br> $2,5 \mathrm{~kg}$ Huletts | R1,99 | - | R2,07 | - | R2,03 | R2,03 | - |
| TEA: 100 tagless <br> Teabags <br> Five Roses | R2,95 | R3,09 | R3,19 | R2,79 | R3,01 | R3,01 | - |
| COFFEE: 750 g Ricoffy | R4,48 | R4,49 | R4,29 | R4,39 | R4,41 | R4,41 | - |
| CEREAL: <br> 500 g Kellogg's Cornflakes | R1,22 | R1,39 | R1,45 | R1,35 | R1,35 | R1,28 | +5,5 |
| COOKING OIL: 750 ml Olé | R1,99 | R2,15 | R2,29 | R1,99 | R2, 11 | R2,11 | - |
| RICE: <br> 1 kg Tastic | R1,65 | R1,69 | R1,75 | R1,69 | R1,70 | R1,70 | - |
| SAlT: <br> 1 kg bag Buffalo | 46c | 52c | 53c | 45c | 49c | 49c | - |
| MEAT: <br> 1 kg Chuck | R4,28 | R4,85 | R4,85 | R4,05 | R4,51 | R4,45 | +1,3 |
| 1 kg Rump Steak | R8,58 | R9,15 | R9,15 | R8,28 | R8,79 | R8,53 | +3,0 |
| 1 kg Lamb Braai Chops | R4,99 | R6,49 | R6,98 | R6,98 | R6,36 | R6,49 | -2,0 |
| 1 kg fresh Chicken | R2,45 | R1,79 | R2,39 | R2,29 | R2,23 | R2,24 | -0,4 |
| 250 g Eskort Rindless back bacon | R1,79 | R1,95 | R1,99 | R2,49 | R2,06 | R1,88 | +9,6 |
| 1 kg I\&J Yankee Clippers | R1,49 | R1,99 | R1,65 | R1,49 | R1,66 | R1,53 | +8,5 |
| VEGETABLES: <br> 1 kg Potatoes | 69c | 69c | 69c | 69c | 69c | 67c | +3,0 |
| 1 kg I\&J Frozen Sliced Beans | R3,09 | R3,15 | R3,29 | R3,15 | R3,17 | R3,17 | - |
| CANDLES. 450 g Buffalo | 92c | 99c | 95 c | 91c | 94c | 94c | - |
| WASHING POWDER: <br> 1 kg Surf | R2,19 | R2,29 | R1,95 | $\mathrm{R} 2,18$ | R2,15 | R2,33 | $\mid=7,7$ |

SURVEY: OCTOBER 11985
PRICES EXCLUDEGST

## Massive rise in Putco busfares



Putco bus fares will increase by an querage of 17,5 percent on November 1. Putco sald the 14,1 percent increase in ares approved by the National Transport Commission last month had been further adjusted to take into account the increase of $4,7 \mathrm{c}$ a litre in the price of fuel which was announced after the application for a revenue increase.
The combined impact would be an effective increase in passenger fares of 17,5 percent which would be implemented on November 1 , subject to final approval from the National Transport Commission.
"We are aware of the present economic and
other problems facing the country and have done everything possible to minimise the impact of rising costs on our passengers. However, our financial position allows no alternative to a fare increase," Putco said.

Notices to passengers setting out the new fares will be distributed on October 25

A spokesman for the Soweto Civic Associat1on, Mr Vuss Khanyile, said the fare increase was "another indication of the insensitivity that has become synonymous with Putco".
The 17,5 percent increase, the second in the past year, was greater than the rate of inflation and could not be justified, he satd.
"Even at this late stage, we implore Putco to refrain from this ill-advised move which will badly affect the community - already hard hit by unemployment, the general financalal squeeze and social insecurity."

## Price rises have


that it might drinking less or turning : said to R136, ajcuse,' he to cheaper branã name as the prices of imported uquor rockets, manly because of the poor ex. change rate, according to a snap survey conducted among Durban bottle. stores yesterday
Bottlestore manager Clive Vorster sald 'Since the decline in the value of the rand, prices have increased quite dramats. cally and as far as the im ported liquor range is concerned our sales have dropped noticeably
Drambue, a liqueur which cost about R11 bottle about four months ago, was now selling for R16 A bottle of Comtreau which cost R13 before the decline of the rand was now R20
'Over the past two to three months whisky has gone ap three or four times,' sald Mr Vorster Where R110,50 was bemg pard per case for proprietary brands of whisky, it now costs R125 and I have heard noises ".
Another bottlestore manager said 'A few months ago the average price of a bottle of whisky was R8 and now they are selling for about R12,
Had this had any effect on customers' 'Where people used to buy two or three bottles of whisky, they now buy only one and maybe take a bottle of local brandy,' sald Mr Vorster
'Most customers are now turning to the cheaper stuff,' said a Durban North bottlestore manager
'Whisky drinkers have turned to the lowerpriced brands and may in some cases substitute with locally made drinks, sald Mr Ronald Edwards of Albany Off Sales
'Most imported 1. queurs have gone up by about R2 a bottle in the past few months, while the price of whisky has one up quite drastically in the past month,' he sard

# Consumer groups slam latest increase 

## Higher <br> bread  price 'will hit the

$\qquad$ by $\qquad$
Jackie Unwin and
Maud Motanyane

Consumer organisations have condemned the 5 c bread price rise, clamming it will hit the poor and worsen the hunger problem
"It is clear in our minds that the Government is insensitive to the needs of the poor," sald a spokesman for the Black Consumer Union, Mr Eldridge Mathebula
"With the high inflation rate, unemployment and soaring costs on basic items the Government had the gall to raise the price of bread, which is a staple food for the underprivileged
"Surely it could have found money somewhere to rase the subsidy on brown bread ${ }^{7}$
"Black consumers depend on bread for ats nutrition and convenience With the new bread price it would cost at least R30
a month for a family to buy their dally loaf and pint of milk - and that is a blg chunk"
The BCU has advised consumers to bake their own bread

The Housewives' League described the increase as "cent wise and rand foollsh" in this tume of severe austerity coupled with rising inflation and high unemployment.
The league mantaned this view but at the same time understood that wheat farmers, millers and bakers had to maintain profit margins

## FEW BENEFIT

"The continual, selective, annual administered price increases fuel consumers' cost of living and benefit only the few," sald Mrs Joy Hurwitz, president of the league
"This increase will have a negative effect on bread sales as the man in the street simply cannot afford it This is clearly illustrated by the switch from white to brown
bread because of price"
She sald the R45 mil lion provided by the Government, millers and bakers and the Wheat Board would offset the likelihood of another bread increase before the Budget in March 1986

But the league believed additional money should have been provided by the Government to prevent the increase Consumers would have to tighten their belts further in order to foot the bill once agan
"Surely the money could have been channelled from tax revenues, which have increased substantally ${ }^{\prime \prime}$ " she asked
"Consideration must be given to the poor and needy suffering under the burden placed upon them by the high costs of essentials.
"We consider that any future increases in the price of bread must be done in consultation with all consumer bodies before implementation"
The Consumer Councl
described the bread price increase as "a severe blow to consumers"
But it said it was aware that the increase was "unavoidable".
"The council is also aware that the amount budgeted by the Government to make a bread subsidy possible has been depleted," sald Mr Jan Cronje, council director
"The country's baking and milling industry and especially the Wheat Board should be lauded for their financial support in assisting the State to uphold the subsidy until at least March next year.

## IMPORTS LIKELY

"Consumers must note that if good rams are not experienced this year wheat will probably have to be imported," Mr Cronje sard

He added that in the past some supermarkets sold bread to consumers at a lower price This should serve as an example to all dealers

## Bread price and <br> k．Post osfiolas <br> IT is cold comfort to poor people

faced with the second bread price increase in five months to be told they have the cheapest bread in the world．The fact is they will be paying more，and as a result many of them will eat less．

The real reason for the increase is the Government＇s failure to con－ tain inflation．With farmers＇costs rising all the time，bread price increases are inevitable，despite substantial subsidies．

The Minister of Agricultura Economics，Mr Wentzel，has a point when he says subsidies are not really the answer，＇because they cannot be applied selectively． He mentions the possibility of greater welfare benefits as an al－ ternative．We hope concrete＇steps are already being taken in this regard，especially as＇subsidies seem certain to be phased out altogether in terms of the Davin Commission＇s recommendations．

## P25 wo vears ago - now its R80

 textbooks have more than doubled in price over the past two years and a book which cost R25 two years ago sells for more than R80 today

Many students are combat ting the price hikes by illegally pnotocopying prescribed books
port savily to mrite foff more accounts thantrast year and others say payments are mact. lower and slower

A Cape Town bcokshop, a:ready noticing a drop in sales said old stock is being bough up but a definite price resi: tance toward new books is ev dent
Subjects most affected br high prices are medicine ste tistics, mathematics and mar keting

Many students complam tha: the courses change from year to year and the resale value or prescribed textbooks is almos' non-existent

## "Short loan"

A third vear statistics stu dent, Mr Peter Button, sand he bought an expensive textbook at the beginning of the year only to find that the lecturer left the course and the book: was no longer necessary

A former Unisa student. Mr Warren Brown of Newlands said a maths textbook which cost R40 two years ago now retailed at R94
. Often only fa few chapters are relevant from the prescribed textbooks and students queue up to photocopy them a: the unversity
. Students from UCT aamlt that most books can be found in the library, but are usually on "short loan" for two hours which gives just enought tume to photocopy the necessary material

If the rand/dollar extange rate does not improve, book. sellers expect tie situation to deteriorate even further


BROWN bread will cost 50c from Monday - a $250 \%$ in crease over the price just six years ago, and 7,7\% increase since the last increase in July.

This means you, the consumer, can buy a quarterloaf for the price you pard for a full loaf in 1979.
White bread will go up to $70 \%$ - ain $11 \%$ increase on the July ${ }^{\text {t price }}$
This was decided by the
National Party Cabinet of

C: 0 day afternoon
The increases were an nounced by Agriculture and Economics Minister Greyling Wentzel late yesterday

The Government recently announced it was committed to dropping the bread subsdy.
In 1979, a loaf of brown bread cost 16 c Today you will get a few shes for that much - and pay more than three times the price for a

6
whole loaf
Six years ago, a loaf of white bread cost 20 c One could buy three and a half loaves then for what a loaf costs today

The bread price last went up at the end of May - by 5 c . The price of a brown loaf was 45 c , and a white loaf 65 c

Nutritionists have expressed concern at the increase, because bread is the staple food for mine out of ten black households
Bread consumption has, however, dropped slightly in several of the areas affected by unrest - especially the Eastern Cape
$\star$ The bread price rise is just one of a string of recent increases, covering everything from tyres to T-bone steaks - Sapa

## SOWETAN Reporter

IPUTCO bus company has announced that its + fares will increase by an average of 17,5 percent on November 1.

## A spokesperson sard

 the 14,1 percent in-A loaf of brown bread crease in fares approved and a wow coast 50 cents by the National Trans- - an mercease of five port Commission last cents on the prices of month, had been further both SOWQ toun adjusted to take into ac- The BCA, whose repcount the increase of 4,7 resentatives served on cents a litre in'the pnce of fuel which was an-1 quiry looking into the nounced after the application for fare increases
The combined umpact would be an effective increase in passenger fares of 17,5 percent which would be implemented on November 1

Meanwhule the Black population is beset with Consumer Association rate of unemploym hat (BCA) has condemned now comes the increase the new bread-price huke, which comes into effect today


## SATS to raise train, bus ${ }^{810}$ Sates by 10 to 15 PC <br> very poorly patronsed,'

Mercury Correspondent JOHANNESBURGSouth African Transport Services' ral and road passenger fares would go up by between 10 percent and 15 percent next month, Transport Affairs Minister Hendrik Schoeman announced yesterday
He blamed the increases on reduced traffic, electricity and fuel price increases and the rand-dollar exchange rate.
From November 17, all rail tariffs will go up by 10 percent, while bus fares will rise by between 10 percent and 15 per -

February this yèar sáw a rail passenger fare in: crease of between 20 percent and 30 perçent, with bus fares up by 12,5 percent
Mr Schoeman said fuel costs represented 43 percentiof total road transport running costs.
'The recent increase in fuel prices, as well as the increase in prices of tyres and the influence of the weak rand-dollar ex change rate, makes the increase on fares unavoidable,' he said
SATS was heading for an estimated loss of R450 million for the
present book-year.
Reacting to the announcement the Federated Chamber of Industries' director of information services, Mr Jan de Jager, said the chamber was averse to any type of increase which wôuld aggravate the 'already high inflation rate'.
PFP spokesman Peter Soal said the tariff hike would add to the 'awful' burden of blacks

## Withdrawn

'The Government could easily save money by integrating white and nonwhite coachos and then
 run so manyempty ones
A Mércury Reporter writes that about 59 trains between Durban and the South Coast are to be withdrawn as part of the rationalisation of suburban services by the SATS.
A spokesman for the Natal region of the SATS satd the cuts - which sald the cuts come into effect from November 4 - were made 'due to the heavy losses being suffered by SATS'.
'It has been decided to withdraw certain of the suburban trains, mannly over weekends, and latenight trains which are
he said, adding that of the 59 trains to be cut, 22 were operating on the old line between Durban, Pinetown and Cato Ridge.
Following representations from commuters, a fast passenger train serwice would be introduced between Pinetown and Durban on week days
He said minor adjustments would be made to the times of some of the remaning trains.
 - are the result of the South African Transport Services proter tıonst monopoly," says Progressive Federal Party transport spokesman Mr John Malcomess.

- Sats has announced that suburban and maninne rall fares would increase by 10 percent on November 17. Bus fare increases wrould range from 10 to 15 percent.
- "Mr Malcomess said today that while the private sector had to cut prices in the recession, Sats did just the opposite "becaust they are a monopoly protected by law from private competition'
"The private sector has had to bite the bullet and fire staff but Sats just puts up prices This means that fooo and other pricewill go up and other people will have to fire even more staff It s crazy," he sald

Mr Malcomess rejected Sats' explanation that fare mereases were inevitable because "the Government was no longer compen. sating for unprofitable socio-economic services " as a Sats spokes man put $1 t$
"If they can't render uneconomic services wht don't they let the private sector compete with them?" Mir Malcomess asked

The Ninister of Transport, Mr Hendrik Schoeman, blamed the increase on reduced traffic, electricity and fuel price increases and the rand/dollar exchange rate
He expected Sats' operating bill to rise from R980-milion to R1 250-million in 1985/1986
In February rall fares went up by between 20 and 30 percent and bus fares by 12,5 percent
In the new increases bus fares will go up 10 percent for journeys on Monday to Thursday, $12^{\nu_{2}}$ percent from Friday to Sunday on ordinary weehends and 15 percent on long weekends
Some examples of suburban line increases are - Mitchell's Plan-Cape Town or Fish Hoek-Cape Town

|  |  | Old Price | New Price |
| :--- | :---: | :---: | :---: |
| Single | lst class | 1,70 | 1,80 |
|  | 3rd class | , 70 | , 80 |
| Weekly | 1st class | 12,50 | 14,50 |
|  | 3rd class | 3,40 | 3,80 |
| Monthly. | 1st class | 46,50 | 51,00 |
|  | 3rd class | 13,50 | 15,00 |
| Retreat-Salt River: |  |  |  |
| Single | Ist class | 1,00 | 1,10 |
|  | 3rd class | , 40 | , 50 |
| Weekly | 1st class | 7,50 | 8,20 |
|  | 3rd class | 2,40 | 2,70 |
| Monthly | 1st class | 27,50 | 30,50 |
|  | 3rd class | 9,70 | 10,50 |
| Beliville-Cape Tom |  |  |  |
| Single | 1st class | 1,10 | 1,30 |
|  | 3rd class | 50 | , 60 |
| Weekly | 1st class | 8,80 | 9,70 |
|  | 3rd class | 2,80 | 3,10 |
| Monthly | lst class | 32,50 | 36,00 |
|  | 3rd class | 11,00 | 12,00 |




sTHE ECONOMY will be hit by more
. big increases in SA Transport Ser Vices (Sats) tariffs from the start of the new financial year, authorities in ${ }^{\prime}$ Pretona saıd yesterday
At the same time Federal Councll of Sats Trade Unions chairman Jmmy Zurich warned that rallways workers will demand a pay increase of $15 \%$ when they meet Transport Minister Hendrik Schoeman in January.
"Assocom yesterday criticised the timing of the latest passenger fare increases
Schoeman announced on Monday that rall tariffs would rise by $10 \%$ from November 17 and bus fares by between $10 \%$ and $15 \%$
Assocom president MichaelwWer said passenger services had pre
sented an increasing problem for Sats However, this could have been alleviated by regular, small fare ad justments
Weir said Assocom hoped Wim de Villiers, in his investigation, would address Sats' role in passenger transport and its future direction
Sats could not contmue indefintely to recoup its huge passenger losses from other services at the expense of other Sats users
Zurich said the country would have to brace itself for across-the-board tariff increases from the start of the new financial year.
He said the interim tariff rises were a drop in the ocean and would not relieve the financial plight of the railways

Our problem is the lack of highrated goods traffic This is a major reason why Schoeman has forecast a loss of about R 400 m for the current funancial year.'
Zurich cited the dramatic drop in air traffic as another problem facing Sats and sard tarlffs would have to be raised because Schoeman could not escape granting increases to railway workers
"Even a $10 \%$ increase will cost him between R250m and R300m," he said

Zurich sald the federal councll would meet Schoeman in January and "we hope to get an assurance of an increase of around $15 \%$. If we don't, there are going to be an awful lot of angry and dissatisfied Sats workers" ${ }^{\text {s }}$
Economists agreed that comprehensive Sats tariff increases seemed inevitable from the start of the 188687 financial year.

## $\rightarrow$ - <br> Sats fares

 strategTHE South Afrtéán Transport Services' new farestructurenas geared towards discouraging the hugh passenger traffic in the long-distance bus service durmg the festive season and other holiday periods. This was disclosed yestercav by Sats'public relations officer, Mr Janne van Zyl, who -added that long-distance busfares would be cheaper in weekdays Tram and long-distance bus fares are going up bi 10 to 15 percent frgm November 17 SeW Whan

The new fare structure means that passengers will pay as high as 15 percent more when travelling in long-distance buses duyng peah


Dholenathnnaln





 LOOE OSLI PINOD SISOD OITIXLH ISS
 - SaG十N NOISIDGの YOA \&GdVdSMEN TVNOILVN GHL

WEEKIY SHOPPING BASKET


The Star weekly shopping basket survey noted several increases in basic foodstuffs after last week's bread and margarine price jumps.
The survey is carried out at four northwestern stores in Johannesburg. All prices exclude the 12 percent GST payable on some items.
Rice, jam, sugar, coffee, cooking oil and frozen sliced beans increased by 1,$2 ; 1,4 ; 0,5 ; 1,8 ; 0,9$ and 0,9 percent respectively.
Some of the increases have come into effect because certain stores have taken these items off the bargain price offers. The highest price for coffee and rice last week was R449 and R1 75, ly.
The price of cooking oil averaged the same at
three stores, with one store only selling it at
,
bargain price of R1 99.
Lamb brei chops and fresh chicken also went up by 6,1 and 4,9 percent respectively. Fresh chicken prices increased although the survey chose the cheapest brands of fresh chicken.
Predicting further cost increases, a Pick 'n Pay director, Mr Richard Cohen, said unless the Government exempted several basic items from the 10 percent surcharge, pressure on costs would be tremendous.

## WIDE SPECTRUM

"Basic items would increase in a year by about 30 percent or more on a wide spectrum of items like detergents, cooking oil, rice and margarine," he said
Prices of maze meal, tea, chuck, rump steak, fish, potatoes and washing powder decreased in
price.
Seven items in the survey received no price
change.

## be revised

- By Sue LeemanPretoria Butea G6 244
Goyerfent hos Fees at Goyominent nos pitals could be revised as bealth spending in line with its tighter budget
The Minister of National Health and Population Development. Dr Willie van Niekerk, told a meeting of the South African Medical and Dental Councl yesterday that in a time of recession a more cost-effective health service was need ed STAK

Health care fees in general would have to be looked at. he sard $15 / 10185$

HEALTH
In addition the Government would be studying the possible privatisation of health care
Dr van Niekerk saıd another important aspect which the Government would have to consider was the structure of public subisides
It was of the utmost importance, he added, that SA should have a health-financing policy adopted by the National Health Policy Councll
This policy should encompass all the health services and should make it easier for the Department of Finance to pay for health care, he sald

TAXI associations af-
filiated to the South
African Black Taxi
Association will not increase their fares if
the Government al-
lows them to convey
14 passengers a trip, said a Sabta official yesterday.
Mr Godfrey Ntlat-
leng, the vice-chairman of Sabta, said they were holding talk's "behınd closed doors" with the Minister of Transport Services, Mr Hendrik Schoeman, in Pretona The talks which started about two months ago, are contmuing, he sard
But an affilate of Sabta, the Baragwa-nath-Cety Taxı A'ssociation, increased fares on its routes with effect from October 1 A trip from Diepkloof to Johannesburg is R1,30 and to Sun City Prison (Diepkloof) is R1,00

Increases were R1 and 70 cents respectively Hand-written notices were posted on taxi windows explaning the increases and promising that "typed" notices will be put up in the near fuy
ture ture
A regional Sabta offictal, who declined to be named, sald. "Someone made a mistake in increasing the fares before a general meeting of the region We will hold a meeting. to discuss the increase on October 17."

Sabta offictals could not give the date when a decision will be announced on therr meeting with the Minister




## Pifference

 in prices ${ }^{\text {at chain's }}$two stores
(204) ${ }^{2+5}$ survey team undertogh to check prices in al new area," Brixton, to compare prices' in différent areas.
on Only three stores $\rightarrow 0 \mathrm{~K}$ Bazaars, Checkerstand bict Pay - were flooked at in Brixtom as there is no Spár.

- It was found that prices differed on some Brixtôn a and Black ckheath tems. Most price "differences"' were noted at the Pick 'n Pay stores.
Prices at Brixton Pick 'n Pay jam R1,49; cereal R1,24; salt 46c, bacon R1,89, fish R1,95; candles 95 c , and washing powder R2,29,


## sameitems

The same items at Blackheath this week were as follows: jam R1,39, cereal R1,22; salt 43c; ;bacon R1,79, fish R1,49; candles 89 c , and washing powder R2,19.
Asked to explain these differences in price at the stores, Pick 'n Pay's senior buyer for the Southern Transvaal, Mr Geoff Kahn, said that prices were cheaper on these items at the Blackheath store because these prices were competitive at the supermarkets with the re-opening of the Cresta shopping complex last week.
He explaned that the special deal would only last for a month and then prices would be uniform
"Prices should be uniform at all branches but they can vary depending on what is happening in the area," Mr Kahn said.
The survey excludes the 12 percent , GST payable on some items
-

|  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| BREAD: White | 63c | 63c | 63c | 63c |
| Brown | 43c | 43c | 43c | 43c |
| MILK: 11 | 796 | 79c | 79c | 79c |
| EGGS: <br> $1 / 2$ doz large | 66 c | 66c | 67c | 66c |
| MAIZE MEAL: $2,5 \mathrm{~kg}$ Iwisa | R1,59 | R1,62 | R1,62 | R1,61 |
| MARGARINE: 500 g Sunshine D | R1,52 | R1,39 | R1,29 | R1,42 |
| CHEESE: <br> I kg Elite Gouda | R6,92 | R6,92 | R6,92 | R6,92 |
| JAM: 900 g <br> Koo Smooth Apricot | R1,49 | - | R1,45 | R1,47 |
| SUGAR: $2,5 \mathrm{~kg}$ | R2,09 | R2,05 | R2,09 | R2,08 |
| TEA: 100 Five Roses tagless teabags | R2,95 | R2,99 | R2,85 | R3,04 |
| COFFEE: 750 g Ricoffy | R4,48 | R4,49 | R4,29 | R4,42 |
| CEREAL: 500 g <br> Kellogg's Cornflakes | R1,24 | R1,39 | R1,19 | R1,27 |
| $\begin{aligned} & \text { COOKING OlL: } \\ & 750 \mathrm{ml} \text { Ole } \end{aligned}$ | R2,09 | - | R2,12 | R2,11 |
| RICE: <br> I kg Tastic | R1,65 | R1,69 | R1,83 | R1,72 |
| SALT: <br> 1 kg bag Buffalo | 46c | 52c | 56c | 51c |
| MEAT: Beef 1 kg Mince | Super R4,79 | $\begin{gathered} \text { A1 } \\ \text { R5,29 } \end{gathered}$ | $\begin{aligned} & \text { Super } \\ & \text { R5,29 } \end{aligned}$ | R5,12 |
| 1 kg Rump steak | Super R8,58 | $\begin{gathered} \mathrm{A} 1 \\ \mathrm{R} 9,45 \end{gathered}$ | $\begin{aligned} & \hline \text { Super } \\ & \text { R9,45 } \end{aligned}$ | R9,16 |
| 1 kg Lamb braai chops | $\begin{aligned} & \text { Super } \\ & \text { R4,99 } \end{aligned}$ | $\begin{gathered} \hline \text { A1 } \\ \text { R8,29 } \end{gathered}$ | Super R8,29 | R7,19 |
| 1 kg fresh chicken | R2,59 | R2,39 | - | R2,49 |
| 250 g Eskort Rindless back bacon | R1,89 | R1,95 | - | R1,92 |
| l kg I \& J Yankee Clippers | R1,95 | R1,69 | RI,65 | R1,76 |
| VEGETABLES: <br> 1 kg potatoes | 39c | 59c | - | 49c |
| $1 \mathrm{~kg} \mathrm{I} \& \mathrm{~J}$ frozen sliced beans | R3,26 | R3,09 | R3,29 | R3,21 |
| CANDLES: <br> 450 g Buffalo | 95c | R1,01 | R1,03 | R1,00 |
| WASHING POWDER: 1 kg Surf | R2,29 | R2,29 | R2,35 | R2,31 |
| SURVEY: OCTOBER 16, 1985 |  | PRICES EXCLUDE GST |  |  |

## Camera, television, video prices soaring

## Retailers rush for photographic stocks

## Mercury Reporter

## THE photographic in-

 dustry faces a bleak Christmas as prices continue to soar in the wake of the worsening exchange rate and a recently imposed surcharge on imported goods.Buyers can expect to pay up to R 500 more for some cameras than they would have done a few months ago, and dealers expect further increases
Wholesalers' stocks were depleted this month
after retallers, fearing further price rises, rushed to buy cameras and accessories at old prices
'The situation is terrible - absolutey terrible,' said one photographic shop owner in Durban
'There have been big increases, up to 50 percent in some cases, in a matter of only one month,' said Mr Theums van Wyk of Etkind's Smith Street branch
All photographic equipment is imported and therefore affected by the
poor exchange rate and the 10 percent import surcharge implemented by the Government recently
'It has become mpossible to quote prices because they are going up all the time,' Mr van Wyk sald
A Cannon T50 camera, which had been R650 about a month ago, now cost R1 150, he sard.
'Retailers can't even buy cameras because most wholesalers are out of stock all of a sudden.
"The price of film has doubled in the last 5Ix
months and is going up almost every two weeks Another increase is expected at the end of the month'

Some wholesalers had been out of stock for the past three or four weeks, satd Mr van Wyk
Mr Naresh Modi, of Modison's Photographic, sald 'Things are very bad with increases of about 40 percent in the last three months'
He gave an example of a popular brand of autofocus camera which had increased in cost from be-
tween R299 and R350 to about R550 in the past three months
Mr Modi sard although he had not experienced any major problems getting stocks, wholesalers seemed to be cutting down or beang more selective about products they imported because they were not sure whether the public would buy at such high prices.
Price increase of between 8 percent and 25 percent had been implemented by film suppliers three times in the past three months, he said

## 'Tremendous'

Mr Stan Cooper, a'sales representative for a major photographic wholesaler, sand. 'At'this point we do not have stocks on hand, but they have arrived at the airport.
"There are going to be" " tremendous price hikes, up to 50 percent in some cases
'Last month we had stocks in all our ranges, but because of imminent price hikes, the stores bought out all our stocks.'
He said there was no problem obtaining stock from Japan, but the main concern of wholesalers was whether the'ihighpriced cameras would 엔


## Mercury Reporter

THE video and television industry has seen a massive escalation in prices during the past few months and the public can expect to pay about 40 percent more for these products compared with prices four months ago
Increases have been blamed mainly on the worsen ing exchange rate as well as the Government's import surcharge
'Salesman Stuart Bockerill of Teleworld sand the cost of $\begin{gathered}\text { indeo machines had gone up a lot in the past year }\end{gathered}$
One of the cheapest well known' brands. which cost R799 at the beginning of the year. was now R1300, he sadd
All video equipment 15 imported and therefore affected directly by the exchange rate

Although most television sets are assembled in South Africa the romnononts are imported
'A large TV set which now costs R1 600 was selling a R1 100 at the beginning of the year,' Mr Bockerill sald Mr Graeme Butler, sales manager for Nationa Panasonic, sald there had been lot of increases latel He calculated that the retall price of a basic vide machne had increased by about 40 percent since juh Most other products in the market had also increasec by roughlv the same margin. he sald
A viaeo machine which nad sold at Ri 399 in July would sell at R1999 at the beginning of November an 1 nc rease of R600. Mr Butler sald
Mr Errol Harty owner of Barney $\varsigma$ Radio and $\mathrm{H}_{1}-\mathrm{Fl}_{1}$ sad that while there had been price increases thi: was no reason for the public to be 'frightened off
Many retallers had bought up big stocks before re cent increases and while these stocks existed custom ers were assured of being ofiered the products at the old prices, sald Mr Hartv

LINDA ENSOR
DOMESTIC gas consumption has given way to the cheaper paraffir and coal as a consequence of price increases totalling about $31 \%$ this year
"The steady decime of the rand aganst the dollar has been directJy responsible for a $60 \%$ price increase in hiquefied petroleum gas over the past four years," said Easigas marketung manager Harry Orchuson
Blacks, the major consumers of gas for domestic purposes, have turned away from gas and electricity to paraffin and coal

However, Orchison beheves this trend will be reversed when economic conditions improve
Mark Johnson, promotions manager for Cadac, which sells gas appliances and parafin stoves, confirms the trend towards paraffin

Electrification of the town ships has not had the expected poor effect on the use of optional sources of energy, Johnson says Coal stoves are still the main way of cooking for most black families

Staff Reporter
THE Progressive Federal Party MPC for Gar dens, Mrs Di Bishop, and her husband, Brian, both recelved death threats in the post yesterday.
Mr Bishop, the vice charman of the Civil Rights League, said the letter to him read.
"You and your darling wifey, Di, are on an extermination list. Your family is up for consideration. A white prowhite.
The letter to Mrs Bish op, in a different handwriting and type of envelope, said "Die," you bloody hag. I'll kill you."
Mr Bishop said both letters had been posted on October 16 and bore Cape Town postmarks
He said they would not "bother" to report the threats to the police.
The Bishop home was teargassed after the ECC Peace:Rally in the City. Hall on October 7


THE need to import crude vegetable oil has pushed up production costs of cooking oil and margarine by approximately R31m this year.

A spokesman for Van den Bergh and Jurgens, a subsidiary of Unilever, involved in the manufacture of oil and margarine, describes the effects on the industry as catastrophic.

Four years ago South Africa was selfsufficient in groundnuts, sunflower seeds and soya beans, says Dawie van Zyl, head of marketing for the Oilseeds Board.

The effect of drought since then has been to reduce oil output from the re,quired 230000 tons a year to an expected
output of 125000 tons this year. The estimated landed cost of importing 105000 tons of crude oil at present rates of exchange was $\mathrm{R} 147 \mathrm{~m}-\mathrm{R} 31,5 \mathrm{~m}$ more than it would cost to buy locally, he says.

The $10 \%$ import surcharge is costing the industry an extra R100 a ton, according to Van Zyl, and attempts by the industry to have it lifted for oil have been unsuccessful.
Price increases - about $18 \%$ this year - have had to be implemented to absorb costs and this has had a depressing effect on the market.

THE Soweto City Council may permanently suspend further electricity levy hikes and maintain the monthly R12 levy'at the current level.
This was disclosed by town clerk Mr Nico Malan, who told The SOWETAN this Week that further hikes shad been delayed pending investrigations into " the controfersial electricity lévy The levy, duo to have risen to Et 17 in July this
\& year, is being used to repay the R 250 -million electrfication loans. It was 'supposed to häve gone up in phases, from R17 to, R23 , June this year, and to R25in June 1986; $21{ }^{2}$
Said M PRayan "There x_a possibility that the levy will reman at the current level, the number of electricity consumers has increased over the months This means that this money is now being levied on more homes, thus easing the burden on the residents." SAR

The town clerk sard the levy, pard cash, amounted to R1 560 and Soweto's 103000 householders had an option of paying it cash or in terms In terms, residentsoould pay as much as R4 400 including interest charges over a 20 year period

 inflicted mainly by riots in black townships, bus operator Putco intends raising its fares 17,5\% next month But the hike - the second since the beginning of the year - has to be approved by the National Transport Commission (NTC).
Pat Rogers, the company's public relations executive, says Putco has lost more than R 20 m as a result of unrest and falling custom.
"A total of R16m has been lost because of a drop in the volume of passengers alone, and R 5 m as a result of damage to buses in the unrest.
"The long-term effect is that these losses make tradıng conditions very difficult and there is no alternative but to apply for a fare increase," he explans.
Because of the loss in the number of passengers, resulting from the unrest, Putco has been unable to absorb rising costs In addition to the drop in the passenger volume, Rogers adds, the high unemployment rate, fuel price hikes, wages for workers, gst, and the poor economic clmate have contributed to rising costs
Originally, Putco successfully apphed to the NTC for a $14,1 \%$ revenue increase in the Transvaal. Before the increase could be 1 m -


## Putco buses . . . not available for unrest funerals

plemented, however, the price of diesel went up by $4,7 \mathrm{c} / \mathrm{ltre}$ - an increase the company couldn't absorb and, therefore, had to recover from passengers
In consequence, Putco rased the percentage increase of 14,1 by 3,4 to $17,5 \%$ to be able to recover the increased price of diesel as well
It hopes to implement the increase on the Reef at the beginning of next month and in Pretoria on November 17
The company is forced by circumstances
to delay implementation in Pretoria There, commuters use - on some routes the same season trcket for travelling both by bus and by train
As the rallways will also be rassing fares on November 17, Putco is prepared to wat
Putco's previous increase was made last February, when fares went up by $10,5 \%$ specafically to recover a fuel price increase A general fare price increase was also made in December last year.
Rogers says that because of damage to buses at funerals of unrest victums, usually held on Saturdays, his company has now decided not to hire out buses for funerals on such days
Asked to what extent the company is subsidised by government, Rogers says passenger economic fare tariffs are subsidised, and not the company
"The government subsidises the economic fare tariff by $40 \%$, and the rest has to come from the passenger himself," he says.

## Meat prices now slightly higher than results of May sunvey show

Supermarkets in Florida were checked this week by The Star weekly shopping basket survey Prices were surveyed at three stores Checkers, 0 K Bazaars, and Pick' $n$ Pay.
The survey noted that the price of certan meat cuts have increased since May this year. The survey done in May, where meat cuts were compared at nine supermarkets in the Johannesburg area, showed that rump steak used to cost around R7 to just over R8, and beef mince around R3 to R4.
At today's prices rump steak has shot up to over R9 a kilo and most supermarkets are selling beef mince at around R4 and above

## RUMP STEAK

Florida's prices this week found rump steak selling at R878 at Pick 'n Pay, R915 at OK Bazaars, and R899 at Checkers.
Last week's rump steak prices in the Brixton area were also high. Rump steak cost R8 58 per kilo at Pick 'n Pay, and R9 45 at Checkers and 0 K Bazaars
Beef mince prices in Florida cost R4 28 and R4 99, while last week's Brixton prices were R5 29 and R4 79 .

The survey also found that prices compared favourably at Florida's three stores. Most items cost the same on average and several basic items like milk, bread and eggs did not differ in price.
Certan bargan items were also noted. Low prices were margarıne at R1 29, coffee R3 97, cereal R1 19, salt 46c, and candles 95 c
All items in the survey exclude the 12 percent GST payable on some items.


Import surcharge, inflation could lead to. 25 pc rise Food prices set to
soar in hew year

## By Maud Motanyane and Jackie Unwin

Next year will open with a wave of price increases which will push up costs by about ' 25 percent on foodstuffs alone during the ensuing 12 months, producers and retailers have predicted to the horror of consumer organisations.

The recently imposed import surcharge of 10 percent has not yet filtered through to the consumer and manufacturers and retalers are pleading with the Government to lift the surcharge as it affects prices of essential foodstuffs.
The predictions of price increases come aganst the backdrop of the inflation rate which has risen by five percent from an average of 11,6 percent in 1984 to 16,6 percent last month.
Consumer organisations have expressed fears that poor people and pensioners, who are already battling to survive after this year's price increases, will be pushed to the brink of starvation.
The recent imports surcharge affects products which contan imported components or ingredents.
Housewives' League president Mrs Joy Hurwitz sad: "We can get by without the luxuries, the non-essentials of life. But people non-essenials without food twe
have heard we are going to have massive increases in food prices"
.This was confirmed by retalers who expect that the price increases will begin to bite around January

Mrs Hurwitz partly blamed manufacturers, who were "trying to keep their profit margins the same as they were before the depression. Their market share is dropping and the only way they can keep their profits up is by increasing their prices."

But Ms Peta Lomberg, public affairs manager of Checkers, sald "It appears manufacturers are trying to hold the price increases down to a minimum."

Mr Rıchard Cohen, director of Pıck 'n Pay, said that, in view of the 10 percent import surcharge, he could not beleve the Government was serious about fighting inflation.

He believed the country would be "lucky" to keep the increase in the cost of foodstuffs to less than 24 or 25 percent next year.
 R3,99 last year, will be going up to more than R5 for a 750 g packet. Detergents, which were selling at R1,89 last year, will cost R2,50 in a month's time
"It is absolutely frightening," sald Mr Cohen "And consumers have not yet seen the full effects of the rand/dollar exchange rate, and the surcharge "They hadibetter brace themselves. We are doing ouri best to contain prices - - but it is adidal wave."

wheat and bread are ex－ pected to be announced today by the Minister of Agricultural Economics and Water Affairs，Mr Greyling Wentzel

Bread will probably go up by about 5 c －bring－ ang the price of a brown loaf to 50 c and that of white bread to 70 c
${ }^{5}$ It will be the second bread price rise this year The cost was increased by 5 c in June because of a shortfall in the Govern－ ment＇s bread subsidy

It also seems likely that the Cabinet will grant the Wheat Board something close to the 10 percent producer in－ crease requested for the 1984／5 season

Board chairman Mr Dennis van Aarde said producers had had no in－ crease two years ago and last season an increase of only 8,7 percent

He said＂The economic situation has been taken into account and we are wary of pricing ourselves out of the market＂



## Motoring Editor

NEW car prices. up by 6 percent in the past month. are set to rise another 6 percent before the end of the year - and at least 25 percent next year.

That's according to m dustry leaders Toyota, Volkswagen and Samcor wnich between them achieved more than half the new car sales in September
Volkswagen's market ing director Clive Warr. low sald 'In theory you need 35 percent to 45 percent to recoup the exchange rate loss - and you need it tomorrow if 11 is to be passed on to the consumer between now and the end of the year You have to remember that 50 percent of the value of the cal is still imported
He emphasised that this apphed to all manu. facturers
But it was a catch-22 situation 'If you don't pass it on then you go broke, if you do pass it on then you sell fewer cars '

## Demand

Mr Warrilow felt the blow would be softened by staggering the increases Six percent nou, then another 6 percent late in December then 5 percent or so every two months next year
He believed that in the short term the motorist would buy ahead and that in the next six months
there would be 'quite some demand
'The only light on the horizon is if the Govern ment does something about personal tax and increases the individual's disposable income
Toyota marketing direc tor Brand Pretorious was perhaps the most optımıs tic of the spokesmen, maintanning that al. though pressures on the industry were enormous the net increase to the consumer was still not that dramatic

## Increase

But Mr Pretorious warned that should the rand hover around the $\$ 0.40$ mark there could be four or five increases in the next calendar year with each being around 5 percent
On the brighter side, Mr Pretorious sald the prime overaraft rate had dropped from a high of 25 percent to its present 17,25 percent and the hire purchase rate almost as much
He said the minimum deposit was down to 10 percent and the repayment period up to 48 months 'Should the exchange rate improve ob viously price increases
will adjust accordingly . Samcor managing di rector Spencer Sterling agreed there would be a further increase this year adding that next year prices could rise by 30 percent

He suggested that in. creases would be phased in in a more palatable form, such as one a month
But all three men believed the increases would result in a buying down' policy
'It has started already The light car market has lncreased from 45 percent to 60 percent of the total market and we belleve the pattern will continue, sald Mr Sterling

- See also Page 21


## Shopping Basket

The shopping basket this week visited Ekuphumuleni Supermar－ ket in Mofolo North and Mayibuye Shopp



Ekuphumuleni
Mayibuye


# Price - General 



## NOU - DECEMBER



uotun , səaKotdug






- THE Trade Union Counci' 'Tuese is sending a dedutation to Ministev of Transport Affars Henaris
: Schoeman to discuss the $175 \%$
- Putco bus fare mereases whel take eftect toaa:
"Blace people have no alterne: twe but to live far awav from the:: places of empoovment because o. $\therefore$ the apartnelc lap.
"Thev dice nol ask to be relegai , ed to these townsups Therefort ne government snoulo soive inc probien.' a 'tucsa sdokesman satc yesteraat
Sne described the fare increase-

SIPHO MGEOE:
as outrageous ane uresponsid.
"Iucsa is of the odmor that thi merease is imesponstote given the state of the economy anc massive unemplovmen.
"Since Dlack commuters ars forced br poucles to uve far ou ang iar away trom ther places o. Work. ic ask then to lace ever mereasing tares is grossi: unfar
"We belleve that since the esca lating communirs costs nave thei origir in the bolucies which alctate where they hive massive subs.
arsuon should be made avar apt sne Sa..
Sne tor busmess Dai Tuesc ponk sialse with otner organisa nons anc communty leaders or the issue

Major trade unions, polutica and student organisanons - in clucing the Feaeration of Soutt Arncan Trade Unoms (F osatuanc Azapr - art unnappr about the nocreases anc nave asked Futer noí to go aneao with ther.

Putce savs the mereases are ths resul: of a Revir loss causec mainly br unres.

## Due to increase in claims



CONTRIBUTIONS to medical ald scnemes are expected to increase by $24 \%$ next year as medical costs soa: Contributions this year have already increased by an average of $22^{\circ} /$
Emplovees usualiy pav haif the mea. cal alo contribution witn the emblove pleking up the other hall Seli-emploves people wnl: dear the full brum of the increases

Redical schemes report that the average value of edch clam has increaseo steeplr - Detween 198\% and 1985 thert was a $19 \%$ increase in ordinary clam ant a $25 \%$ nute in specialisi ctams

People are also making greater use of their medical schemes

Use of the schemes increased by $3 \%$ this year
To cater fo the increased costs patients race, mealal scnemer fril in crease doctors carifs - the amount pand on a clam regardless of the doctor s cnarge - by an average of $12.5 \%$
The tariff ior a consultation will rise by $43 \%$ from $R 9.50$ to 1360
Many aociors atread charge more than the for a visin
Blacks will be hiu narder or the hagher contributior enarge Their consuite tions with general practinoners account for $25 \%$ of their clams on medica

scnemes Visis to GPs make up oniy $8 \%$ of whites clams
Medical scneme aammsirators ciaum that if is noi onv the medica, protessioh that is pushung up cosim

White are tne most pampered peopie in the worio when il comes to medica! attention. Says John Ernstzen. charman of the Representative Association of Medical Ald Schemes (Rams
"Thev seem to thin tha eve- at comior must ave a pul to cure it S there are a nuge numper oi unnecessary sedatives tranqullisers and analgesic that these schemes have to pay fo:
"The message I would luke to drive home is that ooctors anc patuents must be realistic if the scames are going ic be cosi-efícien:
imported medicines are also contribuning to rising costs
SA proauces few medicines and imports a great deal of techncal equpment
Medicines accountec for 235 of scnemes payous ras yea: but thr figure is creeping ut Sineme: wher previously alomed fin oneme wher previously allowed ti25 on the average medicine bil recenily increased thus to

## Petrol price <br> reports denied

Dispatch ${ }^{244}$ orrespontent
PORT ELIZABETH:-
Reports that the' price of
petrol would rise by 20 c
a litre on Thursday were denied yesterday by Dr Eouw Alberts, directorEneral for Mineral and Energy Affairs.

DISPATCH
He said: "We ar studying the issue extremely carefully, and the ceabinet will have to makes a decision soon but we should not forget
the cabinet is dealing with some important issues at the moment. 05 ]11 85 "If the price of petrol is to rise - and it will definitely not do so on Thursday - a full statement will be issued and there will, be sufficient time for the public to be fully,informed about the increase"

Dr Alberts, refused to be drawn on how much the increase would be but indicated that his department would in form the public how the price: of petrol was determined
"We want the man in
the street to know exactly what is involved in deciding how much must be charged. There are many factors involved, including profits for the oll companies and garages, the road fund, general sales tax, a customs' and excise levy, a transport levy, a. pipe: line leỳs, the new third party levy, etc
"It" is imy intention to inform, motorists an the simplest ;possible language 'just where ther ${ }^{2}$ money is going
Dr , Alberts said"the $\mathrm{f}^{\prime}$ cost of converting ext isting pumps becausé of a price increase would be borne by the oll com"panies'

4












## Petrol up <br> Cont Mas <br> 244) (10wn dorrespondent <br> DURBAN - A government spokesman yesterday would not deny speculation in the motor industry that the price of petrol may rise as high as R1,10 a litre within ${ }^{1}$ a week. <br> Mr, Theuns Burger, chief of information and laison in the Department of Mineral and Energy Affairs, said the Cabinet sàt yesterday. <br> ! "It $-\mathrm{Is}^{-1}$ possible there may be a statement in the near future about the price of petrol," he said <br> If the new -price is higher thap the 99,9 cents $a \times$ litre the pumps can register, the display will reflect half"the price per litre, and motorists will way double the andicated cost of their fuel ${ }^{2}$ t <br> 



But fares for all internal services in the black townships will remain unchanged
Those on feeder services in the northern residential areas of Port Elizabeth are to be increased by lc a trip
"All other fares through the white areas are to be increased by 2 c a trip except on long distance journeys (costing R1,10c or R1,20c) where they will be increased by 5 .

PE Tramways, announcing these increases, pointed out that recent petrol price increases have been absorbed by the company.
The Minister of Energy Affars, Mr Dane Steyn, announced yesterday that the price of petrol is to be increased by an average of $5,9 \mathrm{c}$ a litre, to take it just over the R1-a-litre barrier for the first time
Mr Steyn sald the price of 98 octane petrol would be increased by $6,6 \mathrm{c}$ a litre and 87 octane by $5,4 \mathrm{c}$-a litre, including GST, The increases would come into effect at mudnght on Sunday
In contrast to the reaction in PE, the Johanneesbúrg bus company Putco expressed shock at the increases
"We have only a week ago had to introduce a fare increase to recover rising costs," a spokesman sard
He sald that in spite of the unrest, commuters had accepted the recent fares increase. Now they had to expect another increase because there was no way Putco could absorb the cost after a loss of R8,4 million for the 1984/85 financial year.
$\therefore$ "This is the third desel price increase this year which, with the GST increase, totals $70 \%$ since January It is the least affluent section of the community that is hardest hit, and we appeal to the Government to exempt the passenger bus industry from this increase."
The president of Assocom, Mr Rocky Ridgway of PE, said Assocom accepted the inevitabilty of the increase, which reflected a rise of almost $60 \%$ since the start of 1985.

But Assocom expressed its concern at the ripple effect the increase would have throughout the economy and the added pressure on the inflation rate
"In the present difficuit economic situation, business will be unable to absorb the increase and the major part thereof will have to be passed on to the consumer," said Mr Ridgway

- The Consumer Councl sald the latest increase in the price of petrol, and an expected further hike, would hit Ythe motorist hard ${ }^{4}$

The councll's director, Mr Jan Cronje, said in Johannesburg the increase would affect the price. of all consumer items "and have a negative effect on the inflation rate.
"The consumer will now have to use his own judgment and initiative to ensure his own financial survival as it appears we are losing the battle against inflation," he sald,
"The councl now also questions the wisdom of scrapping the 100 klometres an hour speed limit on roads outside cities"
Mr Harry Schwarz, the Progressive Federal Party spokesman on finance, said today that the latest price increase were particularly worrying "bearing in mind that there is a foreign debt freeze, that the US dollar is weak, and conditions in the world oll market, which make fuel relatively cheap in international terms"



## Petrol price <br> up 5,9 c a litre from Monday

TE Merciury Reporter.Marcfespondent reports that PETROLZ goes up by an ${ }^{85}$, the January merease had average of '5 5 , c' a litre on Monday', bringing 'the' total rise this year to almost 60 percent and the price inland toimore than $\mathrm{Rl}{ }^{2}$ itre for the first time.
Simlar increases can be expected early next year unless the rand-dollar exchange rate climbs to:42 US cents, or even higher increases if it gets worse, it was annaunced yesterday. $244<3$
${ }^{\circ}$ Our Johannesburg' cor: been forced because eyery $\$ 100$ worth of crude oillyanded in Sóuth Africa had cost R199. Now the same amount costs R263 arom Monday, all ${ }_{4}$ pumps will reflect the price of half altre of petrol because many cannot indicate a unit price greater than 99.9 C
The indicated cost $\%$ of petrol purchases will

## - TURN TO PAGE 2



Consumer groups reacted with horror yesterday to yet another increase in the petrol price which will have a ripple effect on the economy
The increase was "terrifying and an enormous blow to the con'sumer', sald Mrs Joy Hurwitz, president of the Housewives' League
She sald businessmen had sald they would not be able to pass further increases on to consumers "because they could no longer sell ther goods
"There is a definte decrease in consumer spending," she sadd
"We understand the problems with the exchange rate, but that does not do anything for us We still have to live with our local rand
"The cost of living will go up and there is no prospect of wage or salary increases,' she sadd
The new half-litre petrol pump pricing system would be ternbly complicated, Mrs Hurwitz added
A. spokesman for the Consumer Councll sad the petrol price was devastating as it would affect the economy in general

## DIFFICULT

"It will have a dommo effect on all products Transport aftects all commodities We are in difficult tumes and we hope that the consumer will be able to adapt, be more discerning and knowledgable," the spokesman sadd
Mr Eldridge Mathebula, executive director of the Black Consumer Union, sad the rise would "forcefully push up the prices of basics which we depend on for survival
"Consumers are facing such difficult umes with unemployment, deternorating standards of living and high interest rates It is insensiluve of the Government to rase the price of petrol durng such urbearable times, especially for black consumers"

Mr Clive Well, managing director of Checkers, sadd the merease was not unexpected if the petrol price was tued to the rand/dollar value
But he questioned the "strict secrecy" covering the matter, which meant the consumer could never be sure whether prices increases were actually warranted
A petrol increase was partucularly bad as it ruppled through the nactiamng nlastes transport and
"Angry callers to last night's Speakout branded the Government "mept" and "stupid" for its handing of the new half-hitre petrol price structure
Fears of "rip-offs", appalling confusion, queues and brawling at petrol stations were expressed and some callers even sadd the system of paying double the stated pump price for petrol would add to racial tension.
But some of the 57 callers sadd the system had worked successfully in Europe and Zimbabwe and fears resulted from people underestimating the South African population's ability to multiply by two

Many callers offered alternatives to the halfhitre calibration method - the most popular being simply to move the decimal place one to the left or right
For example, if the decimal place were moved to the left, the price on the pump dispiay panel would be multtpled by 10 to get the actual price - or a zero could be pasted on to the end of the pump's price display panel
This method is used in countries suffering from hyper-mflation such as Israel and Portugal, according to some callers
Another method suggested to avoid going to the garage with R10 and having to ask for R5 petrol,
was that was that pumps should be calibrated to give litres per rand rather than vice versa
Many callers also felt the price rise had been anticipated for months and the Government should have instructed all filling stations to make the necessary changes to the pumps
The Minster of Mineral and Energy Affars
said yesterday that petrol companies had been given eight months to modify the approximately 40000 pumps selling to the pubic to show the correct prices An industry source satd the modification would cost about R30 a pump
Some of the opinions expressed by callers were.
© Mr George Asteriou, who owns a motor workshop in Randburg "The public will defmitely go the petrol stations with digital pumps to avord confusion"

- Mr Tonv Voogt, Blargowrie "Rather than calrbrate for the correct amount of fuel and have to double the price, the pumps should be calibrated to give hitres per rand This was mstituted withon 10 days in the Netherlands and worked very well"
- Mr JA Malgars, Westbury Extension 3 "The Government can always create false impressions overseas by showing photographs of our pumps calibrated for 55 c a hitre'
- Mr Terry Herbert, Zimbabwe "Everyone acsumes pump attendants are stupid - they are not, especially when it comes to money There is too much fuss over this system - it has been working in Zimbabwe for the past 18 months with no problems"
© Mr Andrew Hamilton, Randburg "I will pay what the pump says - any comebacks and the garage can sue the Government"
e Mr Johan Naude, Brackenhurst "Oll companies must absorb the extra cost untul new pumps can be mstalled They should have delaved the 1 a . crease untul after adjustment"
might see it as an excuse to load their prices, he sald
Mr Gordon Hood, managing director of OK Bazaars, deplored the wide mpact of a fuel price increase and described it as "a dracoman merease"
"The consumer will pay more not only for hus own petrol, but for every article he buys in any way dependant on petrol for its distribution," Mr Hood sald
In reaction to the announcement that perrol would have to be dispensed in half litres, the automoble Association sard this was a "most unfortunate but unavoldable development"
"It is the most economical and practical solution to accommodate older pumps that cannot register four digits The AA urges road users io take careful note of the pump readngs to ensure the correct amrount is padd "
Mr Donald Masson, president of the Afrihaanse Handelsinstituut, sald the AHI regretted the in-


## sons for it

Despite the effect the increase would have on prices the AHI felt it was better for such rises to be made on a regular basis

It was to be hoped that any improvement in the exchange rate would be accompanied by an m mediate decrease in the fuel price, Mr Masson sald

## SETBACK

The South African Agncultural Union's president, Mr Kobus Jooste, sald the increase would be a further setback for farmers trying to recover from a senes of unfavourable seasons
The increase represented a rise of about R135 million a year in farmers' production costs without taking into account the further hike expected next year
"In the harsh financial conditions in which agriculture finds itself, this sector is just not in a position to carry the increased cost." Mr Jooste sard.

Price increases such as that an-
nounced yesterday eroded the profits gained from agricultural exports while the abilty of farmers to recover increased costs internally was limited
Mr Harry Schwartz the Progressive Federal Party spokesman on finance sald the latest petrol and diesel price increases demonstrated that the Government had given up hope that the value of the rand would increase in the short and meduum term
"This is particularly worrying beaning in mind that there is a foreign debt freeze, that the US dollar is weak, and conditions in the world oll market. wnich make fuel relatively cheap in internatuonal terms "he sard

He sand the Government's pollcles to inght inflation ' which have caused massive unemployment and so contributed toward unrest with its long-term serious consequences for the country" had "clearly fauled and the sacrifices appear to have been in vain" Staff Feporters, Sapa


## have ripplefleffect

Increases"across the Tboard, from bus fares to foble will nevitably follow the petrol price uncrease anmon a riple efyesterday Consumer bodies have lung
fect that will send up the cold have to increase its fares, but Putco sad today it woul Department is not:ijikely to
the fohannes



re
 was being passed on to inonsume in the petrol price this It was the third ince ase 24 c a lutre and in Septem-- on only reflect prices All petrol pumps - which can reflect the price of of up to $99,9 \mathrm{c}$ a hitre for the meantume Mr Steyn said half a litre of petrol been given elght months to modify petrol companies haw correct prices


 51 ct

```
- See Prge 4
```

All workers
Yes
Yes
15 days
All workers
All workers
All workers
65 days
-- days
4 months
3 days
--. 0 \%




But they do not intend going along with Durban where some garages (alsa selling petrol below R1) have decided to continue quoting prices per litre
The PE owners are hoping that with the respite after the weekend's big fillup forecourt staff will have a chance to get used to the system

But they fear cash losses in rush hours - and even fist fights when customers jostle for positions at the pumps
Sard one station owner "We had fist fights before wnen people tried to beat a price increase - and we'll have them agan For some reason a man is not his normal self when he's behind the wheel of his car"
To minimise on cash loss, a Walmer owner, Mr Thomas Ferreira, is considering closing two of his four petrol pumps to make things easier for his staff
"Maybe I'll be able to keep things under control that way," he sald

Mrs Niary Wilson, owner of a garage in Central, felt her biggest headache would be her customers
"My staff normally catch on very quickly, it's the public, who don't read their newspapers I still have some people still wanting to pay for petrol with credit cards," she sand
But Mr Brian Univer, owner of a Maın Street garage, sand it was pontless trying to buck the system and continue to sell petrol by the litre because it would mean risking a R2 000 fine

07
Petrol cheaper in Butterworth
EAST LONDON - Fuel price increases escalated as drivers proceeded towards the interior, but the price in Butterworth in Transkel was one of the lowest in the country, a spokesman for the petrol industry sald 0911185
The cost of fuel in random Border areas from Monday will be as follows

East London $49,5 \mathrm{c}$ a half litre for 98 octane, 47 c a half hitre for 93 octane King William's Town is on the same grid and prices are the same there

Aliwal North 47 c a half 1 itre for 87 and 49 c a half litre for 93 There is no 98 octane available there Queenstown. 50c a half hitre for 98 and 48 c for 93 Umtata 49c a half litre for 98 and 47c for 93 The spokesman could give no figures for Grahamstown which he said was on a different grid

He confirmed that paraffin prices would rise according to the grid on which the town was

## Fuel rise could

 be 'lastfor agriculture

Pietermaritzburg Bureau
THE latest petrol price rise and the fear of yet another early next year could be the proverbial last straw for some farmers in Natal who already have their backs to the wall.

The director of the
Natal Agricultural Union,
Mr Alwyn Bisschoff, said
he could see farmers hav ing 'a very hard look' at whether their industry was still a viable one
What concerned the NAU terribly, he sard was that the farming sector was extremely vulne able to fuel price rises
'Farmers have long distances to travel to cart their input requirements and produce
pendent on road transport, so ancther fuel price increase will have a tremendous effect on them'
Mr Bisschoff sald the new petrol price would have an obvious ripple ef fect through the entire economy and in every ector of agriculture.
The NAU was alarmed that another petrol price increase was in the pipe. line.
The president of the SA Agricultural Union, Mr Kobus Jooste, said although the increase had been expected because of the value of the rand It would be a further blow to farmers who were struggling to recover from unfavourable seasons.
The SAAU was als' 'extremely concerned' about the increases in input costs," particularly imported implements.
'The spate of increases agriculture has had to deal with 'is' seriously undermining the financial independence of farmers,' Mr Jooste said, adding that the survival of a arge section of the farming community was being hreatened even more
'Ine fare increases will take effect on Sunday "to compen sate for the increase in the cost of diesel fuel which the compa ny will have to bear as soon as present supplies are exhaust ed"
Cash fare increases will not be more than 10 percent, while increases on clipcards range from 7c on a 37c trip from Athlone to Mowbray to 23c on the existing R1.04 fare from Atlantis to Cape Town.
Ms Dulcie Hartwell, general secretary of the National Union of Distributive and AIlied Workers, sald. "I suppose it is something they cannot help doing, but from the point of view of people who have to use their buses it is an imposition
"Workers are continually being told to tıghten their belts, but who tells the people who are making profits to pull in their belts It is always the people who can least afford it who are hit with these increases."

Dr Alex Borane, PFP spokesman on labour, said the fuel price increases were a direct result of inept and disastrous Government policies.

## Härdship

"Seen against a background of continuing unrest and instability this could not have come at a, worsentime."

A spokeswoman for the Cape Youth Congress (Cayco) sald the vast majority of South Africans could barely survive flnancially today.
"In pushing up transport costs City Tramways is showing the callousness they have always shown by disregarding the plight of the poor masses who use their transport and swell Tramways' profits.":

Mr Bob Krause, City Tramways PRO, said that commuters with clipcards were paying the full merease because the Department of Transport had not been able to increase the subsidy.


# Widespread rise in <br> CAPE TOWN - Prices of predicted predicted <br> <br> Major factors which January 3." 

 <br> <br> Major factors which January 3."}
virtually every consumer item avalable in South Africa will increáse by at least five per cent in the new year, with'some products rising by as much as 25 per cent
Spokesmen for the major supermarket chains yesterday spelt out grim prospects for consumers in 1986
The senior buyer for Pick 'n Pay in the Western Cape, Mr Allan Baxter, sald yesterday "The ter, sald yester the wall
writing is on
"It looks at this stage as if we will be able to absorb increases up untul Christmas by selling off stocks we already have However, in January, or possibly Febru ary, we can look at price increases across the board."
He sald almost every product carried by the supermarket chain would go up by anything from five to 15 per cent, depending on the distance the product had to travel from point of manufacture to retal outlets
would push up prices Mr Norman Bernstem, are the $5,9 \mathrm{c}$ a litre aver- marketing director for age increase in the pet- Grand Bazaars, said it rol price - which was too early to predict pushed "the total in- accurately what the increase to the year to 60 creases would be in the per cent - and in- new year, but "when all creases in the cost of the bits and pieces are packaging and printing. added up, we will be left Mr Len 'Clench dyi with no option, we will sional director of Check- have to pass it on." ers, sald the dollar/rand He said it looked as if exchange rate had had $a^{-}$the petrol price would erious effect on the cost probably increase again erious efrecton the cost the new year, and with of printing and packaging as many of the more 1 mportant mate. rials were imported from the United States
"Everything we sell in our supermarkets, and I mean everything, will go up in price in the new year."
Mr Clench said the average price increase would be "anything up to 15 per cent across the board" with some products which came from further afield going up by astmuch as 25 per cent.
"You can say that the creasing prices and by price inct say that the Christmas 1 expect at felt from the time we items on the shelves to open our doors for busi- increase between five ness after New Year on and 10 per cent"

＇There are hard times ahead，＇said one chainstore spokesman． The general manager of the Pick＇n Pay Hyper－ market in Durban， Mr Martın Rosen，said．＇Al－ ready supphers are talk－ ing about increasing prices and by Christmas expect at least 98 percent of food items on the shelves to have increased between 5 percent and 10 percent．
＇Even the price of rice which was to have dropped by about $8 \mathrm{c} / \mathrm{kg}$ following a Government decision to drop the sur－ charge，will be affected． The drop will now only be about 3 c，he said
＇Spar managing director Mr Brian Beavon agreęd that increases of between 5 percent and 10 percent could be expected be－
cause of the fuel price in crease，but sald most of these would probably not be felt before the new year：
＇Manufacturers have to －give us four weeks＇notice＊ of price increases and we will take advantage of that to buy in stocks the $^{2}$
＇We definitely will not see price increases in the Spar group until the new year，apart from those al－ ready anmounced in the past three or four weeks．＇

## Weak rand

The weak rand，howev－ er，could push increases on．some products up by another 5 percent．
The senior buyer for Pick＇n Pay in the West－ ern Cape，Mr Allan Bax－ ter，said yesterday＂The writing is on the wall
＇It looks at this stage as If we will be able to ab－ sorb increases ap to Christmas by selling off stocks we already have， but in January，or possi： bly February，there will be price increases；right across the board．＇

Almost every product carried by the chain would go up by anything from 5 percent to 15 percent，depending on the distance the product had to travel from point of manufacture，to retal outlet．
We carry 10000 basic food lines alone，and the increases could affect the lot．＇
Major factors＇pushing up prices are－the in－ crease in the petrol price and increases in the cost of packaging and printing．

Mr Len Clench，divi－ sional director of Check－ ers，sald the exchange rate had had a serious ef－ fect on the costoffprint

## Mercury Correspondent

many of the more impor－creases there would be tant materials were im－nextyear $b \neq 1$ ported from the United＇But when all the＇bits States．
＇Everything we sell in our supermarkets，and I mean everything，will go up in price in the new year．＇
Mr Clench said the average increase would be＇anything up to 15 percent across the board＇ with some products from farther afield going up by as much as 25 percent．
Mr Norman Bernstem， marketing director for Grand Bazaars，sald it was too early to predict accurately what $1 n-$ and pleces are added up， we will be left with no op－i tion We will have to pass th it on．＇．
Our correspondentyn Paarl reports that an in－ crease in the price of fresh fruit sold to the can－ ning industry is likely to hit the consumer from March next year． Prices paid by the pan－ ang factories for fresh


# Can Timid <br> 245 121/4e? Passenger fare rises criticized 

## Staff Reporter

CIVIC and labour organizations yesterday condemned the announcement of bus fare increases, which take effect on Sunday and fall together with a 10 percent increase in passenger train fares
While City Tramways yesterday announced its 10 to 22 percent increases in a press release, South African T Transport Services (SATS) announced in October that rall and road passenger fare increases of between 10 and 15 percent were to come into effect' ono' $N o v e m b e r ~ 17$
City Tramways said yesterday that the bus fare increases were to compensate for the increase in the cost of diesel fuel
Increases on cash fares are not more than ten percent, in'terms of a section of the Road Transportation Act which entitles any bus operator to recover fuel price increases up to a maximum of 10 percent of the existing fare without applying to the Local Road Transportation Board
Clipcard increases vary from 10 to 22 percent Clipcard users would have to pay the fullincrease as the Department of Transport had not been able to increase the subsidy pard on clipeards.
"罗"

## 'Did not raise fares'

Bus fares were last increased in February this year City Tramways said yesterday "The company did not rave its fares to cover the fuel increase of 4,7 cents per litre in September this year and it is not in a; position to continue to absorb the latest increase of another 4,7 cents per litre"
Mr.WHorne, head of SATS passenger services in the Western Cape region, said there would be a general 10 percent increase on suburban fares.
$\mathrm{Mr}: \mathrm{A}: \mathrm{L}$ Gaffoor, press secretary for the Western Cape Traders Association (WCTA) and the Chamber of Muslim Meat Traders (COMMTRA), sard "WCTA and-COMMTRA view with dismay the insensitivity of City Tramways and SATS to the plight of the oppressed, hard hit by unemployment and the useless rand.
"Theiforceful removal of several communities far from their workplaces lies squarely on the shoutder of the Nationalist ideologists and we therefore call upon the government to absorb the increases and to get rid of the monopoly in public transport."
A spokesman for Cape Town Chamber of Commere said the increases had been expected but the Chamber was concerned that the increase hit the lower-income groups, who were the relativelysilarger portion of public transport users

## 'Intolerable last straw'

Mr Jan Theron, general secretary of the Food and Canning Workers Union, sard the union was appalled by the increases "Transport is a basic ic need and should be provided at a cost the people can afford and not at a price which makes a profit for large corporations."

- Mrs Mary Burton, chairman of the Black Sash said. "Unemployment and the rising cost of food already place a heavy burden on the people This. could be the intolerable last straw,
Examples of cash fare increases are a rise from R1,75 to R1,92 on the Mitchells Plain to Cape Town route and an increase from R1,20 to R1,30 from Nyanga, to Cape Town.
Some clipcard increases are from 37c to 43 cents a


Staff Reporter
CONFUSION reigned yesterday as some City petrol stations switched to selling petrol by halflitres, while others stuck to the old system after
press and radio reports
sard it was not necessary
for coastal pumps to use
the new system
However, a spokesman
for the Department of
Trade and Industries in
Pretoria sald yesterday
that a Government Ga-
zette, amending the
Trade Metrology Act,
woulld appear today In
terms of thas notice it
will be illegal to sell pet-
rol in iltres
The spokesman sand
the half-1tre system was
a purely temporary measure amed at eliminating confusion
A Motor Industries
Federation (MIF)
garages showed that many had not switched to the new half-itre system and most were concerned or angry about the change
Mr R Eintracht, owner of a Newlands garage said "I've got the equip. ment to handle the increases Why should we be penalized because everybody can't do it?" Mr Robin Guest, owner of a Bloubergstrand petrol station, called the new system "messy"
Petrol statıons which had changed over to the new system sald they had not experienced any serious difficulties Mr Peter Pickup. owner of a Woodstock garage, sald there had been "a couple of complants, but they seemed mainly to abuse the government"
spokesman sald a large
number of garages in the
Peninsula had not changed to the new sys tem

## 'Double price'

He attributed this to press and radio reports which sad that as coastal prices had not exceeded R1, it was not necessary for coastal stations to change
Under the new system, all petrol pumps will sell petrol in half-litres and motorists will pay double the price reflected on the pump
This became neces. sary because some petrol pumps are unable to reflect prices higher than Rl a litre - which 1s the new inland price after petrol, diesel and paraffin prices increased yesterday
A survey of Cape Town

more for sawn sonnounced by the SA Lum-
aciation (Salma) yesterday, ber Millers' Association
mainly affects structure the past five years
Salma increase ove the rate of its had consistently been below the rate on cost increases Andres Swart.
He said analysis by independent consultants showed millers' total production costs had risen an average $15 \%$ a year, compared to the average increase in, sales price of $11,4 \%$ over the past five years.

Without corrective action, industry viabil ity would come under pressure, he said.

## Scrap price control and State subsidy - report

 Price of bread 24 anBy Colleen Ryan,
Pretoria Bureau
In a move which could lead to a series of large increases in the price of bread, a Governmentappointed commission of inquiry has called for the scrapping of price control on bread and the gradual phasing out of the State subsidy.
The commassion's report calls for the abolition of price control on flour and standard bread in October 1986 and the phasing out of the bread subsidy within the next three to five years.

Sources in the wheat industry have warned that, in addition to normal inflationary price increases, the price of bread could
ncrease between 20 and 40 percent if the subsidy and price control were dropped.

The commission, charred by Mr F J Davin, was appointed to investigate whether the present subsidy system benefited underprivileged consumers
It found that bread consumption among black consumers had increased steadily in the past two years. But it argued that the the present subsidy of $11,6 \mathrm{c}$ on a loaf of brown bread - did not benefit only the poor, it also benefited middle and upper-income groups.
The report conceded that the phasing out of the subsidy would lead to a gradual increase in the price of bread but argued that
"free competition between millers, bakers and distrıbutors should ensure that the price does not sky-rocket and that consumers can still obtain standard bread at realistic prices"
To encourage competition and newcomers to the industry, the commission also recommended that restrictive registration in the milling and baking industries be scrapped in October next year and be replaced with a system of formal registration.
The report recommended that the State should concentrate on direct assistance to the hungry and malnourished. It sard that ald should be given to Government relief schemes, surplus food be sold at reduced prices to organisations such as Operation Hunger and at schools where children were in need.
It also recommended that, during the phasing-out period, the subsidy be transferred to the Wheat Board to réduce storage and handling costs. ",
TThe commission's recommendations' were in line with the Government's polucy of reducing State intereference, in "agriculture and encouraging free enterrprise, sald the repont ${ }^{2}$,


PASSENGER, freight and the line.
This will mean increases in the price of vegetables, fruit and ther farm products.

Bus fares will also rise and users of public road haulers will pay more to transport their goods

Private transporters - companies like SAB, Premier Milling and Coca-Cola which own transport operations to haul their own products - are likely to be faced with similar cost increases.
Kobos Jooste, president of the SA Agricultural Union (SAAU), said the diesel price increase delayed for farmers until the end of the 1986 planting season meant total cost increases of R135m a year.
agricultural sectors say they cannot absorb the latest diesel price increase.

As a result, say spokesmen, costs will have to be passed down
faced large numbers of cost increases this year and an indus-try-wide cost from unrest of about R30m

Each lc rise in the price of a litre of diesel costs organisations such as Putto RIm a year.
"Our executive meeting today will decide on our future statemy," said Pram de Jong, deputy chief executive of the SA Bus Opaerators Association (Saboa)
"Individual operators will not be able to absorb the increase for any length of time although some have indicated that they will delay any fare increases until February."
The only answer for absorbing the latest fuel rise, according to De Jong, would be an increase in government's passenger subsidy rate.
The Department of Transport is, however, investigating the possibility of lowering, even removeing, this benefit

##  <br> for a loaf of brown bread, would lead

PRICE control on flour and the subsi dy on standard bread should be phased out during the next few years, according to a government-appointed commission of inquiry.
The inquiry has also recommended that more direct state aid be given to the poor and hungry.
The commission, which was asked to investigate whether the present subsidy system benefited underprivileged consumers, said in its report that the price control on flour should be abolished by October next year, and the subsidy on bread phased out by 1990.

Charred by F J Davin, the commission found that although a phasing-out of the bread subsidy, at present $11,6 \mathrm{c}$
to price increases, it added "Free competition between millers, bakers and distributors should ensure that the price does not sky-rocket and that consumers can still obtain standard bread at realistic prices.'
The report recommended that instead of subsidising bread, government should concentrate on direct assistance to the hungry and malnourished through relief schemes and bodies such as Operation Hunger.
The commission also said restrictive registration in the milling and baking industries should be scrapped and be replaced with a system of formal registration which would encourage newcomers to join the industry. Sapa.









ANOTHER bread price increase is on the cards for early next year.
In Pretoria at the weekend, Wheat Board GM Dennis van Aarde sadd the increase in the fuel price by $5,9 \mathrm{c} / l$ earlier this month and the expected further increase of $6 \mathrm{c} / \mathrm{I}$ in January would load costs, particularly bakers' costs, in the industry to a point where an adjustment in margins would be justified.
And, according to industry sources, if government refused to provide an additional subsidy, - it would be the second such provision this year - the bread price would have to be raised again.
The bread price was raised by 5 c a loaf from October 7.
Had it not been for an additional subsidy of R45m, the increase would have been substantially greater.
The additional subsidy, which brought the total for the financial year to R245m, was said by Minister of Agriculture Greyling Wentzel at the time to be sufficient to hold the bread price at the new level until the end of March, when the price issue would have to be looked at again

## Contributions

The additional R45m was made up of contributions of R5m each from the baking and milling industries R15m from the Wheat Board's reserve fund, and R20m from the Treasury.
Pretoria sources sard the bread price in the new financial year would depend on how much the government was prepared to allocate to the subsidy in the 1986/87 budget.
Costs in the industry were bound to increase during the year and bakers, millers and producers were bound to seek compensation, they said.
Based on this year's total subsidy of R245m, the amount needed if government wanted to keep the price at the expected January adjusted level, was more than R300m.
However, this would also depend on whether government was going to heed the recommendation of the Davin Commission and start to phase out the subsidy next year.

Ther Trans vaall back 4 c／fe to customers
who use its self－service： pumps and the same procedure is now ex－ pected to be introduced． at，the Pick＇n Pay： Hypermarket in Durban＇

The hypermarket＇s gen－1 eral manager Mr Martin Rosent 4 told the Mercury his store＇would discount fuel＇within the next few days＇；providing the Gov－1 ernment did not interfere
 \％Mineral and Energy Af－ fars spokesman Theuns！ Burger saids＇The depart－ ment＇s not in favour：of discoudting，at retail lev－ el；butt＇no specific action has beet ded ded on．The situation mis bevif
 Howeves，he pointed mont tritaterthou it the Pe － troteamertoctucts Act made prousion for the ${ }^{\text {－}}$ minister to followeanumr： ber of options he was not forced to act 憵公
Our Cape Town coire－ spondent reports that＇a meeting of Pick．＇n．Pay dr－ rectors will decide today whether the final imple－ mentation of discount petrol prices would take place at 12 of the chain store＇s branches around the country
Pick＇n Paydirector Pe－ ter Price stid yesterday that if the go－ahead were given，the，ame，${ }^{\text {s }}$ system could be inftroduced naj

${ }^{\text {Jn }}{ }^{7}$ Mercury ${ }^{2472}$ $\therefore$ Reporte
tionwldé withith cwo weeks
At this stage the gener－ al feeling among the di－ rectors was that the concept would be adopt－ ed，he said．
＇One snag has still to be sorted out．We are wat－ ing for， 10 computerised tills needed at the，out－ lets，＇sald Mr Price．
The discòunt given was tied directly to the vol－ ume of petrol，sold，he sald．It could be lowered to $3 \mathrm{c} / \ell_{3}$ if aycertain amount ${ }_{3}$ of fuel， was $_{7}$ not sold inag given areasor \＆： ELEch service station at the 12 outlets will also have facilities for normal petrol distribution where attendants＇service＇cars ＇and＇normal prices＇atis＇ charged
With the Introduction of self－service pumps in Boksburg，the outlet in－ creased it volume from $350000 \ell$ a month to
1200000 ex

## Advantage：

$s$ A number of service station owners are up in arms over the plans and one owner near the Hypermarket sald the Government should step in and stop the dis． countung．
He claimed that of 45000 petrol attendants in South Africa between 60 percent and 75 percent would lose their jobs if self－service was intro－ duced．＂：？
＇The average motorist uses $30 \ell$ a week or about $120 \ell$ a month That＇s a saving of R5 So to save R5 a month we would put thousands of people out of work＇， ，
A Motor Industries． Federation member sald The department should act immediately They should not allow him＇to get away with it

This guy has an unfarr advantage over the ordi－ nary retaller and it＇s wrong．
＇Look how they acted when owners wanted to reflect the full price of fuel on the pumps instead of the half－htre system The Government threat －ened to close service stat tions if they did not． copplymath the laid down prifing system＇

BUS operators are having to take potential unrest into their calcuiations on fare mereases, according to the SA Bus Gperators' Association (Saboa)
Braam de Jong, assistant to the cirector of Saboa, said it had been decided at a recent meeting that individual operators should decade how best to recover the cost of the latest diesel-price increases
"But socio-political considertations came into this discussion -Any implementation of fare increases would have to be selective if they lead to trouble being caused in certan areas"
The unrest has hit bus operaitors hard, especially in the wake of bus-fare increases The bill for damage to buses totals R30m so far this year
Fare increases for black passengers were investigated on :Monday by the three operations which have rationalised fares in the area - the Durban Transport


But Putco sadd it would not be able to carry the extra cost much beyond the end of the year
Meanwhile, commuter buses can be run at a profit without passenger subsidies, says a report published this week by the CSIR's National Institute for Transport and Road Research (NITRR)
It says an element of competiuion in a free-enterprise system would lead to streamined marketing, mproved passenger convenence and operator profit
"Without subsidy and legislative protection, public transport would have reacted to near-unlversal car ownership by a gradual reshaping of services into a limited series of direct lines with frequent services and with haghly variable prices," say authors of the report, Paul Browning and Rodger Smith
3. $\frac{\text { Provident }}{\text { Coverage }}$.
in : Y il

Worker Cons
on
Yes
LIOn
Yes
5. Leave Fund

Worker Cor
Employer ( Annual le q
6. Sick Fund

Coverage
Worker Co
Employer
Annual pa
Annual pe
Qualify
Waiting
Percental Maternit

Increase is 'below inflation rate
13,5\% cement (un) price rise 'jusintified'

THE cement industry is adamant that its $13,5 \%$ price increase on Decomber 1 is justified
"The price increases across our range
the cements are less than the increase in
David Bum price index (CPI)," sand manager of Blouse, distribution "Thar ref Blue Circle
"This reflects our absorption of cost passing on the effects of that we are not passing on the effects of the excess cap-
city in the industry" Brockhouse
Alpha, Ronnie and earle old price control earle, agreed that the ord price control formula would have rendered a higher return to the produceSard Searie "Induce to consumers have trample "Industry price increases results of the previous year The on the for determining price year the ground industry is thing old price incr controls formula
un the
"Applying this, the SA cement indus try would have earned $4,5 \%$ before interest and tax on capital employed during 1985
The Price Controller permitted the industry a return of $15 \%$ during the era of price control"


The formula further indicated that an increase in the region of $20 \%$ would have been required to give the mowustry that $15 \%$, according to Searle
"Clearly this would have been unacceptable to customers and an increase less than the inflation rate is to be imple-
Both parties also stressed that the industry had absorbed a $10 \%$ rall tariff increase from April 1
This, they sad, constituted about $40 \%$ of the delivered price of the product
"Increases well above the inflation rate for power, coal and other fuel have been absorbed These are all expend r. mure items of sugnuicant impact on the earle $\begin{aligned} & \text { maturing cost of cement," said }\end{aligned}$
"But,", sand Brockhouse, "rallage rates, electricity tariffs and coal costs are expected to increase again during the first part of next year and it mung a cmecessary to make some further adjust-- "moments to our prices when these occur"

5, Fick


[^3]
##  <br> GERALD REILLY

BEEF farmers are cancelling slaughter
permits in unprecedented numbers causing a shortage of fresh beef and forcing up prices, according to Meat Board spokesman Koos Blignaut.
He said if it were not for the supplementary supplies of frozen beef being fed on to the market, prices could have gone through the roor.
Farmers, he said, were witholding stock to buld up breeding herds depleted during three years of drought, and as long as this process lasted the supply of fresh beef would be adversely affected.
Fortunately the board still had good supplies in cold storage, and these would be used to slow down the upward trend in prices at auctions.
Frozen beef was also still being sold direct to consumers and the trade at
rock bottom prices.
Blignaut was unable to say how long supplies would last
The board, he said, was unable to explain fully recent price increases.
For instance for the week ending 0 c tober 25, lamb prices averaged R4,13 a kg.

Last week the price reached a record R5, 18 a kg and this was in the face of an oversupply of sheep on some days.
Beef prices had increased steadily in the past two months and reached $\mathrm{R} 2,90$ a kg for super last week.
Blignaut added that markets were also experiencing the usual seasonal increase in demand for red meat, especially mutton.


Medical Reporter THE Medical Assocto hor of $S$ a Masal ha backed a mive br a grouf of dectors in the Hnttentot．Hollana dis－ tras to merease their consultation feer from R9．50 to R15 a visit－an increase of almost 58 percent

A spokesman for the group the Hottentote Holland Clinica Socrets an informal bodv uhich represent． almost all the prnate practitioners in Strand Graboun Gordons Bas and Somerset West，saio the increase would bring members consultation fees untc line with those of practitioners else where in the country
The new tariff is to be． come effective on Janu ary 1 next year when the medical and tariff for
consultation bid da （0．uf hor，it preser －Coll Rg 5u te Hus $4^{\prime}$ areas of the $W$ osther Cape are charging aboui R15 for consultations and those up－countri about R18．so we calcu lated R15 was a reason able level at which to set consultation fees sad the HHCS spohesmar．
He sald the grout would mantan its ；oln－ cl of offering cut－rates or even making no． charge at all to people uho simply carnot af ford the laid－doun rate Dr Norman Lem voce charman of the Federal Council of Masa sard the move by the HHCS－ most of whose 30 －odd members are also Masa members－fell withan the range of fees suggest－ bers

## Staff Fedorters

THE nes: ar-pres detro was solc ir the Fer. insice toav and Piel r. Fas chef Kavmonc Ackermar sacs ne wouc deti the Governmer dan gue tó de gazettec tocar as long as is ie: LIt: EVW Was O! A: Slo.

He saic 1 the Governmen porsicalit tried to sto:
 norme prase in whuc seet ar lrgen cour orgen
 Mat:

He sain "We wh" conunut seilung tooa' aespit

M. Ackerifid: Salic nis lavvors were walung to see 1: the Governmeni vazetic described the move as a aiscoun scneme as no Vunisier o. Minerai anc


## Car': rouer us

rie agaea "Thes is noi a ascourt seneme se if tha Is what the forble the car: wouch us We are merell pavinc customers to serve themselves it ${ }^{5}$ much the same as charging peope less it vot aon': delver grocenes Thats what supermarkets are al 250u
Fte u'r the 'rupore wer. sthi consuderine wha. the shoult $a_{i}+$ in garett Snecincail o oreventen Flet it fos from perme cuslomer w serve tnem selves
The wers also investigatur whether or not the Govermen hac a rigr, it prombeate a dannirg orae alke thil it the miode $0^{r}$ in hagn
he sale I we re wrons ke kor': orear the law But we ${ }^{n}$ gome in dery the dar it we teel the Gou ernmen. Is wrone
Fict in Pav would meet the Government today to discuss the ban, he saic

## Hoppag mad

"We are hopping mad that they banned the petrol sates betore we had a chance te vail to ther

Pict in Pav has pourec more that a R100 00e into an acverusing campang to advertise the seli-service scneme
Mr Sahkie Joubert, manager of Pics n Pav's Erackenfell nypermarkel sald the self-neip petrol scheme went inco operation al 7am today

Staff were putune up banners adverusing the scheme zno at 730 ne arsi customer pumped Roworth of petrol 10 s sumself ans recevec a cash refund tor doing it


Phimppo Buckrey of Durbanvilie hetps nerser to perre.

## Another meeting on Atlantuic crusis

Municipal Reporter
THE continuing crisis in Atiantis will be the subject of yet another speDivisional Councl meeting next week meeting Atlantis was due to be Atlantis was due to be discussed at the meeting yesterday, but the chair yest, Mr Louwtue Roth man, Mr Louwtiat the debate be postponed A suggestion from Mr Rothman that the housing committee be given the power to make a tinal decision on matters rased at the previous special meeting by Mr Nell Ross
Mr Ross sald $1 t$ would Ive a "restricted group" of councillors final say ofer the issue and would over the that the press and
public would be ex cluded from the debate
Next week's meeting. on Wednesdav at 11am, will be open to the public
The councal will consider two motions from Mr Ross asking for further relief measures for "bona fide hardship "bona fide hards, and cases" in Atlantis, and for council tornment and central govere for addithe province for the area Other matters likely to Other matte allegations be ralsed are" by council officials towards restdents and a request that dents-owners be given home-owners discuss their problems with staff in Atlantis instead of havAtlantis travel to Elsie's ing to
River

THE continuing crisis in Atlantis will be the sub ject of yet another spe cial Divisional Council meeting next week
Atlantis was due to be discussed at the coun cal's monthly meeting yesterday, but the charrman Mr Louwtjle Rothman, asked that the de. bate be postponed
A suggestion from Mr Rothman that the housing committee be given the power to make a fi nal decision on matters rassed at the previous spectal meetung was strongly opposed by Mr Nell Ross
Mr Ross sand it would give さ"restricted group" of councillors final sas over the issue and would over the that the press and
cluded from the debate Next ween's meeting on Wednesdav at 11 am . will be open to the pubhic
The councll will consider two motions from Mr Ross asking for fur ther relief measures for "bona fide hardship cases" in Atlantus, and for councal to approach central government and the province for addi tuonal funds for the area Other matters likely to be rassed are allegations of 'rudeness" by council offictals towards restdents and a request that home-owners be given the right to discuss their problems with staff in Atlantis mstead of having to travel to Elsie's River

Cht Mrice petrol
TiON Mathying
service petroi discountune of hetn terys se tugh in tarms ar ame stilemes will sto inovernment on as agreement reacheo witn int Grovernment, bu a inret-monta concessior na been granted to the boksourg Eypermarke

It. a Stamman tonas anter ascussiont petwee the group ano the Leparment of Mineras anc E.I
 Derti saic the Governmen: mamaimeo its postuo ing yesteraays danning of the rebaie sys
-
"However the store on the East fand has bee operatur 7 a discount petrol scneme for some vear an epartment ooes not wish to abruptur enc alcabied pracuce

Althougt service stauons in the vicinty werstill complaining, the following eecisior was take:

Snould the suppier whet provides thas store wits petrol be wiling to renew for three montic: previous contract when alows a auscoun: (whe ruli perro pump service, the aeparment wili not

Meanwhie, an investigation would be carred out and, if necessary the situatur would be ft viewea nex vear, Dr Aldents salc
5. Lea

WC
En
Ar
6. $\frac{\text { Sic }}{C c}$

WC
En
Ar.
An
Qu
Wa
$\mathrm{P} \in$
Ma

Import surcharge 'unjustified'


Business Day Reporter DAVID FURLONGER

GOVERNMENT's $10 \%$ surcharge on pharmaceutical raw materials is unjustified and is likely to increase further the cost of medicines, according to Niko Stutterheim, chairman of drug and chemicals group Noristan Holdings.

In the group's annual report he said the weak rand had already pushed up prices because of the increased costs of imports.
"The recently-imposed $10 \%$ surcharge on imports, which also affects pharmaceuticals and chemicals, will place further pressure on selling prices and we are of the opinion the surcharge cannot be justified on an essential item such as medicine."
Nóristan MD Hugo Snyckers said yesterday the surcharge would increase medicine prices by $3 \%$.
"The state is always expressing concern at the high cost of medicines. If it so concerned, it should demonstrate it," he added.

The annual report shows that Noristan, which also deals in computers, achieved an after-tax profit in the year to June of R1,3m, compared with R1,1m.

This includes provision for $\mathrm{R} 2,4 \mathrm{~m}$ in foreign exchange losses on overseas loans. Total provisions for forex losses for the year were $\mathrm{R} 4,7 \mathrm{~m}$, of which the

balance will be spread over the period of the loans.
Describing Noristan's results as "quite reasonable", Snyckers said yesterday the group was not expanding.
He warned that if the SA economy showed no signs of an early recovery, drug and cosmetic prices could rise sharply in the new year.
Although imported ingredients made up a huge chunk of products - $100 \%$ in the case of Noristan's cosmetics many manufacturers were continuing to absorb increased costs because of reduced public buying power and competitive pressures.
"However, you can probably expect to see further increases in the new year. A number of manufacturers are awaiting the result of the rescheduling talks."


i regrettec a, lersure beedus. a, seme dena
believe 1, nas beer the pict , htie $2 \cdot 1$
rupuoh hi medica; costs 'set Leaders The
first inme it was used $u_{d s}$ ovet 40 years dato when the ided of negotaung specid rate was infsi put into practuce

That was when medical and schemes wert aevelopins - as an extension of the uld meaical benefit scnemen - and doctors sau - marketing opportunity is oning medica? I services to a wider chentele dt at affordabit price

After negotations between Masa and the mearcar schemes, d deal was struch bringing the two sides together to offer a "dreferential tariff of fees ${ }^{\circ}$

It provided for recognition of a scheme br Masa with a ceiling on members' earnings For ther part, medical schemes agreed to pay doctors in full, direct, and then recover members habilty "It was a horse trade says John Ernstzen, charman of Rams. "without anv real science"
Progressuvely other bodtes romed the arrangement including the Dental Association of SA (Dasa) and the SA Assoclation of Private Hospitals As more people became medical scheme members increasing/, the earnings limn fell awas so that even high earners recerved treatmen al discounted rates
"During the Sixties, in got to a stage. espectally with Masa, that the horse trading became acrimonious,' savs Ernstzen Masa feared a loss of negotuatung power as scheme grew in number - probably with jus'flication

## Masa threats

Masa threats to withdraw approval of certann schemes led to the appointment of a commission of inquiry under Hennie Snman then president of the SA Medical \& Dental Council From this emerged recommendations that led to the Medical Schemes Act 1967, the prime object of which was to encourage the formation of medical schemes to provide medical cover for the whole population This important principle got lost in the ensuing arguments
The Act provided for a Remuneration Commission, of a judge and assessors with medical and medical schemes knowiedge, to determine the fee structure of doctors and dentists it would adjudicate between the professions and medical schemes The outcome was the gazetting of an updated tariff of fees
But doctors and dentists were never happy with the arrangement, says Ernstzen "Bastcally I think the commission did as well as it could, given the evidence put before it But Masa and Dasa were always loath to give sufficient disclosure of their affarrs to justufy their demands "
As a result, the Act was changed once again This tume the SA Medical \& Dental Councal became responsible for determining fees

Financial Mall November 291985


The first agreement was gazetted in 1979 No longer was a ludge needed bu' the council appointed a sub-committer uh in heard evident :rar both sides anc made rec. ommenazions to the Minster of Health This firs determinauon in Nolember 1974 caliec 10 an increase $0^{\circ} 37,5^{\prime \prime}$ in medica: tee. Through adiusiment, and increased ustige hower er, medin! schemes found ther payouts actuall. rose by $525^{\prime \prime}$

In spite of the ensuing furve and requests $b y$ the then Minster of health, Lapa Munnik, to reconsider, the increases were pushed through The Act was again amended to give the Minister the inal say in determining fees
The latest change came when Vak van der Merwe was appointed Minister of Health He did not want to assume the responsibility After long consultation, the Act has amended yet again in May 1984 to allow professonal bodies to determine their own fees with effect from December 211984

Pity it took so long to appreciate the advantages of a free market


 battlefield of a public health service in rout， the medical schemes are calling for a show－ down Costs are rock－ etung and therr differ－ ences with the providers of health care must be resolved or medical and cover will soon become a rare luxury
If the latest increase－planned for Janu－ ary 1 1986－is taken into account，member－ shup fees have gone up $500 \%$ since 1975 － an apalling show against an inflation rate of ＂only＂ $387 \%$ for the same period
The big medical chefs are gathering in Pretorid on November 28，primarly to dis－ cuss the＂privatisation of health care in SA＂ But they won＇t get far if they don＇t tackle the real key issue how to control the future costs of medical services，which have already rupped through the R4 billion a year barrier
Government is already limiting taxpayers＇ subsidies－through the provincial hospital network－to＂the poor and indigent＂by evicting most schemes＇members to the pri－ vate sector，where they have to pay market－ related rates
If medical care is to be avalable for every－ one－including the increasing numbers of blacks－then some means of effective cost control and control of usage，will have to be adopted pretty smartly As the principal pay－ masters of private medicine，the medical schemes see themselves as victums of explor－ tation
They clam＂widespread abuse by all and sundry，＂and suggest the consumer could be losing anything up to R100ma year－to say nothing of losses through inefficiencies

With medical costs going through the roof，the time has come for increased competition and deregulation．

To be almost farr，the schemes include everyone in therr accusations－＂almost＂ because they don＇t put themselves on the hist as well（we do，later）
They charge
$\square$ General practitioners are＂over－servic－ ing＂their patients，using the medical tariff as a＂shopping list＂and prescribing drugs in preference to longer consultation times， $\square$ Patients，while basking in blissful ignor－ ance of the true cost of medical treatment， are abusing therr privileges by＂excessive usage＂of many services，demanding drugs for even the most minor all－ ments，
$\square$ The pharmaceutical indus． try is overselling its cure－alls by heavy advertising，especially of proprietary drugs，without suf－ ficient warning of any side－ef－ fects，
$\square$ The private hospitals are making an＂ex－ cessive number of mistakes＂in therr bills，and ［］The law is preventing medical schemes from promot－ ing ways to cut costs

However，several members of the various professions point out
that medical schemes are in business to make a profit and are，in fact，doing very well Membership fees have increased alarmingly since 1976，for example，at an average $16,1 \%$ a year This compares to an inflation rate of $13,2 \%$ a year Last year the number of regis－ tered schemes was reduced from 240 to 215 as part of ongoing rationalisation In 1976 there were 251
According to a recent Medical Associ－ ation of SA（Masa）artucle，for the period 1974－1982，the doctors＇slice of the cake has crumbled，the suggestion being that they can＇t match the barganing power of the hospitals and druggists Compared to 1 nfla － tion at $165 \%$ ，doctors＇earnings rose $122 \%$ ， hospitals $291 \%$ and the costs of drugs $314 \%$
A specialist says that since tariff in－ creases rose only $107,3 \%$ over the same period，doctors are being forced to increase turnover by giving the patient less time per visit
＂His overheads have risen faster than the tariff，and now absorb $50 \%$ of his income Now， at $\mathrm{R} 9,50$ a consultation he sim－ ply cannot af－ ford to give his patient enough tume，＂he says One means to combat over－ servicing has already been adopted Con－ sultation fees， from January 1 1986，are to be increased by 43\％（see Economy artucle head－ ed＂Medical Fees＂）
John Ernstzen，charman of




L．to R．Masa＇s Prinsloo，Medical Administrators＇Leveton，Sana＇s Brannigan ．．．the heat is on

## HOW THE DOCTORS SEE IT

## Percentage increases 1974-1982

 - selected items
the Representative Association of Medical Schemes (Rams), says the medical tariffs were last increased by $8,8 \%$ with effect from July 1 1984, an average increase of $4,4 \%$ for the calendar year "Yet we have found that our claims costs for 1984 rose much higher than this up $19 \%$ on 1983 for general practitioners and $25 \%$ for speclalists
"This can only suggest more services are being performed, which points to a major flaw in the present syslem our inability to control usage
Tony Leveton, executive chairman of Affiliated Medical Administrators, which processes 30000 clams a day. says that his statistics for the six months to November 1985 confirm the serious problem of overservicing "Those doctors who rely on medical schemes for their income see our members on average $23 \%$ more than those doctors contracted out," he says Other schemes clam even higher figures

A doctor accepts this, but says that patents for their part "over-demand With the rapid increase in premiums members are using the facilities more, one reason why drugs expenditure has gone up so much And sometimes you'll hear a member say, 'Well. I think I've got all my money back from the medical and this year,' as if that was the point of it all
"My surgeries are full of children with snotty noses who wouldn't be there if the medical schemes didn't pay," he adds Says Ernstzen "Certainly, this attitude adds to the pressure to prescribe Sedatives, tranquillisers, low grade analgesics and placebos make up some $22 \%$ of our medicine
costs of R100m" He also believes that peonple are subject to heavy advertising pressure, and, "we are discussing this particular problem with Mas One thing we want is for advertisements to include suitable warnings, for example, few people realise that most renal failures are associated with the use of analgesics"
The private hospitals attract a fair share of criticism too As the specialist comments "We are by no means unaware of hospitals that have curious habits and periodically we find them charging for things not rendered "
They will receive an estimated $15,7 \%$, or R235m from registered medical schemes in 1985 Drugs are also included in this bill, although the largest slice, some $65 \%$, is taken up by staff salaries Leveton says the hopitais spare little when it comes to luxuries, while there's been little rationing of beds "This, of course, increases capital costs, yet I don't see how we can be expected to meet their financial aspirations "
Susan du Preez, president of the SA Nursing Association, adds that private hospital Texas regulations, as a condition of their regulations, as a condition of their
registration, also enforce standards that, in her view, even certain government hospitals don't live up to
Certainly the business is highly capital intersolve Says Barhey Hurwitz, past chairman of the Representative Association of Mrivale Hospitals "I bought a ventilator recently at a cost of R37000 Twelve months ago that same article cost R11 $000^{\circ}$ He points out that such expenditure is unavoidable and forms a major part of capital costs regardless of the quality of the hospital
The specialist agrees the hospitals do have a costing problem "Go to any reasonable hotel and you're in for R100 a might before they even start serving you Yet the hospital gets only R65 a day for a 24 -hour, all-mnciugive ser vice "
That could be one of the problems Hospitall don't get enough to cover their ward overheads One thing they do, therefore, is to concentrate on theatre work Perhaps another is that they load some of the bills Hurwitz is very concerned about the allegatons of abuse, but points out that there's probably as much overcharging as undercharging given the complicated billing systerm

A major problem for private hospitals is expensive operative procedures where patents are ether not covered by their medical

When you 'ye been to Cape Town, Durban, Bloemfontein, East London, the Game Reserve, the country club, the Town Hall and the hotel at the sea, int it time for a change of scenery?


If you're looking for a conference venue unlike anything you've experienced before, leave the country
The perfect alterative lies just across the border
At the Royal Swazi Sun Convention Centre
Choose from four luxunous conference resorts Enjoy hospitality and service quite foreign to your expectations And change the backdrop of your meeting to a scene of panoramic tranquility
ln Afnca's most beautiful valley

## ROYAL SWAZI SUN CONVENTION CENTRE.

 ald or have over-run thers limit Sometimes hospitals can and do have to operate free of charge In one case d patient had a by-pass operation in a private hospital costung R14000 The med, cal scheme was only prepared to pay R5000, the rate charged by Province

According to Dr Neville Howes, acting director of Natal hospital services, province is also prevaited upon to cover normally expensive, but subsidised, treatments such as renal dyalvsis, cancer therapy, and services to patients who have exhausted their limits

A surgeon points out that, in terms of the law, a medical scheme only has to publish

## PATTERN OF ABUSE

- A patient requiring a small application of burn ointment was charged for two 500 g jars of a specialised burn preparation Cost. R110,
$\square$ A doctor, who underwent surgery himself, found that certain antibbotics and other medicines had not been used Cost, R450.
$\square$ One patient who had already paid his bill found it included a charge for 600 applications of shampoo Cost, R600,
$\square$ A patient in hospital for six days with a superficial burn was charged for 36 injectıons of a cardiac resuscitative drug Cost, R720,
$\square$ A ward patient was overcharged by $400 \%$ for analgestcs.
$\square$ A bill included a charge for 10 crepe bandages when the doctor used only two, $\square$ A sterlisation by diathermy was performed, but was charged only as a laparoscopy and "dulatatuon and currettage" (D \& C) to get it through medical and scrutiny,
$\square$ A hospital charged for pre-operative and post-operative bed care even when the patient "walks in and walks out" of theatre.
$\square$ A gynaecologist who complained that his pattents were "being ripped off" was denied future fachities at a certain private hospital,
$\square$ A doctor with cut-price rooms at a nursing home was warned he would be evicted next time he referred an incorrect bill to a medical and,
$\square$ Certain hospitals have been known to add on charges after the medical and member has signed for his bill,
$\square$ A doctor manages to see 80 patients a day at R9,50 a shot Cost, R760, and $\square$ A nursing sister carried out a dehvery because the doctor was late But he charged for his full services
the operating company's account, while its adminıstration arm remains outside public scrutiny "Through this loophole, some people believe, more is being salted away than the maximum $10 \%$ allowable as administra. tion expenses"
The biggest hurdle to finding a solution to all this is the conflict of interest No party will wish to give ground The principal aim of any discussion, however, must surely be how to move health care towards a free market, which is not, of course, synonymous with privatisation This means that legal and ethical constraints must be dismantled if privatisation is to work

The key to this, argues Leveton, is the abolition of the guaranteed payment "This is really where the corruption develops " he savs "For what incentive is there for the doctor or the patient to conserve costs if the charges are guaranteed" Remove this and we can offer fleaıble benefits"

This, of course, would require major overhaul of the law One necessity would be to abolish the Medical Schemes Act, transposing a few of the "really necessary" provisions into the Insurance Act, a more suitable repository for what is, after all, an insurance matter

Insurers could join to provide much-needed competition for medical schemes and would probably come up with some novel, flexible covers, such as "topping up" whereby a member can buy additional insurance to cover the more expensive procedures

And why shouldn't employees have the nght to shop around ${ }^{\text {? }}$ Why should they be tred to their employer's apron strings? Free chorce of medical and would also increase competition and reduce membership turnover - at present running at some 500000 a year At the very least this would give the medical schemes a chance to check their bills, to build up a claims history and to develop ideas about underwriting practice

Ernszten says that the fragmentation of hospital bills has been causing a lot of trouble But hospitals resist calls for rationalsation through, for example, the averaging of bills

They say this would be unfarr because theatre fees vary so much depending on the surgeon's particular techniques, products used and the time taken "But something's got to be done," agrees one doctor "They've
however, is less keen about this, even though doctors would appear to be the best quallfied "I don't see how a doctor could be made responsible for policing the industry." she says

## BUREAUCRATIC MAZE

The authorties and the professions between them have got the patients in traction No less than seven statutes, six assoclations, four councils, one society one board, three "own affars" departments plus, last but not least, the Department of Health, over-regulate, over-complicate, and even deliberately destroy mutione in the medical health care svstem

Doctors, like all professionals, are prohibited from advertising or being quoted in the press it is virtually impossible to make criticism of medical pracuce a public issue, even though it is, of course, the public's business

So-called ethics protect the docior, the dentist, the pharmacist, the physiotherapist, and indeed all of the associated health service professions from competition, scrutiny and censure

Medicaı schemes are forced to pay for any benefit rendered by the above professions, for every hospitalisation, and for every prescription issued by an authorised person, schemes are allowed certain exclusions, such as for cosmetic surgery

But they must guarantee direct payment in full to those who charge within the Scale of Benefits While they cannot pay out at less than $70 \%$ of the price, schemes must recoup the difference from the member Schemes are prohibited from varying the subscription rates except for the numbers of dependants and for different salaries Members are also precluded from buying additional cover for expensive treatments

Pharmacists, "by tradition, charge wholesale plus $50 \%$ " To this they must add a dispensing fee of R1,30 per item. plus charges for any prescription copies They are forbidden to advertuse, and may not induce across-the-counter sales by offering discounts

One interesting suggestion comes from Du Preez who thanks that an independent company could check bills for reward, "rathes the the Automobile Association which checks members' motor reparr bills for accuracy," she says
A cost contanment suggestion also comes from Eileen Brannigan, manager of social economic affarrs at the SA Nursing Association She is keen to encourage "preventive and promotive care" as a means to cut costs "We know of 98 nurses in private practice who can provide, firstly, a supportive role for the doctor, reducing his time spent on basic matters and, secondly, home care, saving costs for the patient too"
She says, for example, the nurse can assist in the traming of dabetics, and teach new mothers in their home environment "We also support the concept of a 'mult-purpose team' which would comprise doctor, surgeon, pharmacist and nurse" The nurse would provide the siftung process, with time to histen

## BILL OF HEALTH

Cost of medical care in SA 1985 Budget estimate

| Registered Medical Schemes |  | R1500m |
| :---: | :---: | :---: |
| Exempted Schemes |  | R119m |
| Department of Health |  | R439m |
| (General Affars) |  |  |
| Own Affars |  | R96m |
| Assembly | R57 9m |  |
| Delegates | R7,6m |  |
| Representatives | R 307 m |  |
| Provincial Administration |  | R2 109m |
| Cape | R768 0m |  |
| Natal | R333,2m |  |
| OFS | R200,0m |  |
| Transvaat | R807,7m |  |
| Total 1985 estumate |  | R4 263m |

NOTE Excludes members liability payments by non-rnsureds and sundry
to pataents, possibly countering requests for minor but expensive palliatives Therr status and function in the provision of health care
would be accordingly upgradec
The medical professions should be actively encouraged to advertuse with the nght to discount prices of drugs and services As to be expected, the professions denounce this concept, saying it would undermine quality of service and disrupt the free flow of ideas among doctors who would then become competitors But advertising would invoke public awareness and could even create a greater discernment of quality This would also be in line with trends in world thonking

But the fundamental weakness in the medical health services is the lack of competition Those with vested interests will continue to promote the cost spiral unless government is prepared to interfere in probably the most positive way it could - by dismanthing regulations and freeing up the professlons from their regulatory bandages

The free market is by far the most efficient arbiter of pricing and the provision and control of services Let it do its job

FORM-SCAFF/NATIONAL BOLT
Welding together profits

Making nuts and bolts is a prosacc business, and sufficiently low-tech, it seems, to allow easy entry to anyone with cash When demand for fasteners soared in the booming late-Seventies, everyone from mining houses to individual businessmen, jumped onto the manufacturing bandwagon Mining houses, in particular, invested heavily in this industry - and for good reason They are prodigious users of fasteners, and they wanted to secure therr supply lines
But the industry had attracted weak managers, and everybody expanded too ambltously The fastener market became bloated, inefficient and oversuppled, although its poor state was easily hidden in the good years With the recession came a tide of losses, forcing an mevitable shakeout
Late in 1983, Form-Scaff Holdings, a pr1vately owned engineering company, moved in to pick up the pleces lt acquired National Bolts and IFM, two large manufacturers, from Anglovaal Industries and the Diamond family respectively In the subsequent reconstruction (FM March 8 1984) IFM sold its trading division to Natbolt, and effectively became Natbolt's listed parent IFM was subsequently renamed FormScaff Industries (FSI) Simultaneously, Form-Scaff inject-

Form-Scaff Holdings is a private concern controlling two listed companies, Natbolt and FSI. It has been making firm forays into the export market, and the listed companies are regarded as excellent recovery stocks.
ed its own South African trading division, which sells scaffolding and formwork, into FSI, giving it a more balanced trading base In the new structure, a private company - Form-Scaff Holdings - controls two histed companes, Natbolt and FSI (see diagram) Control of the entire group rests in the hands of three shareholders FSI chairman Benjamın Kamıner, MD Jeffrey Liebesman, and director Nathan Bress


At first, restoration of the fastener division proved problematic Operating problems persisted in Natbolt which was then still managed by the Diamond family By all accounts, during their tenure systems were inadequate, relationships with chents were straned and production efficiencles were weak A none-too-amable split followed in November 1984, and Form-Scaff was left to straighten out a messy operation
Another problem was Natbolt's rising borrowings The group had built up debt to acquire IFM`s trading division, just as interest rates began to move up At June 1984, Natbol's gearing was at an unhealthy 1,20, and at end-June 1985 the interest bill had soared to $88,2 m$ ( $\mathrm{R} 5,2 \mathrm{~m}$ ), all but wiping out operating profits of $\mathrm{R} 9,6 \mathrm{~m}$ ( $\mathrm{R} 2,6 \mathrm{~m}$ ) The attributable profii of R193000, however, represented a strong turnaround from the previous year's losses of $\mathrm{R} 2,6 \mathrm{~m}$, indicatung already that ratoonalisation benefits were flowing through
The debt equity rato had fallen by June 1985 to $73 \%$, and parent FSI ended the year with attributable profits of R1,5m (R1,2m)
New management was installed at $\mathrm{Nat}-$ boit, and the company recently acquired the fastener division of Cutsteel, to become a dominant player in the local fastener

## FM's GROWTH GOES ON

There is no stopping the $F M$ In the face ?of a severe economic downturn the maga$\cdots$ zue, which is wholly-owned by SA Asso, ciated Newspapers, set a new monthly wadvertusing revenue record in November with sales of R2m
I, Support from advertisers confirms the funassallable market leadership of the $\%$ FM. This market leadership is also reflecroted in its natoonwde crculation which Freached a peak of more than 33000 in the therd quarter of 1985.
: Fulvio Cassuto, the $F M$ s advertising manager, suys that there has been a remarkable response from advertisers to the. FMs expanded surveys programme In addition, a new FM publication, Computfer Mail, which will be launched at the end
of January, has already-attracted heavy advertising and carculation support
The FMS reputation for journalistic excellence has spread around the world and it is frequently quoted by-leading \&forelgn publications in therr coverage of SA:France's most famous and influential 4 newspaper, Le Monde, recently described the $F M$ as "a detached witness and meticulous observer of a country in gestation" $\quad \therefore$ "

+ Sunce 1980, the FM's circulation has risen by well over $60 \%$ in the face of a cover price increase from 80 c to R 2 , testrmony to its strong reader support The level of reader loyalty to the FM is reflected in the fact that subscriptions make up $80 \%$ of ts total sales
tion could be brought down between $1 \%$. $2 \%$ "
He adds, however, that for every favourable influence there is a negative one And on the question of the debt standstill, there is little reason for hope Even Fritz Leutwiler, has now done a volte face, insisting on some political headway before negotlations can proceed
Inflationary expectations are also dangerously high With dally reports of massive price hikes to be expected in the new year, there is growing despondency about what money will buy in the future According to economists, people are anticipating an inflation rate over $25 \%$
Also, with inventories having declined for the past three years - they are now particularly low - the stage has been set for massive restocking once growth begins Last year inventories dropped by R141m For the first two quarters of this year they were run down py a further R945m


## inventory cycle

The fear of sanctions has prompted some firms to begin restocking earler than they might have and lower short-term rates have given this impetus
A turn in the inventory cycle will remove what hitle downward pressure there is on the rate of inflation Most economists expect a drop in inventories next year of roughly R100m Aganst this year's expected decline of R900m, that is a net input of R800m, or roughly $2 \%$ of gdp
Inventories of manufacturing, agriculture, wholesale and retall trade and construction have taken the biggest knocks
This means that much of the increase in inflation over the next few months will stem from the depreciation of the rand which, up to now, has not been fully felt because firms have been selling old stock
"To the extent the economy gets moving and inventories contribute to this, inflation can only rise," says one economist There is
now consensus on what lies ahead nothing less than a real bumdinger of an inflationary boom


The first "Scale of Benefits" for determining medical scheme payouts is expected to be gazetted with effect from January 1 It marks the end of 40 years of tortuous negotiation between schemes and beneficiaries doctors, dentists and other medical professions - characterised more by disagreement than agreement

Under the scale, the Representative Assoclation of Medical Schemes (Rams) is to increase its payouts by an average $12,5 \%$ Increases vary considerably, however, with general practitioners receiving the biggest hike They will receive a $43 \%$ increase in consultation fees from R9,50 to R13,60

The hope is that this will encourage doctors to spend more time with patients and prescribe fewer medicines, thus saving on drug costs But some are sceptical, beheving that this will "not cut consultation habits," as one schemes manager put it

It was last year that negotiation of fees finally came to an end From December 21 1984, doctors were free to charge what they liked, although in practice many kept to the tarıff gazetted that July

Under the new deal, however, Rams is "obliged to review its rates" within three months of a change in fee scales used by the medical professions In the case of doctors, the Medical Association of SA (Masa) publishes what it calls its "Guide to Fees for Medical Services" This is a guide for average private fees, based on a unit price of R2,10, though in line with Rams' new scale, the unit price for medical schemes will be R1,58, an effective discount of $25 \%$

Doctors who stick to the scale will con-
unue to eniot the guaranteed payment Ths has beer a carror ofi-dangled in haste and regretted at leisure because, as some people beheve, it has been the man source of corruption in medical costs (see Leaders) The first time it was used was over 40 years ago, when the idea of negotiating special rates was first put into practice

That was when medical aid schemes were developing - as an extension of the old medical benefit schemes - and doctors sau a marketing opportunity to bring medical services to a wider clientele at an affordable pnce

After negotiations between Masa and the medical schemes, a deal was struck bringing the two sides together to offer a "preferential tariff of fees"

It provided for recognition of a scheme by Masa with a ceiling on members' earnings For their part, medical schemes agreed to pay doctors in full, direct, and then recover members" lability "It was a horse trade," says John Ernstzen, charrman of Rams, "without any real science"

Progressively other bodies jomed the arrangement, including the Dental Association of SA (Dasa) and the SA Association of Private Hospitals As more people became medical scheme members, increasingly the earnings limit fell away so that even high earners received treatment at discounted rates
"During the Sixties, it got to a stage, especially with Masa, that the horse trading became acrimonious," says Ernstzen Masa feared a loss of negotiating power as schemes grew in number - probably with justification

## Masa threats

Masa threats to withdraw approval of certain schemes led to the appointment of a commission of inquiry under Hennie Snyman, then president of the SA Medical \& Dental Councl From this emerged recommendations that led to the Medical Schemes Act 1967, the prime object of which was to encourage the formation of medical schemes to provide medical cover for the whole population This important principle got lost in the ensuing arguments

The Act prowded for a Remuneration Commission, of a judge and assessors with medical and medical schemes knowledge, to determine the fee structure of doctors and dentists It would adjudicate between the professions and medical schemes The outcome was the gazetting of an updated tariff of fees

But doctors and dentists were never happy with the arrangement, says Ernstzen "Basscally I think the commission did as well as it could, given the evidence put before it But Masa and Dasa were always loath to give sufficient disclosure of their affars to justify therr demands"

As a result, the Act was changed once again This tıme the SA Medical \& Dental Council became responsible for determining fees

The first agreement was gazetted in 1979 No longer was a judge needed, but the courcll appointed a sub-committee whith heard
 evidence from both sides, and made recommendations to the Minster of Health This first determination in November 1979 called for an increase of $37,5 \%$ in medical fees Through adjustments and increased usage, however, medical schemes found their payouts actually rose by 52,5\%
In spite of the ensuing furore, and requests by the then Minister of Health, Lapa Munnik, to reconsider, the increases were pushed through The Act was again amended to give the Minister the final say in determinng fees

The latest change came when Nak van der Merwe was appointed Minister of Health He did not want to assume the responsibility After long consultation, the Act was amended yet again in May 1984 to allow professional bodies to determine their own fees with effect from December 211984

Pity it took so long to appreciate the advantages of a free market

## LLOYD'S OF LONDON

## Break for the banks

Since the moratorium on payments to foreign creditors was declared in July, London banks have been reluctant to issue letters of guarantee on behalf of South African residents This created problems for those hoping to qualify for membership of Lloyd's
"Now the problem is being resolved," said Lloyd's deputy-general representative in southern Africa, Ronald Napier, who was yesterday expecting to hear that a way to furnish acceptable guarantees had been found
Barclays, which 15 seeking $£ 5,5 \mathrm{~m}$ worth of guarantees for 63 aspirant members - at last count - is also confident "We have found a way to satisfy our customers' requirements." says senior general manager Peter Springett "Dotung of the is and crossing of the t's is taking place now and we expect everything to be in place by tomorrow"
This will be a great relief to local bankers who have had to make shift to accommodate clents
Says Standard Bank's senior general manager Arthur Daymond "By reducing the London bank's exposure in South Africa in other areas, we have succeeded in obtaining guarantees But it has been a very limited fachity "

For the more than 300 South Africans who are already members of Lloyd's, there are other problems

The falling rand has meant they have had to provide additional securities to continue to qualify for membership - and they face the prospect of meeting their obligations in financial rands

So, though membership of Lloyd's of London is not a milhonare's preserve, it is proving a trying test of financial standing for South African residents Only those who previously would have passed the Lloyd's "means test" several times over will stull be safely within the fold

However, according to a broker who handles a substantial amount of Lloyd's business in SA, most of the 300 -odd members fall comfortably into this category - which he feels is as it should be "Unless you're wealthy you shouldn't actually be in the club"

## Unlımited liability

A view supported by a banker who beheves that assets worth at least half a rillion sterling are needed to ensure a name can meet the unlimited liability that membership entalls

The Lloyd's means test requires assets of at least $£ 100000$ (premium hmits are in the ratio of 21 with a premum maximum of $£ 600000$ ) and a letter of guarantee worth $35 \%$ of their premium limits
The problem for marginal members of the


PRETORIA-The wholesale;price of skim-milk powder was to be decreased by $60 \mathrm{c} / \mathrm{kg}$ while the price of industrial milk was to increase, as was the wholesale price of cheese and butter; the chairman' of the Dairy Board sald here yest-- erday
"Mr'Jan van Vuuren said the price reduction of skim-milk powder was made possible by áre'duction in the price of butterfat, which meant the price of butter had to be mereased. It was expected that the lowerpriced skım-milk powder woild work through to theiconsumer in a matter of wieeks.
Yis yan vuuren also announced that the produceriprice of first-quality industrial milk would rise: by 142 c per 100 kg milk from'Decembeṛ 1.
This meant that the consumer price of butter, cheddar and gouda cheese would increase slightly
CThe industrial milk price was to be increased by 3,7 percent 'to prevent the"development of possible structural disturbances within the milk production sector by bringing the price of industrial milk more in line with that of fresh milk,' the statement sald.
'Pressưres' |r

1) The wholesale price of chéddar and gouda cheese was to be increased by $11 \mathrm{c} / \mathrm{kg}$ (or 2,1 percent), and the whole sale price of butter by 38 c/kg or 7,5 percent:" ${ }^{4}$ thenese, increases would take effect only on February 1, 1986 "

[^4]$$
{ }^{\prime \prime \prime}
$$
-

## Sacu campaign for <br> generic medicivect <br> THE South African Consumer Union (Saed) is to

 embark on a nationwide campaign to encourage consumers to ask doctors to prescribe generic medrcinesThe union's move comes in the wake of predic tions that medicine prices will rocket by 32 percent next year because of the low exchange value of the rand and of the import surcharge

A generic medicine is a copy of a branded medicine out of patent, sold under a different name
A recent Supreme Court ruling made it illegal for pharmacists to substitute generic medicines without the consent of prescribing doctors

Mrs Betty Hirzel, charrwoman of the Consumer Union, said in a statement "The union has decided unanımously to embark on this nationwide campargn early next year
"We are gravely concerned at the ever-increasing cost of medicines Generic equivalents have proved to be cheaper, often considerably so We feel that generics should be freely avalable to consumers The hard-pressed consumer should not be denied this benefit during these adverse economic times
"Medical-and schemes are overloaded and we are concerned that with the increase in the price of medicines, premiums will increase out of all proportion," she said
Generics had been used by hospitals in this country for many years with no adverse results reported and at a considerable saving to the taxpayer and patient

## Inflation rate of over $20 \%$ predicted

# Prices of household 

 goods are set to soar
## By CHERILYN IRETON and <br> GERALD REILIY

MASSIVE price increases in household goods early in the new year will push the official inflation rate - as measured by the Consumer Price Index - above $20 \%$ much sooner than expected.
Most food items will rise by between $10 \%$ and $33 \%$ Pick 'n Pay chief buyer Richard Cohen told Business Day he did not know of any product which would not have a price increase within that margin
Prices of toletries will merease by at least $10 \%$. Some items, such as paper tissues and disposable nappies are set for two $15 \%$ price increases next year Razor blades will cost $30 \%$ more and detergents $21 \%$ more.
A bread price increase is certain by the end of March, according to Pretoria sources, while the Darry Board announced at the weekend that mill, butter and cheese prices would be raised early next year.
Distributors are expected to raise margins and force up the price of fresh milk within the next few weeks.
The Dairy Board also announced an industrial milk price increase of about 4\% from today - up by 142c to R34,50 per 200 kg
This means that wholesale and retail prices of cheddar and gouda cheese will rise by $11 \mathrm{c} / \mathrm{kg}$, or $2,1 \%$, and the price of butter by $38 \mathrm{c} / \mathrm{kg}$ or $7,5 \%$, from February
The board will subsidise to maintain prices at current levels until then.
Other basic foodstuffs earmarked for increases include sugar and maze, cof-

fee, fruit, vegetables and meat The price tags of other groceries set to change include canned fish, spices, oats, breakfast cereals, biscuits and sweets
And, of course, the petrol price is likely to be increased again early in the new year, unless the rand stages a spectacular recovery.
Checkers' grocery manager Bran

Sachs expects most increases to be phased in over the first two to three months of 1986
"We are attempting to delay increases as long as possible and are buying in stocks to try and cushion the blow," he said
"But 1986 is going to be a bleak year We are going to be affected by the increased rail tariffs and are expecting the ramifications of increasing inflation"
Cohen blames rising food prices on the rand-dollar exchange rate, the $10 \% \mathrm{im}$ port surcharge and the $15 \%$ increase in rall rates "All this paints a poor picture. I don't think anyone is exercising control over inflation Either they don't care or they have lost touch with reality."
There is a strong suspicion among buyers that supphers "talk to each other" before price increases are announced But there is little that can be done about it
It now seems haghly improbable that


- To Page $3 \square$


## Massive price intreases <br> the CPI will stay below $20 \%$

Prices in October this year were $16,8 \%$ higher than a year before. Food accounts for just less than $25 \%$ of the CPI
At the end of October, food prices were $12,8 \%$ higher than a year previously, lag. ging behind price increases for all other items measured in the CPI which were $18,3 \%$ up
The big increases over the last 12 months have been in coffee and tea, up by $23,5 \%$, fish (up $24,3 \%$ ), fruit ( $19,1 \%$ ) and grain products $(17,6 \%)$.
Apart from vegetables ( $1,8 \%$ ), no other category of food increased by less than meat's $11,5 \%$.
With salary increases well below the inflation rate, disposable incomes will be under further pressure Consumers are likely to digg into their savings, which had
$\square 0$ From Page 1
picked up earlier this year.
By the second quarter of this year, the personal savings ratio (savings to disposable income) had reached $7,4 \%$. By most estimates, it will have dipped to $5 \%$ by year-end. Next year it will be lower still.

Discussions on rising costs have been taking place throughout the country.
On Thursday the SA Milk Distributors' Union met to study escalating costs, and the "thin" margins on which the dairies are operating.
The National Marketing Councll met Agriculture Minister Greyling Wentzel to discuss milk producer costs, the losses being suffered on surplus darry exports and the need for bigger producer levies

## Massive price increases

the CPI will stay below $20 \%$.
Prices in October this year were $16,8 \%$ higher than a year before. Food accounts for just less than $25 \%$ of the CPI.

At the end of October, food prices were $12,8 \%$ higher than a year previously, lagging behind price increases for all other items measured in the CPI which were 18,3\% up.
The big increases over the last 12 months have been in coffee and tea, up by months have been in coffee and tea, up by
fish (up $24,3 \%$ ), fruit ( $19,1 \%$ ) and grain products $(17,6 \%)$.
Apart from vegetables ( $1,8 \%$ ), no other category of food increased by less than meat's $11,5 \%$
With salary increases well below the inflation rate, disposable incomes will be
under further pressure. Consumers are
likely to dig into their savings, which had
picked up earlier this year.
By the second quarter of this year, the personal savings ratio (savings to disposeable income) had reached $7,4 \%$. By most estimates, it will have dipped to $5 \%$ by year-end. Next year it will be lower still.
Discussions on rising costs have been taking place throughout the country.
On Thursday the SA Milk Distributors' Union met to study escalating costs, and the "thin" margins on which the dairies are operating.
The National Marketing Council met Agriculture Minister Grayling Wentzel to discuss milk producer costs, the losses being suffered on surplus dairy exports and the need for bigger producer levies.

## Car price rises set to accelerate

CAR prices are going up again at the end of the month
Some manufacturers announced increases this week, while others say they will follow suit later this month
Toyota marketing director Brand Pretorius says Toyota will increase ts prices by $6 \%-8 \%$ before Christmas.
Volkswagen's Ronnie Kruger says the Audl range went up $6 \%$ yesterday and that further price increases on other models are inevitable BMW spokesman Mike Brandt says BMW prices went up 4\%-5\% yesterday.
However, the spate of recent price increases - the new increase means prices will have risen $16 \%$ since August - has not caused a deeper slump in car sales.
Although sales this year are down heavily on last year, there

ALAN RUDDOCK
has been some consistency in monthly sales figures since June. Monthly sales have hovered around the 17000 mark, and manufacturers say November was no different Last month's car sales are estimated to have been between 17000 and 17500.
Pretorius says manufacturers are still trying to recover the increased costs caused by the weak rand, and he says the price hikes are unavoidable.
Yesterday the rand hit new lows against the West German mark and the yen, the two most important currencies for vehicle manufacturers to take note of.
"We have warned that prices could rise by more than $40 \%$ next year and it now looks as if things will get even worse before they get better," says one maṇufacturer.

## Cape teachers paid

CAPE teachers whose November salaries were withheld have been paid, after they threatenedtto take legal action.

A sposesman for the 2000 -strong Westerin Core Teachers' Union sadd the union instructed attorneys to act on behalf of all teachers whose pay had been
witheid for allegedly refusing to administer exams. withheld for allegedly refusing to administer exams.
The teachers include the staff of Harold Cressy High School in Cape Town, about 27 teachers at
Cathkin Senior Secondary School in Heideveld and a Cathkin Senior Secondary School in Heideveld and a
number of teachers at Alezander Sinton Senior number of teachers at Alexander S
Secondary School in Athlone. - Sapa.

No change in taX from (1ay year, total tax receipts from gold are not expected to increase

In fact, as a proportion of total state revenue, gold mine tax receipts will decline.
They now account for about $10 \%$ of the R30bn tax receipts, but will probably be down to $8,5 \%$ next year
Louis Geldenhays, economic consult-
ant at stockbrozers George Huysamer and Partners, estrmates that gold receipts will be R3bn, rather than the officlal estimate of R2,44bn.

First-quarter 1886 tax receipts will show an increase on the corresponding period in 1985 because the tax surcharge Increase from $20 \%$ to $25 \%$ was imposed at the end of March this year
BUYING TOYOTA?

> PHONE
> TIIRSE
> numibers

## $011869-03107$ <br> $011845-27207$ 011 52-8413 <br> 01155-8540/1/2 <br> 011706-7125 <br> 011787-5632 <br> 011 53-7935/6 <br> 011945-1066/8 <br> 011 825-1180

 back in opinion
polls as West Ger- KOHL many gears up for a year-long election campaign
An authoritative survey by 2 DF television this week said Kohl's Christian Democratic party (CDU) had moved ahead of the opposition Social Democrats (SPD) for the
through the next election," said a
first time in nine months and that the Chancellor's personal appeal was rising
But CDU officials seized on another outcome of the poll as even more encouraging.
It indicated that optimism about the country's economic prospects is sweeping the country and fears about unemployment are receding.
"The poll reflects a substantial shift in the mood of the population towards greater confidence in the future That will work in the government's favour and carry us
senior aide to Kohl
The ZDF poll said the CDU now enjoyed $45 \%$ support compared with only $40 \%$ to $42 \%$ in the summer, while the SPD had slumped from $47 \%$ to $43 \%$ in one month.
The apparent change of mood, also reflected in another poll published yesterday, has dampened spirits in the SPD as the party prepares to open its campaign for the general election, scheduled for February 1987.
Johannes Rau, the SPD's candrdate against Kohl, will present his policies in a speech in the town of Ahlen on December 16.

workers in the industry are due to come into effect from January 1.
Mondi Paper and Sappi Fine Papers recently increased the price of fine papers and Sappi has indicated that the price of various coated-paper grades will shortly increase by $11 \%$.


CLARE HARPER
INCREASES in the cost of eleciricity from January 1 will be announced this afternoon, an Electricity Supply Commission (Escom) spokesman confirmed yesterday
And an announcement of further price rises during 1986 is expected to accompany the disclosure of the January 1 increase
It is speculated that consumers may face an increase of between $20 \%$ and $30 \%$.
Escom communications manager Ewald Thal said yesterday that the tarrif increases would be announced minutes after they were approved by the Cabinet later today.

Escom is expected to spell out the reasons behind the increases, how the company proposes to finance itself in the future, and the impact of this on the local economy.
Tariffs were increased by $10 \%$ last January and by a further $10 \%$ in September.
The Commission of Inquiry into the supply of electricity recommended in its report that increases should occur once a year only, however the present economic climate had made this impossible.

THE $15,5 \%$ electricity tariff increase next year will aggravate Escom's financial position and delay economic upturn, said Federated Chamber of Industries (FCI) president John Wilson.
"A tariff increase of this magnitude at this time will undoubtedly further curb electricity demand," Wilson said.


FRED STIGLINGH, GERALD REILLY and 8APA
Escom chairman John Maree yesterday announced the increases would be implemented in two stages, on January 1 and July 1, amounting to a cumulative 15,5\% for the year.
This year saw similar increases, on January 1 and September 1.
Maree said major cost reduction had to be implemented to keep the increase below the $16 \%$ inflation rate
Cost factors include.
$\square$ Higher interest rates on the local capital market due to difficulties in getting foreign loans

- Lower income from electricity sales resulting from lower economic growth. The decrease in the rand value boosting cost of imported equipment. -The import surcharge.
$\square$ Higher transport costs.
The increases would raise basic power tariffs by $21 \%$ by the end of 1986 , FC's Wilson said, adding "Thss occurs alongside substantial increases which have a1. ready taken place, resulting from




## Escom risec (2u4) condemned

Organised commerce and industry have con demned'the rises in Escom tariffs which will push rup, electricity costs by 21 percent by the middle of next year.
Escom last night announced it would raise tariffs by 10 percent in January 1986 and then againin July, claiming that consumers will
踉electricity, over the year
Federated Chamber of Industries president in J, Witison says the price rise is a jolt to hopes for an economic recovery.

Assocom said the Escom increases were inncatartune

Announcing the rise, Escom chairman Mr John: Maree said "Escom has worked hard during the past year to contain costs and-so ensure that our price rises would not'add fur? therifuel to the inflation rate."
. In its drive to contain costs - more than R14 billion is hoped to be saved by 1989 Escom plans significant reduction in overall 'staffllevels but Mr Maree emphasised no retrenchment programme was planned:

- See Page 20. 籍


## Pracise freeficid decisioft <br> Staff Reporter

THERE has been wide praise for the government's decision to grant freehold property rights to blacks who qualify for residence in South Africa's black townships
Mr Ken Andrew, Progressive Federal Party spokesman on black affairs, while welcoming the move sand there was "no substitute for the complete abolition of influx control and the Group Areas Act"

Sapa reports that the Urban Foundation and Federated Chamber of Industries said the announcement was a posttive step towards normaluzing property rights

The House of Delegates MP for Reservoir Hills, Mr Pat Poovalingam, said the move was a "wonderful step worthy of prase" but had to be followed by the repeal of the Black Urban Areas and Group Areas Acts
The president of the Afrikaanse Handelsınstituut, Mr Donald Masson, said this would make a contribution to the removal of fundamental grievances

- Moutse is being given to KwaNdebele, page 11


## Escom rates Cut 1 Thes $6 / 385$ up by 15pc

Staff Reporter
SOM 女as announced an effective 15,5 percent increase in the electricity price for 1986-but it is not yet known how this will affect Cape Town con sumers
A spokesman for the City Electrical Engineer's Department said last night the implications of the increase would be discussed today
Escom said the increase would be implemented in wo stages, averaging 10 percent each, on January 1 and July 1
Announcing this in Johannesburg yesterday, Esoom's charrman, Mr John Maree, sald the commission had approved major cost reductions to keep the increase below the inflation rate, currently running at more than 16 percent.
"Speculation that the increase would exceed 30 percent has been far off the mark. Escom has worked hard during the past year to contaln costs and so ensure that our price rises would not add further fuel to the inflation rate," said Mr Maree
"But the good news is that our cost reductions will start to have a real impact beyond 1986 and we expect that future price increases will reflect the positive contribution of greater efficiency and costconscious management."
The South African Consumer Council said the increase came as yet another severe blow to consumers
"The Council is astounded by the fact that Escom expects consumers to foot the bill for the current lower consumption of electricity It is not in accordance with any economic laws If Escom would like to see increased consumption. they should lower prices," sald the director, Mr Jan Cronje
The Federated Chamber of Industries expressed disappointment at the increases
A spokesman for the A.ssociated Chambers of Commerce sald yesterday that "these increases come at a very inopportune moment when business viability is under pressure Not only will they 1 m pact upon the cost of fiving but will have an adverse effect upon the production costs of most industries"

## Ahtiother

 ceríétite
## increase

By Don Robertson
SOUTH African Transport Services has taken the cement industry by surprise
The decision to increase
freight tarifis by $15 \%$ from
January 1- our month abead of the traditional review - will force cement
producers to raise prices
twice in two months
Two weeks ago the cement
industry announced that
prices would increase by an
average $13,5 \%$ on December
1 , but that it would have to
pass on any dearer ranl tar-
ffs when they occurred
Cement producers have
been forced to increase
prices by an additional $2 \%$
A January 1
Ronnie Searle, deputy
managing director of Anglo-
Alpha, says producers will
absorb all inward raulage
costs for the movement of
raw material, such as coal gypsum and limestone, and the transport of cement and clinker to distribution depots on the Witwatersrand
However, the outward
transport of cement to the
consumer, which often costs
more than the factory price
of the cement, will have to be
passed on
Prices to Reef consumers, which use about $40 \%$ of cement production, will not rise, Although the average increase will be $2 \%$, it will be higher in destinations a long way from cement plants

THE new year will begin with an explosion of price increases in key services and products which could send the inflation rate over the $20 \%$ hump by mid-year, according to some economists.
Government policy to relegate inflation to second place behind job-creation by moderately stimulating the economy, would add to inflationary pressures, they pointed out.
Last week Escom announced a $10 \%$ tariff hike from January.
Transport Affairs Minister Hendrik Schoeman has also announced a $15 \%$ rise in freight charges from January 1 , and another fuel price hike of at least $6 c / 1$ is likley at the end of next month. Mineral and Energy Affairs DirectorGeneral Louw Alberts told Business Day that if there were no great improvement in the dollar value of the rand, the problem would have to be looked at in January.
Losses were large when considering the break-even point was $\$ 0,42$.
"We can't carry a negative slate for too long. We have to recoup, and we want to avoid delaying adjustments for too long and the imposition of shock increases," Alberts said.

GERALD REILLY
Wheat Board GM Dennis van Aarde has indicated the possibility of another bread price rise early in the new year to compensate the baking industry for higher costs - mainly fuel costs.
Last month the SA Milk Distributors Union met to discuss rising costs and increases of $2 \mathrm{c} / \mathrm{l}$ to $3 \mathrm{c} / 1$ were imminent.
This again is mainly because of the
$5,9 \%$ petrol price hike in November, and the increased costs of imported carton materials because of the crippled rand.
Meat prices are also expected to remain at record levels over the holiday period and into January.
Economists warn of increased postal tariffs from April.
Schoeman will also have to adjust some tariffs in his budget in March.
Not only have SATS costs risen because of general inflation, but the higher fuel prices and electricity increases of $10 \%$ in January and $10 \%$ in July would add greatly to rail, road and air operating costs.
Schoeman will probably also have to find about R300m for staff increases. Doctors' fees will rise in January by an average of $12,5 \%$ and private hospital charges are set to rise by $12 \%$.

#  <br> - <br> day that the $12 c$ charge from January 11986 

Own Correspondent JOHANNESBURG The cost of postage abroad will increase by an average of 30 percent
in the New Year the Minister of Communica tions Dr L A P A Munnik, announced in Pretoria yesterday
Details of the increase will be announced soon in the Government Gazette
A spokesman for the Post Office sald yester
for letters posted inland when the resolutions of would remain the same the 1984 Hamburg Con
Dr Munnik said the increases were "beyond the control of the SA Post Office" and that rates for ordinary postal items airmall items and parcels to destinations abroad would increase from Januarv 1
"Part of the hake was the result of a worldwide increase in international tariffs and this, to gether with the negative effect of the present exchange rate, made the increases unavordable. he sasd
Dr Munnik said that in terms of international mal arrangements, payments were made to foreign postal admin rations for the han- mal to the US will inding, transport and de- crease in cost from R3 70 livery of postal items to $\mathrm{R} 6,00$, and from $\mathrm{R} 4,60$ from South Africa to des- to $\mathrm{R} 6,40$ to the UK
tinations abroad
These payments were based on tariffs and costs prescribed and nothified by the Universal Postal Unıon (UPU)
"The relevant charges are being increased worlduide with effect
p to kg sent by surface gress of the UPU, as well as other international postal practices. come into force " he said
From January 1 the following tariff in creases will be imple mented

## Parcels

- Letters sent to all countries abroad by surface man will increase from 20 c to 25 c
- A letter weighing up to 20 g sent armall to the United States will increase from 30 c to 40 c and to the United King dom and most European countries from 25 c to 30 c - A parcel weighing
- A parcel werghing up to 250 g sent armall to the US will increase in cost from R6,00 to R8,90 and from R5,80 to R7,90 to the UK
The last Post Office increase was implemented in July 1984


WARNINGS of big increases in the prices of television sets and video recorders have caused a rush on stocks at major retail outlets.
Sales have risen since it became
known that average increases in the prices of household appliances would range between $20 \%$ and $50 \%$ in the new year.
"VCR sales are up $40 \%$ on last year
and we'are' selling $20^{\circ} \circ$ more television
sets, fridges and microwave ovens," said
Dion merchandising manager Steve
Kurland.
He expected the boom to last as long as old-price stocks held out.
Radio and Television Manufacturers Association chairman Peter Dupin warned, however, that old stock was disappearing fast.
"At the beginning of November, manufacturers had only six weeks' stock left. This allowed for the increased seasonal demand and the factory shutdowns."
Kurland sard basic coloiir' ${ }^{\mathrm{T}}$ V sets, including GST, would cost R2 500 from

W, "'ay top-of-thè-range shet will sell fórs

R3 350 and, if a Teledata module is included, it will retail at almost R4 000
"A basic portable monochrome set which sold at R199 last Christmas will sell for R299 this Christmas. From January 1, the price will jump to R490, showing an increase of $146 \%$ in the last 13 months."
Kurland said retallers could no longer cushion the increases.
"Stocks of goods imported when the rand was worth 50 US cents are now dangerously low. The next imports will reflect the value of the rand at less than 40 c ."
He said, retalers had been forced to cut margins to the bone.
"In most cases, the margin on imported goods is less than what is paid in GST."
Dupin hoped these would be the last major increases for some time. However, he said minor price adjustments should be expected when the latest electricity and fuel price increases caught


WARNINGS of big increases in the prices of television sets and video recorders have caused a rush on stocks at major retail outlets．
Sales have risen since it became known that average increases in the prices of household appliances would range between $20 \%$ and $50 \%$ in the new year．
＂VCR sales are up $40 \%$ on last year and we are selling $20 \%$ more television sets，fridges and microwave ovens，＂said Dion merchandising manager Steve Kurland
He expected the boom to last as long as old－price stocks held out
Radio and Television Manufacturers Association chairman Peter Dupin warned，however，that old stock was disappearing fast．
＂At the beginning of November，man－ ufacturers had only six weeks＇stock left． This allowed for the increased seasonal demand and the factory shutdowns．＂

Kurland said basic colour＇TV sets， including GST，would cost R2 500 from January
＂A top－of－the－range set will sell for

CHERILYN IRETON
R3 350 and，if a Teledata module is in－ cluded，it will retail at almost R4 000 ．
＂A basic portable monochrome set which sold at R199 last Christmas will sell for R299 this Christmas．From Janu－ ary 1，the price will jump to R490，show－ ing an increase of $146 \%$ in the last 13 months＂
Kurland said retailers could no longer cushion the increases．
＂Stocks of goods imported when the rand was worth 59，US cents are now dangerously low．The next imports will reflect the value of the rand at less than $40{ }^{\circ}{ }^{\circ}$
He said．retailers had been forced to cut margins to the bone
＂In most cases，the margin on import－ ed goods is less than what is paid in GST？＂
Dupin hoped these would be the last major increases for some time．Howev－ er，he said minor price adjustments should be expected when the latest elec－ tricity and fuel price increases caught up with manufacturers．


## Lean time


\& Staff Reporter
${ }^{\dagger}$ MEAT prices have , rocketed $f$ and even retail butchers are s sizzling over the increases - which promise many families a n Hean Christmas.

Some butchers have roasted ' the wholesale price rises as "unbelievable" and "ridiculous".
The wholesale price of super beef has shot up from about R2,60 to R3,85 a kilogram in the past two-and-a-half weeks. This means that retail prices have also risen sharply.
Sea Point butcher Mr Chris Joubert said the price of super cuts has risen by about 30 percent.

Customers would have to pay $\mathbf{R} 8,50$ for topside mince and $\mathbf{R 5 , 2 0}$ for regular mince. Rump steak had soared to R9,80 a kg and fillet was being sold for R11,50 a kg.

This was caused by the demand for fresh, high-quality meat exceeding the supply, said Mr A Schietekat, manager of a wholesale meat supplier.
SENT TO REEF, DURBAN
"Times are hard. There is unemployment and general inflation - and now they want to make the public pay these astronomical prices," said a Long Street butcher.
The price of lamb also rocketed about five weeks ago.
Mr Joubert said the retail price of leg of lamb was R7,60 a kg, compared with R5,50 before the tise. Loin chops had risen from R7,50 a kg to RB,98.
This was because wholesal--ers were buying lamb in Cape Town and trucking it to Johannesburg and Durban - where prices were even higher, he \& said

Mrs Joy Hurwitz, president - of the Honsewives' League, "said rshe was "disgasted" that meat wholesalers should "take -advantage" of the public "This Christmas will be a lean one |for many of us," she said

## Mercury Reporter

THE Housewives League yesterdà urged consum. ers to buy chicken and fish instead of highly priced red meat
And the Consumer Council appealed to the Meat Board to release its pile of frozen meat on to the market to keep prices down

But Meat Board general manager Dr Preter Coel zee sald the board had been putting some of its frozen meat on the market since September in a bid to stabilise' prices and in addition 25 kg cartons of beef were sthit avallable to the public at bargan prices
Housewives' League
president Joy Hurwit2
sald 'We are disgusted that meat wholesaler should take advantage of us lou can be sure that prices will probabh in crease further
'The lamb situation is even worse than beef Alold it at all costs-it is a bad buy Meat has be come a luxury item
A major Durban whole sale and retal butcher Mr Adonıs Skordis. sald the abattorr price of super beef had risen from R2.50 to R3,25 kg in less than three months
'Mutton is also very high ' he added, citing an abattorr price of about R5,30 hg
Consumer Council senior professional offi cer Lou van der Merwe said that because the drought had eased farm ers were holdıng back catlle from slaughter to keep prices up
T. Consumers are in no bposition to pay higher ppices at the moment THEat is one of the best known sources of protein and I thinh we must have
a sercury lod 1212 att $h$
situation
Dr Coetzee sajd 'We are slaughtering more now than in the same pe rood last year Above that we are releasing frozen stoch every weeh
'It's not a question of not enough meat From the middle of October un. $t_{1}$ the week after Christmas prices are always up I can give you no logical explanation
'It's illogical, for exam ple, that yesterday we of fered 7000 carcasses of mutton and lamb and the trade bought only 5000 yet the price went up
'My explanation is that our people's whole outlook is free spending for the festive season You can't blame the trade if the consumer is on a spending spree
$\mathrm{Mu}^{\text {BU 2 DA }}$
Munnil mum
on talififf rise
erato natl（244）
POSTAL tariffs are expected to rise in April，but Minister of Communica－ tons and Public Works Lapa Munnik declined to comment yesterday．
He could not comment until the Budget had been finalised and tabled
in the Assembly，he said．
Post Office tariffs rose by about $14 \%$ on average in April．
But Post Office finances have been strained by rising operating costs，and the cost of imported equipment has soared．
Munnik，who budgeted this year for capital expenditure of R1 344998000 had spent R588 134783 by the end of the first six months．

It is believed wage increases of $8 \%$ ． $10 \%$ are on the cards for public－sector workers， 95000 of whom are employed by the Post Office．

This would add about R105m to the Post Office salary bill，which is ex－ pecten to amount to R1，05 bn this year． An increase of about $30 \%$ in over－ seas postal charges was announced earlier this week．

－

## Shoppers stockpiling inflaodstuffs（244） <br> WITH price increases of almost all com－ <br> WINNIE GRAHAM Housewives were also buying meat

modities reaching unprecedented pro－ portions，shoppers have started stockpil－ ing foodstuffs in an attempt to beat a new wave of inflation－related rises predicted for the early new year
And foremost among the stockpilers are whisky drinkers，who learnt yester－ are whisky the wholesale price of their day that the wholesale price
favourite drink－up by $45 \%$ since July －is to rise yet again when existing stocks are depleted
The SA Consumer Council has called on the public to beat inflation by shop－ ping wisely and elminating waste．

Supermarket spokesmen say shoppers are spending whatever money they can spare on stocking their larders with food－ stuffs．

Checkers MD Clive Weil said yester－ day there was no doubt housewives were buying groceries－mostly with an im ported content－which they knew would increase in price sharply next year

He said there had been predictions that the price of coffee would double in 1986，and that detergents，dishwashing
and chickens in bulk when stores offered these on special promotions，he added．
＂We have adopted a policy of warning housewives when we know in advance of price increases，＂Weil added

The OK＇s GM（food division）Ralph Horwitz described the continuing wave of price increases as＂mind－boggling＂．
＂We are conducting a contining battle with manufacturers to keep price increases down or，at least，to stagger them，＂he said＂But increases keep com－ ing fast and furiously＇

## Beef has been 'pricing itself <br> out of market' <br> Píetermaritzburg <br> this, Mr Coddman said,

Bureau
BEEF has increasingly priced itself out of the market, in spite of the relatively stable prices in recent years, the Administrator of Natal, Mr Radclyffe Cadman, said yesterday.
Speaking at the Cedara Agricultural College di ploma day, Mr Cadman sald there had been a major shift from beef to poultry and there were large quantites of unsaleable red meat in cold storage
Farmers would have to consider seriously wheth er to continue using such liberal quantities of high cost feeds in the beef industry, he sald
As with red meat the per capita consumption 'of milk had fallen appreciably in recent times, one of the reasons being the greater use of mulk substitutes To control
mulk prices would need to be based on what the market could pay and not on what it cost to produce if the industry was to remain viable
Mr Cadman said that in the country's long history of various races living together, the periods during which people had lived in peace and accord with each other far outwelghed the times when they had been in conflict. : ${ }^{\prime}$, (tisy
-Modern sciencemad given the media, particularly teleyision', unprec edented power with the result that this country was presented abroad as being aflame and virtual ly ungovernable
In reality, whilejthere was violence in certain isolated areas, by far the greater part of the country and its people were unaffected and continued with their 'peaceful pursuits, Mr Cadman added

Staff Reporter
THE price of prime beef in Cape Town is "going through the roof", a City butcher sald this week
The butcher, who declined to be named, sand that a few weeks ago the price of prime beef was R260 a kg By Monday this week it had risen to R3,60 and at lunch time on Tuesday, it was R3,80 for prime and R3,95 for super
He alleged that the reason for the increase was the Meat Board's "policy" of flooding the market during the Christmas season with inferior cattle
"We can only absorb this price hike for a few weeks If it continues we will be forced to pass some of the price increase on to the consumer"

## 'Normal'

Reacting to the Meat Board's statement to the Cape Times that the reason for the drop in quality was the recent drought causing the board to slaughter up to 40 percent of their breeding stock, he said "That's a load of bull""
A spokesman for the Meat Board, Mr Blignaut, said that while the price of red meat seemed high, it was a normal problem associated with this time of the year
City Councillor Mr Chris Joubert, who is also a butcher, sald this was due to restricted
slaughtering facinties the abattors
"Cape Town abattors slaughter 800 cattle a day, which is sufficient during the year but at Christmas shortages are experienced "
Mr Malcom Simpson, general manager of a supplier to a nationwide group of chan stores sald that when he contacted the Meat Board on Tuesday morn ing he found there was no stall-fed stock avallable
In answer to the question of the possibility of red meat being siphoned off to consumers in the Transvaal, he said that as far as he was aware only mutton was being sent up to the Transvaal The Housewives' League of South Africa sad yesterday it could "see no reason" why beef prices should increase so much
"The Meat Board has assured us that there is no shortage of anmals and we thank them for ensuring that the supply of beef to the abattor will meet the festive season demand
"Housewives will be forced to look for alternatives such as chicken
"The lamb situation is even worse Prices are exorbitant and higher than they have ever been Avoid it at all costs. It is a bad buy We are sympathetic towards the hiuslim communty which relies heavily on lamb"
groups dealing in household applances and entertainment products
"Slowly the consumier is being conditioned to the "fact that prices are increasing and will increase even more dramatically in the new year," sand'Mr Arthur Solomon, "general "mán' ager of furniture and appliances at OK Bazaars

Buying on the strength of the early repayment of the 1979 loan levy is probably also contributing to the buoyancy in sales, 变变
"Butthere is no doubt that the main reason for the sales rush is consumer awareness of coming rises in prices.
Mr Solomon estimates that hrfi equipment will go up by 25 to 35 percent, and television sets and video machnes by 40 to 50 percent
Furniture, and other household items such as fridges and washing machines, he believes, will cost 20 to 30 percentmore
Big store strategy, too, has also helped to push up, turnovers
"Groups such as the OK antrcipated the price 1 ncreases and have laid in stocks: to 'carry them sothrough " the Christmas perıod at the old prices," said Mr Solomon
Mr Steve Kurland, merchandising manager of Dıon,'s says sales of the costly prodicts are well ahead of the same period last year, with video recorders up 40 percent
"We are selling 20 percent more television sets this year than last, and sales of major household applances such as fridges, microwave ovens and stoves are 20 percent up.
"The effects of the weak rand on the South African economy are being clearly adentified by
 pople realise that the problem is no longer a theoretical one fifaced only by economists
Hat "They have come to apprectate that imported items, and locally ${ }^{*}$ manufactured goods with a high import content may sogn

## Duying vpıv to beat prices

- From Page 1
be out of reach of the average family budget"

Dion suppliers have already confirmed price increases of at least 40 percent from January 1
"Retallers have cut margins to the bone and in most cases the margin on imported goods is less than that pard in sales "tax," sadd Mr Kurland.
An example of the price jumps, ahead is seen in a basic portable 'black-and-white televislon set which sold for R199 last Christmas, It now costs : R299. And it is said that the price will soar to R490 in January
"A top-range" colour sét, ${ }^{\prime}$ including sales' tax 'will cost the consumer almost, R3 350," said Mr Kurland
Mr P J Swart; general manager of Barlows Applaance 'Company, 'sald "There 15 abnormally high demand from retalers compared to this time last year".


# Boycotts 

## CHRISTMAS sales gen-

 rally appear to be going well, but traders are concerned about the effects of blackconsumer boycotts."In money terms, our sales are running about $19 \%$ ahead on the Christmas period last year, which means that in real terms we are about $3,5 \%$ to 4\% up," says Pick 'n Pay chairman Raymond Ackerman
"We see the position hopefully staying like that for the full Christmas period, but trade has been affected by the black boycotts, though not seriously in our stores
"I think there has been a slight pick-up in consumer confidence with some lifting of gloom-and-doom feelings but it is stall hard to get sales"

Clicks chairman Jack Goodin is also quite bullish, saying that sales so far have been very encouraging, though he is cautious on the effects of the boycott

## Phenomenal

"The Pretoria area has been the worst hit, with some effect also on downtown Johannesburg
"November was a phenomanal month for us, and if the pace shown so far in December is maintained then our sales will be at least $15 \%$ up" Fuelling some of the buy-

By Brendan Ryan
ing activity is consumer fear of higher prices to be charged from January on imported goods, which is encouraging consumers to buy now rather than put off purchases and pay higher prices later
"We have seen this in our radio and electrical goods lines, where we thought we had enough stock for the Christmas period but have run out in some cases," says Mr Golden
This trading pattern has also been noticed by Dion's merchandise director, Steve Kurland

## Figures up

"We have experienced con siderable buying in the kitchen appliances and white goods lime, as well as such items as televisions and voidco recorders, ahead of expetted price increases from January
"Our trading figures over the comparable period of last year are up, but only in sin-gle-figure percentage terms Our trade is not primarily with black consumers, so we have been affected only to a limited extent by the consumer boycott"

That is not the picture else where, with stories of intima dation of customers in store catering largely to the black-
consumer market through hit-and-run tactics by agitators to evade store security guards and prevent parchases

Frasers chairman Donald Campbell, says furniture sales have improved and, inclouding new acquisition Top Centre, sales for October and November were up by $21 \%$ He expects a good Christmas but was concerned about boy cots and unrest, which cost the company R1,5-million last year

He reports that the boycott had been $100 \%$ effective in the Eastern Cape but no elsewhere Frasers' retail store in Queenstown has been closed and 45 companies there have gone bankrupt
Edgars managing director Vic Hammond says his group's Christmas sales to date have gone "satisfactory ly", but he is worried about the boycott

## Political

"So far we are about $10 \%$ up in our sales, which means a $4 \%$ drop n real terms
Certain stores make up to $50 \%$ of their profits for the year in the Christmas trading period If they are hut badly by boycotts the end result is that they could be forced to cut back on staff levels to hold down costs

That could mean the boycot putting more black workers on the unemployed lists
Checkers managing director Clive Well says his stores' sales are running ahead of budget and he is happy with their performance though he does not expect to see ${ }^{\text {n }}$ the fireworks which have taken place over previous Christmas trading seasons

He is optimistic over the effects on consumers of the early repayment of the loanlevy cheques, but again points to the unquantifiable effects of the consumer boycolts


## By Amrit Manga

THE Transvaal Consumer Boycott Committee has started a campaign to cut prices in black townships where mark-ups of up to $200 \%$ have been reported

A spokesman for the committee in the PWV area Mr Jabu Ngwenya, confirmed that prices were significantly higher than white stores, but he rejected claims that townslup retailers were inflating margins to exploit the boycott
"Prices have always been higher in the townships. But the reasons are mainly economic and a lack of entrepreneurial skills
"An additional problem is that township retailers price their goods in relation to the Soweto market and not supermarkets in town," he adds
"It has only become obvious to consumers because cheap supply lines have been cut.
"We have, however, started a campaign to have prices adjusted downwards and have already had businessmen conducting seminars on pricing
"But township retailers will still not be able to compete with white chain stores, because of their limited bulk-buying capacity," says Mr Ngwenya
Responding to reports that small businessmen face bankruptcy as the black-consumer boycott

[^5]8utaq כre Кuouova ues
$$
\text { -ouow गqejrod } \forall \bullet
$$


Argus Correspondent JOHANNESBURG: - If you 3 are thinking about buying a new car, there could be no better time to take the plunge thàn this week.
Most remaining car-makers in'South Africa are expected to announce further increases in the next two weeks. And this time the expected figuire is a 'whopping eight'percent.

Market leader Toyota is expected to set the 'ball rolling' on Tuesday, followed by Mazda on: December 27 Ford; the other arm of Samcor, will probably rase prices at the same time

Volkswagen is tipped to join the rush on December 30, followed the next dáy by Mercedes-Benz/Honda, and Nissan by the end of the first week in Janiuary.
General Motors' increase will not take effect until January 13.

## $\because=$ Delayed increase ${ }^{5}$

BMW and Audi are likely to hold their prices even longer. They had a rise at the begining of this month and are unlikely 'to move again before the end of January.

- The prices "of most popular modéls have risen by between a quärter and a third since this tıme last year.
A. Toyota Corolla 1,6GL which cost R10 095 on December 191984 is listed today at R13 135-an increase of 30,1 percent. A Ford Sierra $2,0 \mathrm{GL}$ cost R13 405 a year ago and sells for R16 925 today - up 26,3 percent. The cheapest Mercedes 200, which a year ago sold for R21 319, today costs R28 $150 \div$ a rise of 32 percent.
- By the time the eight percent increase has worked its way through, many ' 86 models will cost 40 percent more than they did in December 1984.
But there are still some bargains to be had if you are prepared to take a chance on a discontinued make.
Models from Alfa Romeo, Peugeot and Renault-- all manufacturers who are in the process of withdrawing from the South African market - are avälable at substantial discounts in a bid to clear stocks.'


## Thousands flee Bop's sweep on militants

## By SEFAKO NYAKA

THOUSANDS of youths have fled Bophuthatswana in the wake of a massive police campaign to "rd the homeland of elements who are bent on destabillising it"
This week several youths in Temba township outside Hammanskratal and GaRankuwa told of mass arrects and alleged assauls at the hands of police
Trouble in the Bantustan started a few weeks ago when Putco announced bus hukes in the Pretoria area
Bophuthatswana commuters still use Putco buses in some areas, they called for the government to withdraw Putco and to introduce instead statesubsidised Bophuthatswana Transport Holdings buses
There were incidents of stonethrowing and several buses were damaged
Tension escalated a few weeks ago when 500 workers were dismissed by Metal Box in Rosslyn
A boycott of products - including beer and soft drinks in cans - was called in soldanty with the workers - and a music festival at GaRankuwa was disrupted when youths realsed that beer and soft drnks were sold in cans at the festual
Three people were killed, and it was later claimed they had been run over by motorists who were fleeing from the stone-throwing youths
As tension contunues to rise, youths have reported unrelated incidents of alleged police harassment and a high rate of arrest
A young activist, Gordon Manamela, whose back was a crisscross of sjambok weals, was allegedly assaulted when he and a fnend were picked up at the friend's home before being taken to the Temba police station two weeks ago
"On our arnval at the police station, we were assaulted with an assortment of weapons, including rubber truncheons and wooden batons," he sald.
His swollen clean-shaven head was covered in festering wounds and bruises
He said he was rudely shoved into the back of a police van carrying several youths.
"At the police station we found


Gordon Manamela shows
the weals on his back
another group of youths, and after the assault we were taken to the Bedwang Police Station, where the assaults continued
"When we complaned about the quality of the food at the police station, we were deprived of food for three days," he sald
Two youths, Rama Ntebatse and Innocent Tlolane, were admitted to Jubilee Hospital before being transferred to GaRankuwa Hospital
Several youths were allegedly refused medical attention while in detention
According to Thabo Manamela, hospital authorities refused to give him his younger brother's medical report so that he could lay a charge of assault aganst the police
They were inttally refused ball, but it was later fixed at R200, and some of the youths were released into the care of their parents
The youths, most of them members of the Temba Youth Organisation (Teyo), are to face charges of public violence.
They have also been accused of press queries was on leave
furthering the alms of a banned organisation, an indirect reference to the Congress of South African Students (Cosas)
Several youths sadd they have been repeatedly asked to name the "students from Atteridgeville and other areas who are behind the present unrest"
Their interrogators allegedly forced some of them to admut that the trouble was fanned by outsiders running awdy from police in South Africa
Shortly after the outbreak of violence, a meeting was held in Temba and a senior government official "whom we do not know", sald youths, told parents outsiders were responsible for the unrest
He allegedly told the meeting violence is not akin to Tswanas and that they should stand together aganst the non-Tswana element
"He even said Bophuthatswana will hit an eye for an eye in its fight aganst the radicals from outside," sald a youth
A government official in Mafikeng denied the allegations but confirmed several meetings had been held with the residents in an effort to normalise the struation
He refused to name officials who had addressed such meetungs
And on the Bantustan's television this week, President Lucas Mangope appealed for "loyalty, firmness, determination and purposefulness" from Bophuthatswana cilizens to fight the "mind-colonising campaign launched by organisations such as the UDF".
He said no "foresgn" students would be admitted next year, teachers would be screened, and no teacher would be allowed to become a member of the United Democratic Front
He asked teachers who belonged to the UDF to get out of the teaching profession and out of Bophuthatswana He sald he had been approached by several people who asked him to ban the UDF.
Attempts to ascertan the exact number of youths arrested since the outbreak of violence were unsuccessful, A Lieutenant Cekisa in the Public Relations Drectorate sard the only person entutled to answer

ごごがざざ

## Packaging makers incensed by <br>  raw materials <br> PACKAGING manufacturers，in－

 censed by hefty price increases in raw materials，see the rising costs of these goods as their major hurdle for 1986.Locally manufactured raw materials have risen by as much as $45 \%$ in the last two years，pushing up the end price of packaging by more than $50 \%$ ．

With more increases on the way in January，the man supplers－paper and steel mills，who together supply more than $56 \%$ of SA＇s packaging mate－ rial－have been accused of disregard－ ing the state of the economy．
Manufacturers complain that many of the price adjustments have been justi－ fied by the exchange rate，even though the materials are of local origin
Nampak Corrugated Container Divi－ sion MD Adrian Barker slated the paper mills for hiking the price of some pro－ ducts by as much as $43 \%$ over two years．
＂Raw materials make up $65 \%$ of the selling price．When major primary pro－ ducers increase price in this manner， there is a ripple effect This sort of ac－ tion is not only a disservice to the paper and packaging industry，but to the entire economy．＇
Barker hit out at suppliers for using the low value of the rand as an excuse to

## CHERILYN IRETON

make large exports profitable．＂Suppli－ ers cannot have the benefit of the low rand without living with some of its drawbacks．＂he said．
Packaging companies have also had to cope with falling volumes as consumer demand has slppped．Nampak group MD Don McCartan attributes some of the volume problems to the difficulties linked to delivering goods in the town－ ships
However，towards the end of Novem－ ber demand picked up and packaging manufacturers are eagerly awating January to see whether the surge signals the start of a recovery．

SA still follows Western countries when it comes to packaging trends and design．However，the exchange rate has forced manufacturers to become less re－ fiant on matertal and design．＂Up till now our markets have not been big enough for us to set trends．However，a lot of companies are now looking to ex－ port markets to mantain their vol－ umes，＂sald McCartan
Export activities are set to intensify with high volume markets such as South America and South East Asia．

Cement

It's questionable whether for Pretoria Portland Cement which supplies $46^{\text {co }}$ of South Africa's cement needs and produces $65 \%$ of its lime - the cement cartel's recent $10 \%$ price increase was justufied
During the past year, building and construction were badly hit by the slump Despite this, PPC held up well Turnover was marginally down at $\mathrm{R} 326,2-\mathrm{m}$ (R348,7-m), whle attributable income was $\mathrm{R} 55,9-\mathrm{m}$ ( $\mathrm{R} 57,7-\mathrm{m}$ ) Earnings a share were 155 c ( 160 c ) while du idends remained unchanged at 43 C

In the light of the eight previous years the group has little to complan about Annual net income before tax has averaged R70-m, while attributable income has averaged R40-m Over the past four years, net income expressed as a percentage of average shareholders interest was a high $19 \%$

Charman George Bulterman's report was sombre Results should be viewed aganst the cement market's downturn and tas benefits, he states.

Cement sales dechned $20 \%$ against 1984 volumes This, together with only R4,05-m investment income ( $\mathrm{R} 12,83-\mathrm{m}$ ) resulted in profits before tax dechning R21,4-m to R93,7-m Use of the tax investment allowance of R20-m on the Dwaalboom factory reduced the tax charge by R10,2-m which cushoned the drop in profit attributable to shareholders to $\mathrm{R} 55,9 \mathrm{~m}$, only $3 \%$ down on 1984's amount

Durng 1985, South Africa 1 m -

ported 200000 tons of cement which triggered off an intensive price war resulting in the 1 m porters withdrawing According to Mr Bulterman, the industry suffered a considerable loss.

Imported cement was evidently dumped, with hardsought foreign currency used to pay for it Mr Bulterman advances a sound argument that local material and local labour is prejudiced by such imports

The South African cement in dustry, like its counterparts elsewhere in the world, has to contend with high capital intensity and inelasticity of demand
High cost of transport is a major problem, and the group is exploring the possibility of establishing its own road transport fleet As a first step, CoO per and De Beer, a cement distributing company, was acquired subsequent to year-end
Today, transport costs account for $40 \%$ of the consumer price Increasing cost of replacement of road transport equipment and spiralling fuel costs will play a major part in future prices

Mr Bulterman contests the validity of arguments that car-

## Silk pant justified

e. can lead to inefficiency and lack of productuvity and that product supply can be artificially hmited to drive up prices and erect entry barreers aganst new entrants He cites the US where enforced competition has curtalled expansion with the result that outdated, obsolete plant now constitutes a large proportion of the capacity, causing dependence on imports

PPC has been caught up by the recession, and had to mothball its new R200-m cement plant at Dwaalboom

Economic indicators suggest that the present recession in construction and related industries will be longer and deeper, warns Mr Bulterman
Cement demand will declune in 1986 with the decline in building plans. The expected $10 \%$ cement demand decline will result in PPC back-tracking to its 1976 levels. But the cement roadbuilding programme might save the industry
The lime division is expecting a small improvement

No investment income from associate companies is expected

Interest on borrowings relating to the mothballed Dwaalboom plant will be charged aganst profits I believe it would be fairer to show this expense as an extraordinary item below the net income line
Depreciation on this plant will be shelved until production begins. Earnings per share are expected to decline by more
than a third to about 100 c If this happens, the 43c dividend will be maintained
Balance sheet numbers are suffering from a staggering R128-m increase in fixed assets, now standing at R698,75-m Tortal borrowings are matenally up at R81,25-m (1984-R56-m). The impressive bank balance of R35,3-m a year ago is now replaced by a R6,4-m overdraft
Working capital ratios are under attack The ratio of cur rent assets to current llabilities is onlv $1,2.1(1984-2,061)$ and acid test ratio of current assets less stocks to current habilities labouring at 0,59 1 (1984. 1,37 1)
After reading the 1985 annual report I beleve the cartel was wrong to increase cement prices by $10 \%$ If demand declines, surely it is better to drop prices in the hope of maintaning sales and hence production?
If production can be increased, even if selling prices are lowered, this ensure the spreading of fixed overheads over a greater amount to maintain profit levels
Why increase prices and fuel inflation ${ }^{\text {n }}$ Even if the cement cartel companies experience lower profits, while productivity of the construction and building industry is increased, surely this is better for the country" It would also mean greater employment and fewer retrenchments.
Dwaalboom does not justify a cement price increase The cartel, with its routine price increases, is not making life easier for itself or the ailing building and construction industries

## Traders: inflation may

 be 20 pic next yearDispatch Reporter

## EAST LONDON

Consumers will have to tighten their financial belts with the onslaught of price increases and rising costs in the new year
The cost of living can be expected to increase resulting from higher prices for food, manufactured goods and electricity
The regional buyer of a national supermarket chain, Mr Gary Kruger, said the prices of all products with imported ingredients would "go through the roof' in the new year
He said this would include soaps, detergents, coffee, washing powders, tolletries and manufactured goods

The feeling among traders was that the raders was that the inflation rate year would be well over 20 per cent due to the dollar-rand exchange rate, the increase in the cost of labour and the general lack of confidence in the economy, he said
Escom tariffs would increase by 10 per cent in January and
another 10 per cent in July, a spokesman July. a spord
The municipal fi-' Theial director here. Mr L Venter, said the cost of the Escom increases would be passed on to the consumers but at this sumer but at thrs see dramatic in creases in other areas
He sald the financial situation of the city would be looked into around March

The national president of the House wives' League of South Africa, Mrs Joy Hurwitz, said in a statement the increased input cost of Escom would be passed on to producers, then retallers and in the end the consumer would pay - as the consumer was not able to pass on the increased costs
"No matter what reasons Escom has reasons to justufy this large increase, even though they have in troduced cost savings, it is nevertheless unacceptable in the present recession The prefect on our inflation effect will be catarate will be catastrophic
"We pay twice on everything we buy and in our own electricity bills We get poorer by the day"
She advised consumers to shift their electricity consumpto consump periods between 11 pm and 7 am and over the weekends
In the past month price increases for medical aid, cars, and transport have also been reported
The transport manager, Mr Denmis Jenkinson, sald they had made application to the Road Transport Board for a 5 c per stage increase

He said the outcome would be known only when the board called a meeting
The South African Agricultural Union reported a 42,8 per cent increase in the alr freight tariff for perishable produce from R1,40/kg to $22,00 / \mathrm{kg}$
"Due to the financial squeeze in which some producers already find themselves, the increase could seriously 1 m pede or even jeopard ise various produce,'
a spokesman for the union said
He said the limitations of the domestic market also could not accommodate produce destined for exporting and prices on fresh produce markets could tumble

A commodity officer for the East Cape Agrıcultural Union in Queenstown Mr A G Queenstown, Hr A G Purchase, said the fruit and vegetable market was completely open with no price control The price was determined by supply and demand

He said after the rains there should not be a shortage of 1 rrıgation crops, which pre minated in the East ern Cape, or a drop in production because of the rainfall
The chief economist for the South African Agricultural Union, Mr Koos du Toit, said the present interest rates and shortage of production capital could result in farmers producing less than optimally this than optimally would season, which would worsen their already difficult financial situation

cused AECI of tahing advantage of its monopoly of the low-density polvethelene market by raising the price by al most $30 \%$ in the par' year
They say AECI has put up prices R450/ton without real justification
Manufacturers argue that snce low density polyethelene - used manly in the manufacture of plastic bags - is locally produced, there is no real reason for the four price adjustments they have been forced to accept during 1985
AECI, however, insists it has always mantaned a responsible pricing policy
While it is true that our price has increased by over $29 \%$ during 1985 , it must be seen in the correct perspective," says a spokesman for the chemical and explosives giant

Low-density polyethelene is an international commodity The local price has moved in concert with the international prices for some time now. This is reflec-

## Cherilyn ireton

ted in the cychca: pattern of prices in the last few vears
According to AECl the local price dropped during 1982-1985
"But during 1985 international prices have risen rapidly We have adjusted our prices accordingh in an attempt to 1 m prove our business trading position"
AECI clams the local price is still significantly lower than imported equivalents and says the increases have been relatively modest
But what has angered the packaging manufacturers is the thought of the extra R45-R50m turnover the increases would bring on the sale of the average 100000 -tons sold locally each year
"When we are obliged to follow international prices downwards, we also have to increase prices, when feasible, in order to achreve a balanced mestment position on average," says the AECI spokesman


ROCKETING clothing prices predicted for next year are expected to leave many of us threadbare
Increases of from $20 \%$ to $\mathbf{4 0 \%}$ are forecast, depending on mm ported content of the garment
"If they're totally local, the increase will be nearer $20 \%$," says Frank Wells, chairman of the Textile \& Clothing Advisory Council (TCAC).
Wells, MD of Edgars Stores' retall services division, adds Manufacturers have to realise sales will drop if prices increase" Increases apart, shop boycotts this month will dictate the face of the sector in 1986
While effective boycotts spell 6

LAWRENCE BEDFORD
bargains galore in January, for the retaler they add up to unprofitable sales Wells says retailers have ordered only $80 \%$ of their requirements for Winter 1986 (April to June)
Reduced imports apart, the other difference for 1986 is that the amount of new retail space coming on stream is negligible.
Textile Federation executive director Stan Shlagman expects import replacement to contmue up to a point, but fears inflation will narrow the gap between domestic production costs and imports.
'Natıonal Clothing Federation A
(NCF) presidest Muko Getz says "Of h上 own inhustry, he says SA is paying a full price for ignoring the basic rules that determine meaningful growth in a developing society
Getz says it is to be hoped that the present preoccupation with urbanisation and deregulation is not another retreat from the harsh reality SA has brought upon itself. He says government appears unable to umpose necessary disciplines, but chooses rather to tax more and more jobs out of existence
Prospects for 1986 depend on confidence and demand, linked to a return of more stable political and economic conditions, adds Getz
"Exports must recerve priority There is considerable unused capacity now that could well be kept busy with exports. However, intending exporters will need a more meaningful signal from government that its intentions are to encourage exports"
He says the best way it could do this is to announce that immediate and urgent consideration is to be given to the problems of raw material costs to SA manufacturers

Getz says manufacturers in pursuit of foreign business can become both effective ambassadors as well as messengers of reality from abroad.

## 2，5\％agricultural growth expected

NAIROBI－African econo－ mies made small gains in ag－ riculture，manufacturing and mining in 1985 but were hurt by weak demand and sharp falls in prices for their ex－ ports，reports the Economic Commission for Africa．
The report by the commis－ sion＇s executive secretary Ade－ bayo Adedeji was released in Addis Ababa yesterday

With good rains over most of the continent，African agricul－ ture，which a year ago was in the grip of one of the worst droughts this century，made a marked re－ covery，Adedejı sald

Agriculture production was expected to grow by more than $2,5 \%$ ，compared with an average of $0,1 \%$ between 1980 and 1984， the report sald

According to the ECA，which said its estimates were corrobo－ rated by the United Nations Food and Agriculture Organisa－ tion，the 1985 crop would be a bumper one，pressess of $14-\mathrm{ml}$－
lion tons over the 1984 harvest Some countries，Zimbabwe and Kenya in particular，would be able to resume grain exports， Adedejı sald
The West African harvest would be $50 \%$ higher than in 1984 and even hard－hit countries like Sudan and Ethiopia expected re－ cord harvests，the ECA said
The strong recovery of Afri－ ca＇s chief foreign exchange earn－ ers－coffee，docoa，sugar，cot ton，tea and tobacco－conncided with a sharp fall in the prices on the world market，the report said．
It was a dismal year for mm－ eral－rich Africa＇s metal mar－ kets．Tin prices＇dropped by more than one half，leading to the col－ lapse of the tin agreement，cop－ per consumption was sluggish； uranium prices fell and a glut of nickel forced prices down by $30 \%$ in the closing months of the year
The situation appeared to be better for bauxite，the ECA sard， 8itha high level of stocks forced
limuts on production
Oll prices，which normally rise during the current winter season in the Northern Heml－ sphere，did just the reverse The report blamed Opec＇s decision to lower prices，a move analysts believed would trigger a price war with non－Opec oll produc－ ers．
＂The minngs sector is not go－ ing to contribute much to eco－ nomic recovery this year，and a mere $2,6 \%$ growth rate is fore－ cast，＂the ECA sald
There was a $3,2 \%$ growth rate for the manufacturing sector， only slightly better than the $3 \%$ growth during 1980－84 But the report said an increasing short－ age of foreign exchange meant many factories were unable to import raw materials
＂Thus，many factories had no choice but to close down while others were operating at uneco－ nomic costs，＂the report said－ Sapa－AP

EAST LONDON $\quad$ Rere
1 Electricity between 15 and will rise bent early 16 per
new year is due to the mplementation Escom's rew standard approved tarrfs, whecnational that while elecmeans that will actually tricity con a few per ecengo down a cent decer subthe 17 ation Board sutialtralisatil be substa sldy waced
ly reduced city electricThe chief Mr K Robal engine there was cent inson, 10 per cerds for another on the cards that July next yea be constwould only when the city dered whell looked tariff councls 1986.7 present Escructures The incorponcrease also septemrated Escom's January
ber 1985
1986 hikes 16 per cent The 15 to 16 per rise will be app February accounts from 1 next year the propDetals of the amendments osed tariff amenected at may be City Hall, dur foom 20 , enal office hours ang nomections and reach be in writind clerk before the town 20
January 2

CHERILYN IRETON ：＇
THIS year will be remembered as one of price increases．
The cause of many increases was the sharp rise in fuelprices－ $57 \%$ over the year．Three separate price adjustments pushed a intre of， 93 －octane petrol from 63，5c in Jap． uary to $100,5 \mathrm{c}$ in November．

Other transport costs followed suit，with rail tariffs going up $30 \%$ in February and a further $15 \%$ in October．＇
－Air fares，affected，by currency adjustments，went up $15 \%$ in Janu－ ary and $10 \%$ in February Fares to the Far＇East and Australia rose a further $13 \%$ in April and increased thereafter as the rand declined．

Consumers had to cope with the rise in GST from $10 \%$ to $12 \% \mathrm{in}$ March，but importers bore the brunt of the plunging rand．
＂The＇fall pushed up the prices of goods，and materials by as much as $150 \%$ ．
The $10 \%$ import surcharge af－ fected imports．

Prices of local products soared in sympathy．Packaging materi－ als，including paper，plastics and polyethelene，rose by about $30 \%$－ again pushing up the prices of end－ products．

Motor manufacturers pushed up prices up by about $22 \%$ for the year．

Prices of foodstuffs，particular－ ly bread，outstripped the inflation rate．

Sugar went up $\mathbf{1 2 , 5 \%}$ despite a world glut．
Where maize was concerned the government gave with one hand，only to take away，with the other－refusing to grant maize farmers a $23 \%$ increase，then re－ ducing the maize subsidy and pushing up retail prices by $10 \%$ ．
，Government＇s announcement that it would act to endiprice－ fixing and other restrictiveitrade practices was welcomed as ajsign of determination to restrain price rises




[^0]:    

[^1]:    must comply
    regulations are also in
    force in many countries
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0 9
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
     05
    00
    0
    0
    0
    0
    0
    0
    0
    0
    0
    2
    2
    0
    0
    0
    
     8
    0
    0
    0
    0
    0
    0
    5
    5
    0
    0
    0
    0
    0
    0
    
     bakers
    
    
     0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    5
    0
    0
    0
    0
    0
    0
    0
    
     snuejousi ue kijeəp号
    
     Mr Fiske would be
    well－advised to express express an expert and
    unbiased opinion on
    bread quality
     5
    0
    0
    0
    0
    0
    0
    0
    0
    0
    5
    0
    0
    0
    0
    0
    0
    0
    0
    
    
     0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
    0
     кueut ut fiədxə ue se
    pəqtuəsəp si əysig IW countries
    

[^2]:    zity into ther青 Hurwitz，the president of the House －＇yindustry haser．Wives＇League of South Africa，had $\therefore$－ing evidencesat，been co－opted as a member of the com－ －idy for publict＂mission and would be involved in Eitor Augustif，weighng up its findings and in issung －
     ＝nnsumers ority vened the Commission of Inquiry on at the sugges behalf of the Kosher Consumers，will Mr Anthong also be consulted in the drawing up of
    

[^3]:    Bus passengers fear ne Sats ${ }^{7}$ fare-rise S Transport Reporter 18 )
    rol Fares on buses to Johannesburg
    by from Vanaerbilipark, Vereeniging e- and Meyerton, which went up by n- 10 percent last week, could be in raised by a further 52 percent, say t- angry commuters

    A spokesman for South Aincan Transport Seryices Sats), which tuns the services sala a figure of 32 percent had beetn mentioned, but was not deinite 'It coud oe more. * or less, depending on the number of passengers."

    Sats told passengers at the beginning of the month that the services would be erminated on December: secause of poor support and the weax economy
    Aifer representanons by passengers and local politicians, it agreed to contmue the services on a tem porary bass
    A commitee of 10 was iormed, comprising commuters and Sars otficials, thougn there are plans io snarge it to meruce students. senorars and their parents.
    Rumours of the 52 percent fare increase have stunned passengers 'We were told the service was being run at a total loss and the 52 pervent ncrease woud ust enacle to rreaz even.' sand re 'rt's noenevade We are at in ravour or ratuonalisation but not of an increase oí this magnitude" y

[^4]:    Mr van Vuuren also announced that the devy payable by producers of fresh and industrial ${ }^{\text {² }}$ milk would be increased by $0,5 \mathrm{clf}$ from Decembèr ${ }^{1} 1$ and that the funds collected would be 'used to stabilise the industryand finance forced removal of surplus stocks'.
    In conclusion, $\mathrm{Mr}_{\text {r }}$ van Wuuren sald the cost of milk production as well 'as'that of the manufacturing of dairy products had "increased" considerably sover the past year due to inflationary pressures and considerably bigger increases would, in fact not'have been unreasonablée:"
    Dairy farmers, manufacters and distrib utors of 'darry products tweres, into today's unfavourable economic conditions prepareds to accept only modest inctéases so as not to inereasesconsumer prices unaduuly. - (Sapa)

[^5]:    gains a hold in Pretoria, Mr Ngwenya said at was not the intention of his committee to force retailers out of the market
    "We "Want, commerce to be active in forcing the authorities to meet our demands," he sand
    'Stop 'owners in Pretoria who deal mostly in black trade have already called on the Chamber of Commerce to meet the boycott organisers and to make representations to the Government

    The Johannesburg Chamber of Commerce has asked to meet the boycott organisers
    One of the biggest problems facing boycott organisers and retailers is the limited retail infra structure in black townships Soweto is served by about 66 classes of retailers only

    Recent estimates put the number of busies licences issued in Soweto at around 2500 There are only seven drapers, 26 filling stations and close to 500 food outlets

    In an attempt to guarantee supplies the boycott committee has given an undertaking that delivery vehicles will not be hampered from entering townships

    The Congress of SA Trade Unions, which has a strong base in the industrialised PWV region, has endorsed the boycott call.

