PRICES — GENERAL

1984

JANUARY — DEC.
Electricity cost rose by 28% in 18 months

The cost of electricity to Port Elizabeth consumers increased by 28.18% between January, 1982, and June, 1983, according to the City Electrical Engineer's annual report.

The increase was a result of an overall increase of 39.9% in Eskom tariffs and price increases of 20.5% for coal and 49.5% for railage rates.

The total revenue from sales of electricity was R1 255 341 581. But after making a contribution of R1 654 000 to the rate and general service account and R1 689 000 to the electricity service capital fund, the electricity service account showed an operating deficit of R2 529 147.

The operating results showed a distribution loss of 4.88% on electricity sent out. The gas service account showed a deficit of R3 110 764; with an operating result showing a loss of 11% on gas sent out.

The gas loss, which is higher than the previous period, can be attributed to an increase in gas pressures at the outlet of the bockers. The increase in pressure is the outcome of steps to resolve the low pressure complaints from consumers, particularly in the Paterson Road area.

According to the report, there were five Eskom supply failures between January, 1982, and June, 1983. Underground electricity mains have been completed to Booyzen Park and Bethelsdorp 21. And two major substations were completed at Gipmans and Hill Thunder.

As a result of increasing fuel costs, oil and the cost of maintaining alternative supplies of power, the number of rural consumers supplied with electricity increased, with 103 new consumers being connected.

A total of 1 116 new street lights were erected and 115 street lighting poles and 53 traffic bollards had to be replaced due to damage by motor vehicles. Sportsfield lights were installed at the Malabar, Moor-Dyke and Marock Road sports fields and lighting was installed at the Jocori Park Caravan Park.

A total of 8,034 kilometres of underground street lighting cable was installed.

At the Swartkops power station the overall staff turnover was reduced to 4.5% compared with 8.1% in 1981. Security measures at all substations had been increased and a trained security force had been created.
Maize prices hit farmers

Mercury Reporter

FARMERS have been hit by two major price increases — in fertiliser and maize products, which are used for animal feed.

A spokesman for Triorf, one of the country's major fertiliser producers, yesterday announced a 4 percent increase in the prices of fertilisers containing nitrogen, phosphate and potassium mixtures, a Sapa report said.

The spokesman said the increase was unavoidable because of a hike in the prices of imported chemicals used to manufacture fertiliser.

Other producers are also expected to raise their prices.

Mr. Donald Sinclair, chairman of the Natal Agricultural Union, said last night: "It's just an added blow to the farming community "It's not yet recovered from the loss of crops and income because of last year's crippling drought.

"Four percent is not an insignificant increase. It represents R4 000 more on a fertiliser bill of R100 000.

"We can only hope that farmers might benefit from the removal of import control and a certain amount of competition in the fertiliser industry.

The Maize Millers Association has also increased prices of all maize products by between 6 and 7 percent with immediate effect.

The fishermen found a huge shoal of pilchards concentrated on the surface and surrounded by sharks.

"Suddenly we felt a bang under the boat and we were lifted about a metre out of the water and then dropped straight back," Mr.eyer said.

"The whole came up alongside the boat and then disappeared."

Mr. Bob White of the East London Aquarium said it was unusual behaviour for a whale but that it was probably related to the unusual concentration of pilchards in the area.

It was not possible to identify the species because of the brief look the fishermen had of the whale.

Quiet weekend

BLOEMFONTEIN—The city experienced one of its quietest New Year weekends ever with only one murder, one assault and one road accident being reported. — (Sapa)

Boks triumph and go one-up in Test series

CAPE TOWN—Peter Kirsten's Springboks wiped out memories of the moral defeat they suffered in Durban over Christmas when they swept to a 1-0 lead over the West Indians in the four-day cricket series at Newlands here yesterday.

The Boks cruised home by 10 wickets after wrapping up the West Indian second innings for 208, the Boks were left to score 117 to win and they did it at a gallop with 13 overs and four balls left to spare.

Both Jimmy Cook and Henry Fotheringham batted 36 minutes.

It was Fotheringham who assumed the senior role, punishing Tj off everything the West Indians had to offer as he erased the first baller he suffered in Durban from the selectors' minds as well as his own. Cook scored 40.

The collapse they suffered on Monday virtually sealed the Windies fate but their innings yesterday was a solid effort — a valiant swish of the tail that must have had Kirsten worried that he would pay the full price for the slow Bok batting.

They came in at a parlous 89 for four, hoping for some pyrotechnics.
Cabinet expected to tackle bread price

By GERALD REILLY
Pretoria Bureau

THE Cabinet is expected to decide on two vital issues at its meeting in Cape Town on January 24 whether to raise the bread price, and whether to introduce legislation to tighten the tax screws on fringe benefits.

Pretoria sources say the bread price should have been adjusted from the start of the new season last October. But for a number of reasons — mainly the effect of a bread price rise on the National Party’s support in the referendum — it was delayed.

However, the sources claim the Government, with a R600-million budget deficit looming, is in no position to raise the current R46-million a year subsidy to the extent needed to avert a bread price increase.

Reliable estimates are that in the unlikely event of the Cabinet deciding to increase the subsidy, it would have to add at least another R40-million to the existing subsidy.

It was pointed out that the bread price rise in South West Africa had just been raised — brown bread by about 20 cents a loaf and white bread by four cents.

Although these prices are determined independently of South African prices, the increases are an indication of the increasing pressure for a local price adjustment.

On the introduction of legislation aimed at tightening control over fringe benefits, the Minister of Finance, Mr. Owen Horwood, has repeatedly refused in the past three months to state whether the Cabinet has accepted the recommendations of the Committee of 12 MPs.

The Committee drew up a Draft Bill setting out in detail the evaluation of perks, such as company cars, subsidised house and other loans, and entertainment allowances.

The committee’s report and the proposed Draft Bill were submitted to the Minister months ago. And yesterday a member of the committee, Mr. Harry Schwarz, appealed to the Cabinet to make an urgent statement on whether the tax is to be introduced at the start of the 1984/85 financial year.

“With the implementation to be postponed again, and no legislation coming before Parliament this coming session, the Commissioner of Inland Revenue is likely to strenuously enforce existing fringe benefit provisions.”

Mr. Schwarz said confusion and uncertainty would result countrywide if there was no central direction from the Commissioner.
Pretorians escape Escom thunderbolt

WHILE Verwoerdburg residents have to foot the bill, Pretoria households will probably escape one of the steepest electricity price increases yet imposed by Escom. The 8% tariff increase, effective from January 1, will not be absorbed by the Verwoerdburg Town Council, which has decided to pass it on to the residents. Verwoerdburg householders will pay more than 6%, as the Town Council is expecting a higher Escom account due to Escom's increased "coal costs." Electro-technical town engineer, Mr. Dolf Krueg, said this increase would also be passed on to consumers. He expected the increase would not exceed 1%. Mr Krueg said the higher tariff would be reflected in residents' February accounts, payable in March. A spokesman for Pretoria City Council, Mr. Jan Bezuidenhout, said the city's electricity rates "were not expected to be increased now." It was the City Council's policy not to adjust rates between budgets, he said. Escom's new rates would be taken into account in June.

Rates would not be increased before October 1984. Johannesburg City Council will have to pay more than the 8% increase because of the higher coal costs. Half of the effective 8% increase will be passed on to consumers — Sapa.
Uniforms cost up to 18% more this year

SCHOOLS re-open this month and mothers who have left it late before fitting their children in full uniforms may find they have to pay up to 18% more than in 1983.

At Alexander Road High School (co-educational), it will cost parents a minimum of R242.05 to fully equip a son enrolled for the first time — only 4.5% more than last year.

But this will be for one uniform only.

This would comprise a blazer, trousers, shirt, tie, socks, shoes, pullover, raincoat, suit, track suit, sports shoes, swimming costume, athletics shorts, vest and bag.

The major difference for girls is that they would require a skirt.

Most children will need more than one of each item.

To outfit a daughter starting at Alex and on the same single-article basis, will cost R189.85 — fractionally more than the R188.30 of last year.

At Herbert Hurd Primary School a full school outfit for a boy will cost R160.13 — up 11% on 1983.

For a girl starting there the cost will be R119.55 compared with R104.65 last year — a rise of 13%.

At Collegiate High School for Girls a uniform will cost R245.05 compared to R202.94 — a rise of 18% — while a primary school pupil can be toggled out for R215.55, up R25.36 on 1983.

Prices differ slightly from shop to shop and where certain items of clothing are made with better material or include braiding on blazers.

The following breakdown has last year’s price in brackets followed by the new prices.

**ALEXANDER ROAD HIGH SCHOOL**

**BOYS**

Blazer — R53.20 (R53.20)
Trousers — R24.95 (R25.95)
Shirt — R9.60 (R10.90)
Tie — R4.55 (R4.55)
Socks — R2.10 (R2.60)
Shoes — R25.50 (R25.50)
Raincoat — R116.60 (R115.60)

Athletics shorts — R4.70 (R5.70)

**TRACKSUIT — R39.95 (R38.95)**

**SPORTS SHOES — R7.25 (R7.25)**

**HOLD-ALL — R12.60 (R14.25)**

**GIRLS**

Blazer — R52.20 (R43.80)
Trousers — R18.60 (R18.60)
Shirt — R7.30 (R6.65)
Tie — R3.35 (R4.35)
Socks — R2.30 (R2.25)
Panties — R1.10 (R2.10)
Shoes — R15.50 (R20.50)

脉轮 — R11.60 (R11.60)

**ATHLETICS SHOES — R6.50 (R8.50)**

**RAINCOAT — R115.50 (R120.50)**

**HOLD-ALL — R12.60 (R14.25)**

**HERBERT HURD PRIMARY**

**BOYS**

Blazer — R34.90 (R41.90)
Trousers — R15.50 (new price not available)
Shirt and badge — R19.25 (R19.70)

Socks — R2.10 (R2.65)

Pullover — R16.40 (R16.55)

Tie — R5.45 (R8.50)

Cap — R4.70 (R5.15)

Shoes — R15.50 (R15.50)

Raincoat — R11.60 (R11.60)

**PLAN GREY BELT — R1.50 (R1.50)**

**SUITCASE — R11.50 (R13.00)**

**ATHLETICS SHORTS — R4.70 (R5.70)**

**SPORTS SHOES — R7.25 (R7.25)**

**SWIMMING COSTUME — R6.25 (R7.25)**

**TRACKSUIT — R39.95 (R38.95)**

**GIRLS**

Blazer — R34.40 (R41.90)

Gym — R16.50 (R20.50)

Shirt — R5.60 (R5.65)

Hat and badge — R9.30 (R13.25)

Shoes — R15.50 (R14.95)

Panties — R1.80 (R2.10)

Socks — R1.80 (R2.10)

Raincoat — R8.40 (R11.15)

**COLEGIATE JUNIOR SCHOOL FOR GIRLS**

Blazer — R46.89 (R49.50)

Summer gym — R28.00 (R26.70)

Panties — R1.69 (R1.95)

Socks — R2.30 (R2.45)

PT romper — R6.35 (new price not available)

Shoes — R22.50 (R26.95)

Hat and badge — R9.99 (R11.15)

Cardigan — R12.15 (R11.55)

PT skirt — R5.70 (new price not available)

Black swimming costume — R12.50 (R15.50)

**TOTE BAG — R13.75 (R12.25)**

**TRACKSUIT — R37.95 (new price not available)**

**RAINCOAT (NAVY) — R10.25 (R11.65)**

**COLLEGIATE JUNIOR SCHOOL FOR GIRLS**

Blazer — R46.89 (R49.50)

Summer gym — R28.00 (R26.70)

Panties — R1.69 (R1.95)

Socks — R2.30 (R2.45)

PT romper — R6.35 (new price not available)

Black swimming costume — R12.50 (R15.50)

**TOTE BAG — R13.75 (R12.25)**

**TRACKSUIT — R37.95 (new price not available)**

**RAINCOAT (NAVY) — R10.25 (R11.65)**
What it costs to send them to school

A nice new uniform with which to start the year — but the cost is high. Parents of a Standard Six girl can expect to pay R16.10 to fit her out.

Many parents prefer to pay extra for a new uniform, rather than buy second-hand clothes. It would cost R18.20 to fit out this Standard Six boy.

A standard uniform for all schools could help bring the cost down. At the moment, it would cost R129.50 to buy a new uniform for this six-year-old girl.

This six-year-old happy to be going to the cost of his R129.50 — is more his parents.

Some want standard uniforms

EAST LONDON — Schools in the Cape open again next week and parents are once again fitting out their children with new uniforms.

For most families this means a large dent in the month's budget.

Equipping a six-year-old schoolboy with one pair of shorts, shirt, blazer, jersey, satchel, shoes and socks costs about R120.

A six-year-old girl's uniform with tunic, shirt, jersey, blazer, shoes and socks costs about R120.

The cost of equipping a standard six child is about R150.

Most parents were concerned with the quality of the clothing they bought because it must endure hard wearing and washing.

The South African Bureau of Standards (SABS) has compiled a code for the standardisation of uniforms.

Suggestions for manufacturers, retailers and school authorities have been drawn up by the SABS but it remains up to the parents and teachers of each school to implement any form of standardisation.

The SABS suggests that standardisation of uniforms could reduce the costs involved in manufacturing and retailing uniforms and the reduced prices could then be passed on to the consumer.

The Daily Dispatch spoke to some parents in East London who were shopping for their children's uniforms to find out how they felt about the standardisation proposals.

Mrs D Morsink of Gonubie, said she would definitely support a standard uniform. She said a badge could be used to distinguish one school from another. Parents would then be able to buy a completely new uniform when a child moved from primary to high school.

Mrs Y Gordon of Stirling said although a standard uniform would help with costs, the individual uniform helped to build school spirit and pride.

Mrs N Mbom of East London said a distinctive uniform for each school helped to build pride in the school.

Mrs M Cox of Southendwood supported the idea of a standard uniform because it would reduce costs if a family was transferred to another city and did not need to buy new uniforms.

Mr W Trollip of Beacon Bay said it would be confusing if schools could not be identified by their uniforms but agreed that a standard uniform would probably be cheaper.

An alternative to expensive new uniforms is the clothing exchanges run by most schools for the benefit of children at those schools.

The Daily Dispatch found that second-hand clothing was 65 to 85 per cent cheaper at these exchanges than new clothing.

A second hand outfit for a boy in standard six would cost between R20 and R50, while the same garments bought new would cost R145.

However some parents said their children would be disgraced if second-hand clothing and new clothing was well worth the extra expense — DDR.
What it costs to send them to school

Many parents prefer to pay extra for a new uniform, rather than buy second-hand clothes. It would cost R167.30 to fit out this Standard Six boy.

A standard uniform for all schools could help bring the cost down. At the moment, it would cost R120.55 to buy a new uniform for this six-year-old girl.

This six-year-old chap seems happy to be going to school, but the cost of his new uniform — R126.50 — is more likely to make his parents grimace.

Concerned with the quality of the clothing they bought because it must endure hard wearing and washing.

The South African Bureau of Standards (SABS) has compiled a code for the standardisation of uniforms.

Suggestions for manufacturers, retailers, and school authorities have been drawn up by the SABS but it remains up to the parents and teachers of each school to implement any form of standardisation.

The SABS suggests that standardisation of uniforms could reduce the costs involved in manufacturing and retailing uniforms and the reduced prices could then be passed on to the consumer.

The Daily Dispatch spoke to some parents in East London who were shopping for their children's uniforms to find out how they felt about the standardisation proposals.

Mrs D Morsink of Goubbie said she would definitely support a standard uniform. She said a badge could be used to distinguish one school from another. Parents would then not have to buy a completely new uniform when a child moved from primary to high school.

Mrs Y Gordon of Stirling said although a standard uniform would help with costs, the individual uniform helped to build school spirit and pride.

Mrs N Mbom of East London said a distinctive uniform for each school helped to build pride in the school.

Mrs M. A. Coo of Southernwood supported the idea of a standard uniform because it would reduce costs if a family was transferred to another city and did not need to buy new uniforms.

Mr W. Trott of Beacon Bay said it would be confusing if schools could not be identified by their uniforms but agreed that a standard uniform would probably be cheaper.

An alternative to expensive new uniforms is the clothing exchanges run by most schools for the benefit of children at those schools.

The Daily Dispatch found that second-hand clothing was 65 to 85 per cent cheaper at these exchanges than new clothing.

A second-hand outfit for a boy in standard six would cost between R20 and R50, while the same garments bought new would cost R145.

However, some parents said their children would be disgraced by second-hand clothing and new clothing was well worth the extra expenditure. — DDR
What if the price of gold plummeted by 100 dollars?

Gold sales account for more than 60 percent of South African mineral exports and no less than about 40 percent of the national income from exports as a whole. Overall, the direct and indirect contribution of the gold mining industry equals 25 percent of the entire economy.

Gold influences economic activity via many complex and interrelated channels and an econometric model has been constructed to analyse the impact of movements of the gold price in a scientific manner.

The model was used here to examine the repercussions of a theoretical fall in the gold price on world markets by 100 dollars an ounce from an average 425 dollars last year to an average 325 dollars in 1984.

It will be seen that such a decrease, if it occurred, would have a chain reaction on economic factors as varied as the balance of payments to interest rates and wage levels.

Monetary and financial variables tend to respond quickly to changes in the gold price. Even a momentary change is immediately incorporated into business decisions.

According to the econometric model, a decrease of 100 dollars an ounce in the annual average gold price would reduce South Africa's export revenues by 2.3 billion dollars.

This would have a direct effect on the current account and be reflected by a decrease in the value of foreign exchange reserves.

The process would reduce liquidity in the economy and the shortage would push short-term interest rates higher. On an annual basis, a 100-dollar fall in the gold price would increase the annual rate on three-month bank acceptances by 1.5 percent.

Such a depreciation in the gold price would not change the prime overdraft rate immediately, but the rate would rise about three months later by one percent and six months later by two percent. On an annual basis, the rate would be increased by 1.7 percent.

It has been found that long-term interest rates in the capital market are much less sensitive to fluctuations in the gold price than can most likely be explained by long-term inflationary expectations as an important determinant of capital market rates.

One long-term effect of the gold price on the economy is reflected in its relation to the money supply.

A fall of 100 dollars by gold would reduce the narrowly defined money supply by R4.5 million in the first year, R64.6 million in the second and R1347.3 million in the third.

Thus these empirical findings suggest that the main effect of a lower gold price on the money supply might take as long as three years.

Changes in the value of reserves also influence the exchange rate of the rand. For instance, according to the model, if the gold price decreased by 100 dollars the rand would depreciate against the US dollar by six cents in the first year, four cents in the second and three cents in the third.

The influence of the gold price on inflation, as revealed by the model, is an interesting one. It appears that a decrease by gold does not necessarily create anti-inflationary pressures.

On the one hand, a depressed economy and higher short-term interest rates put downward pressure on inflation, but on the other hand a depreciation of the rand which results in higher prices for imported goods — plus the long time lag in which money supply influences inflation — probably offset formal factors to a large extent.

The final outcome of all forces is a very minor downward pressure on inflation.

In our experiment, the gold price was reduced from 425 dollars, the average for 1983, to 325 dollars an ounce for 1984. The model shows that the South African Government would lose receipts of R560 million in the first year and about R67 million in the second year.

The loss in revenue would mean — other things being equal — that the government deficit before borrowing would increase from R2.386 million to R2.968 million. The larger deficit could increase inflationary pressures and tend to raise capital market rates.

As the gold industry accounts for a significant proportion of the country's gross domestic product, it could therefore be expected that a lower gold price would depress activity in the real economy.

A 100 dollar fall would slow down the growth rates of GDP as follows: 0.12 percent in the first quarter, 0.42 percent in the second, 0.85 percent in the third and 1.29 percent in the fourth. The next year the rate would contract by 1.1 percent. In subsequent years the impact would diminish substantially.

Private consumption also reacts strongly to changes in the gold price. It would contract, with a 100 dollar fall in gold, by 0.73 percent in the first year, 1.86 percent in the second and two percent in the third.

Other industries, such as heavy engineering, furniture, printing and publishing, industrial chemicals, motor components and pottery are also particularly sensitive to changes in the gold price.

However, the study suggests that a lower gold price would not cancel or even dampen local business cycles. A fall in the gold price would have to be consistent over a long period in order to decelerate economic growth.

As a decline or increase in gold price levels cannot be expected to last for ever, economic activity in South Africa will probably continue to be strongly cyclical in nature irrespective of movements by gold.
Big food price shocks on the way for SA

By GERARD REILLY
Pretoria Bureau

CONSUMERS can brace themselves for a series of food price shocks in the first half of the year.

These include likely increases in the prices of dairy products, bread, sugar and maize.

This week the dairy committee of the Transvaal Agricultural Union met and, it is understood, will recommend to the National Dairy Committee of the SA Agricultural Union that an early meeting be arranged with the Minister of Agriculture, to demand a raise in the producer price of milk.

The national committee recommended a price rise last November, but this was rejected by the Dairy Board on the ground that there was a milk surplus and the time was not right for a price adjustment.

However, the Minister gave the industry an assurance last year that from now on the milk price would be adjusted early in January.

The TAU's milk committee is expected to be strongly supported by the other provincial milk committees in its demand for an immediate price rise.

The consumer price of milk was increased last year by 7.5c/l. In July producers were granted a 3c/l increase and distributors 2.5c/l. Then in November, distributors increased their margins by another 2c/l.

A bread price increase is also almost certain by the middle of the year. Justification for a price increase is "overwhelming", according to Pretoria sources.

The issue is now with the Cabinet. It will either sanction an increase in the bread subsidy — which is considered highly unlikely — or a price rise.

An increase in the producer price of sugar is expected during the first quarter of the year. The general manager of the SA Sugar Association, Mr Peter Sale, said application for an increase was submitted last year.

The last increase was granted a year ago. Since then, he said, there had been big rises in costs in the industry.

A maize price rise is also certain in May. Producers were dissatisfied with last year's 5% increase.

And if maize rises, price increases for a whole series of foods will follow — meat, poultry, eggs and pork among them.
### Pre-School Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>1st yr</th>
<th>2nd yr</th>
<th>3rd yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>240 R</td>
<td>480 R</td>
<td>600 R</td>
</tr>
<tr>
<td>Clothes</td>
<td>100 R</td>
<td>180 R</td>
<td>240 R</td>
</tr>
<tr>
<td>Cot, Bed</td>
<td>60 R</td>
<td>60 R</td>
<td>60 R</td>
</tr>
<tr>
<td>Birthday party</td>
<td>40 R</td>
<td>40 R</td>
<td>40 R</td>
</tr>
<tr>
<td>Presents given</td>
<td>12 R</td>
<td>24 R</td>
<td>24 R</td>
</tr>
<tr>
<td>Toys, books, presents</td>
<td>220 R</td>
<td>220 R</td>
<td>220 R</td>
</tr>
<tr>
<td>Haircuts</td>
<td>30 R</td>
<td>30 R</td>
<td>30 R</td>
</tr>
<tr>
<td>Medical Aid</td>
<td>120 R</td>
<td>120 R</td>
<td>120 R</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>932 R</td>
<td>1,324 R</td>
<td>1,334 R</td>
</tr>
</tbody>
</table>

### School Costs

#### Nursery School

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniforms</td>
<td>720 R</td>
</tr>
<tr>
<td>Other clothes</td>
<td>200 R</td>
</tr>
<tr>
<td>Shoes</td>
<td>40 R</td>
</tr>
<tr>
<td>Sweets and junk food</td>
<td>52 R</td>
</tr>
<tr>
<td>Sports clothes and equipment</td>
<td>60 R</td>
</tr>
<tr>
<td>School trips, sports trips, lunch</td>
<td>220 R</td>
</tr>
<tr>
<td>Birthday party</td>
<td>60 R</td>
</tr>
<tr>
<td>Presents given</td>
<td>48 R</td>
</tr>
<tr>
<td>Trikes, bikes</td>
<td>13 R</td>
</tr>
<tr>
<td>Pocket money and entertainment</td>
<td>100 R</td>
</tr>
<tr>
<td>Furnishing bedrooms</td>
<td>160 R</td>
</tr>
<tr>
<td>School stationary</td>
<td>5 R</td>
</tr>
<tr>
<td>Holidays</td>
<td>250 R</td>
</tr>
<tr>
<td>Medical aid</td>
<td>120 R</td>
</tr>
<tr>
<td>Extra medical costs</td>
<td>3,268 R</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,445 R</td>
</tr>
</tbody>
</table>

#### Primary School

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniforms</td>
<td>1,000 R</td>
</tr>
<tr>
<td>Other clothes</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Shoes</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Sweets and junk food</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Sports clothes and equipment</td>
<td>1,200 R</td>
</tr>
<tr>
<td>School trips, sports trips, lunch</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Birthday party</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Presents given</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Trikes, bikes</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Pocket money and entertainment</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Furnishing bedrooms</td>
<td>1,200 R</td>
</tr>
<tr>
<td>School stationary</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Holidays</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Medical aid</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Extra medical costs</td>
<td>1,200 R</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,200 R</td>
</tr>
</tbody>
</table>

### University Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>4,048 R</td>
</tr>
<tr>
<td>Medical aid</td>
<td>3,600 R</td>
</tr>
<tr>
<td>Books</td>
<td>750 R</td>
</tr>
<tr>
<td>Medical aid</td>
<td>360 R</td>
</tr>
<tr>
<td>Holidays</td>
<td>950 R</td>
</tr>
<tr>
<td>Presents</td>
<td>1,200 R</td>
</tr>
<tr>
<td>Clothing and equipment</td>
<td>750 R</td>
</tr>
<tr>
<td>Transport</td>
<td>150 R</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,988 R</td>
</tr>
</tbody>
</table>
Putco fares now cost 10c more today

The 12.5% Putco fare increases announced last year will come into effect today. The increases mean commuters will pay 10c more for casual fares and 10c extra a day on weekly tickets.

Handbills setting out the new tariffs and a sample of the adjustments were issued to passengers last week.

Putco's application for the increases was submitted in March last year, heard by the National Transport Commission in June and approved in August.

The increases were planned for September last year but were postponed when the Government announced a cut in the price of fuel.

When the announcement was made in December, black leaders voiced disgust. They urged Putco to seek a State subsidy and said 1983 had been a year of hardship.

Putco raised its fares in the Pretoria area by 12.5% at the end of August.
Big milk, tea price increases looming

Staff Reporter
DAIRY producers will confront the Dairy Board next month with a demand for a large increase in the price of milk — and there are further blows in store for consumers.

Leading supermarkets are stockpiling supplies of tea and coffee in anticipation of major increases in the price of tea and moderate increases in the price of coffee.

Our Johannesburg correspondent reports that details of the dairy producers’ demand are to be discussed at a meeting of the South African Agricultural Union’s (SAAU) dairy committee in February.

Milk surplus
The demand is set against a background of a milk and dairy product surplus in most of the country, two retail price increases last year, the recent dumping of 180,000 litres of skim milk at Maritzburg and a continuing drought in which children are dying of starvation.

Last year, the Dairy Board rejected a further demand for a price adjustment because of the surplus of dairy products.

In Pretoria this week, the chairman of the SAAU’s milk committee, Mr. Louis Theron, said there was strong justification for a price rise of about 15 percent as milk producers were awarded only a two or three percent price increase last year.

But dairy farmers, speaking to a press conference, said that the price cuts would force the industry to resort to ways of encouraging more milk, he said.

In November, the Dairy Board had not entertained asking for a national price rise but had decided to review certain areas, he said.

Dr. L. Tibbutt, Divisional Council Medical Officer of Health, said an increased milk price could “only aggravate the upsurge of tuberculosis.”

Milk was an important part of a child’s diet because of its protein content and it was essential for the correct functioning of their resistance and immune systems, he said.

‘Angered’
The president of the Black Housewives’ League in Johannesburg, Mrs. Sally Motlana, who runs self-help projects among poverty-stricken communities, said she was “angered and annoyed.”

Farmers have asked for extra levies on meat and now they want more for milk. It is particularly bad in this time of high inflation.

“We (black people) can’t afford to buy meat so we have been feeding our families on milk because it used to be reasonably priced. So an increase would affect the whole family — particularly children.”

Mrs. Motlana said the drought made matters worse.

Mrs. Isa Perlman, the manager of Operation Hunger in Johannesburg, which is currently feeding more than 600,000 malnourished children, said milk, at its present high price, was already a luxury for many.

For working urban mothers who cannot get much maternity leave and could no longer breastfeed, the consequences of another rise in the milk price would be tragic.

Operation Hunger was not buying much milk to send to hard-hit areas as the price was already too high. Mrs. Perlman said the increase could filter through to clinics.

Tea shortage
Meanwhile, a spokesman for a leading supermarket chain in Cape Town said consumers who were at present paying R 1.75 for 100 high-quality teabags could expect to pay more than R 2 for the same product in July or August.

He said there were serious shortages of tea locally because of crop failures in Sri Lanka and increased consumption of tea in India.

In addition to these impending increases, a recent 10 percent increase in the millers’ price of maize has followed “mismanagement” which added R6 million to the price of imported maize.

The Housewives’ League of South Africa has demanded that this increase should be only a temporary measure.
This basket of groceries from an East London supermarket cost R15.64 yesterday. According to a study released by the Department of Statistics in Pretoria, the same purchases would have cost an average of 9c more in November.

**Study shows EL food prices good**

EAST LONDON — Food prices here compare well with other centres according to a statistical study released by the department of Statistics in Pretoria.

The survey shows that fresh fruit and vegetables, meat and dairy products sold in East London for less than the national average in November last year.

Other items were more expensive in East London than elsewhere.

An aspect not considered by the study is the difference in average salaries earned by people in different areas.

Fresh fruit, vegetables and dairy products sold for 20 per cent less in East London and meat for five per cent less than the national average.

A kilogram of chicken in East London cost R2.41, in Port Elizabeth R2.56 and on the Witwatersrand R2.72, according to the November averages.

A kilogram of apples cost R1.09 in East London, R1.10 in Port Elizabeth and R1.26 on the Witwatersrand.

Canned foods and cereals and dry goods like tea, coffee and salt cost more in East London than the national average.

A can of peaches cost R1.23 in East London, 97c in Port Elizabeth and R1.06 on the Witwatersrand.

A test at a local supermarket yesterday shows that the average November prices probably still hold good in East London.

A shopping basket containing apples, canned peaches, tea, coffee, potatoes, tomatoes, onions, fish, margarine, frozen peas, a chicken and mealie meal cost R15.64 yesterday.

According to the study the same basket cost R15.73 in November, showing a 9c decrease.

The same basket would have cost R14.99 in Port Elizabeth and R15.86 on the Witwatersrand — DDR.
Slower food price rises

By GERALD REILLY,
 Pretoria Bureau Chief

SOUTH AFRICA'S restrictive monetary and fiscal policy would have to be continued, as the economy was not yet ready for an upswing, the Deputy Governor of the SA Reserve Bank, Dr. A. S. Jacobs, said in Pretoria this week.

Addressing the Agricultural Outlook (Agricon) conference, he forecast a likely slower food price rise rate this year.

Favourable climatic conditions meant the farming industry would again make a positive contribution to the economy. Farmers' debt burden would be eased.

The instability of gold- and the lower price trend, made it clear the consolidation phase in the economy was not complete.

The monetary authorities had allowed interest rates to continue their upward move on a basis of market forces.

Dr. Jacobs said the larger agricultural production envisaged for the season would make a moderate contribution later in the year to stimulate the economy.

The gold price would play a key role in the country's short-term economic outlook.

"However, at that stage, it would be risky to bargain on a substantially higher average dollar price for gold in 1994 than in 1993. "The dollar price of gold had nevertheless remained relatively stable," he said.

Unless it declined substantially further, circumstances could become more favourable in the second half of the year for a gradual upswing in confidence.

Dr. Jacobs said it was impossible at this stage for the authorities to consider stimulating the economy. There was progress in establishing a free market system in South Africa within certain limits.

The pattern and volume of production would increasingly be determined by market forces and the effects of subsidies.
Call to exempt basic foodstuffs

The GST increase would inevitably lead to higher wage increases which would in turn be followed by a price spiral, she added.

Professor Z.S.A. Gurynska, former head of the University of Cape Town School of Economics, said basic foodstuffs as well as items such as children's clothing below a certain price should either be exempt from GST or subject to a lower tax.

However, he said GST should not be computed as part of the cost-of-living index just as income tax was not included in the index.

ABOVE INFLATION

Mr. Bernard Hellberg, assistant director of the Consumer Council, said the 1c increase in GST from 6c in the rand to 7c was in effect a 16.6 percent increase in GST.

This was well above the current inflation rate of less than 12 percent he said. If an increase was necessary, the Government should have put it up to 8.5c in the rand, he said. Although there were no more half cents, it would be relatively simply to work out tax percentages, he added.

"The Government will find it difficult to ask the private sector to keep price increases below the inflation rate if its own increases are higher," he said.

Professor Brian Kantor, head of the School of Economics at the University of Cape Town, said he was not happy with the increase.

The latest government figures showed that revenue and expenditure were much in line up to December, he said.

It was not obvious that the tax had to be increased unless it presaged a substantial increase in government spending in the next fiscal year.

Mr. Brian MacLeod, director of the Cape Town Chamber of Commerce, said that while the increase had to be regretted, it had been forced on the Government because of over-spending in both the public and private sectors.

HIT THE POOR

"While the increase in GST will hit the poor, on balance it is to be preferred to raising direct taxation, since its overall effect will be to dampen demand and help to contain inflation, which influences economic growth negatively."

(Turn to Page 3, col 1)
FARE UP WITHOUT WARNING

COMMUTERS in Lebowa were caught by surprise when Lebowa Transport announced a bus fare increase to be introduced on Sunday next week. The increase was announced without warning.

Mr W T Wingate, development manager of Lebowa Transport, a subsidiary of the Co-operation for Economic Development (CED) said yesterday the company had authority from the Lebowa Transportation Board and that they were going ahead with the introduction of the fares.

Mr Wingate said that the fares, to be effective from Sunday, January 29, would be increased by about 14 percent. "This would mean that the fares for daily commuters would go up by between 30 cents and R1 a week depending on the distance."

Meanwhile, the fare increase has been condemned by commuters who said that despite the short notice given to them, there was also no cause for the fare increases.

However, Mr Wingate also said that it was now almost 18 months since the last increase in 1982 and that the price of tyres, increased staff salaries, increased rates, spares and the price that they have to pay for the buses caused the fare hikes.

Areas that will be affected are Seshgo, Mahwereleng, Leeufontein, Motetema, Leenyeye, Lamagale, and Sekhukhuni. Meanwhile Azapo, through its Northern Transvaal region, has attacked the actions by "capitalist Lebowa Transport" and all that it stood for.
Take GST off basics, says Ackerman

Staff Reporter

THE chairman of Pick 'n Pay, Mr Raymond Ackerman, said yesterday that he would ask the government to exempt five basic foods — bread, milk, mealie meal, flour and sugar — from General Sales Tax.

Mr Ackerman was reacting to the announcement by the Minister of Finance, Mr Owen Horwood, that GST would be increased by one percent to seven percent from February 1.

Mr Ackerman said he would also lead a campaign for a tax surcharge on company profits to replace the loss in tax revenue caused by exempting basic food from GST.

He would also ask the government to reduce GST when the economy recovered.

The director of the Consumer Council, Mr Jan Cronje, said the increase was "a cause for disquiet" because it exceeded the current rate of inflation of almost 11 percent.

"An increase in the tax on luxury goods such as liquor and cigarettes would have been better," he said.

Mr Cronje said he hoped that if the GST increase helped to prevent the current income tax structure from being altered, the increase would eventually serve a good purpose.

"But it is a foregone conclusion that the GST increase will have a marked inflationary influence and will cancel the recent salary adjustments," he said.

He said consumers had contacted the council to say that had the current GST of six percent been collected effectively, the increase would not have been needed.

Mr W S Yeowart, president of the Association of Commerce (Assocom), said the increase was an "unpleasant reality", but regretted the decision had been taken in isolation.

The private sector had not been able to form a definite view of whether the decision was justified or not, he said.

He also said the high levels of State spending this year required immediate financing, and GST was the obvious widely-based source.
Bus fare hike 'unfair and badly timed'

By Molefele Moseka

Commuters in Alexandra township who are boycotting Putco buses because of an increase in fares say the increases were "unfair and badly timed."

The boycott started last Monday when the 12.5 percent increase came into effect on the Reef. An Alexandra resident, the Rev Hope McPherson (28), of the Ithema Church, said the increases showed Putco did not care about the welfare of Alexandra people, most of whom earned low wages.

A pensioner who did not want to be named said Putco had no reason to increase its fares. Another resident, Mrs Elizabeth Makoro (43), a domestic worker living at the Alexandra women's hostel, said the bus company could have delayed the increases until after June when people would have more money.

Miss Rebecca Sedumedle (33) said she was experiencing difficulties because she did not expect a salary increase before the end of August.

Mr Freddie Komape (36), who works at the Edenvale Hospital, said he had to walk 5 km to and from work daily because of the increased fares. He believed the boycott was ineffective because some people were still using the buses despite the increased fares. He said it would be preferable for the Commuters' Committee to talk to Putco about the increase.

A factory clerk, Mrs Ester Malatsi (27), considers the bus company's action unfair as it has neglected public facilities in the township. "Putco's buses are always dirty, especially during the weekends. People drink beer and smoke in the buses without any restriction. There are no toilets at Pan Afrika terminus in Wynberg and those at 15th Avenue terminus are dirty and filled with sand and dust, making it impossible for anyone to use them," she said.
"MY mummy says she is sick and tired of all these increases. The people who put the prices up don't know what it is like to struggle from day to day to keep your family alive."

So said six-year-old Jane Cupido, translating into words the sign language of her deaf-mute mother.

Grassy Park housewife Carol Cupido had read about the increase in General Sales Tax early on Tuesday morning and she was angry.

Minister of Finance Owen Horwood's justification for the increase — the recession, the falling gold price, the drought which has swept through large parts of South Africa — did not impress her.

POORER

All she knew was that it would make her family poorer. And they were already struggling to make ends meet, she said.

Mrs Cupido cannot go out to work — she suffers from epilepsy. Her husband Edwin's employment opportunities are limited. He was once a victim of polio and he still walks with difficulty.

Both of them receive grants from the Department of Internal Affairs. She gets R139 and her husband R95 a month.

FOOD

"We barely survive," she says. In fact, she adds, if she were not able to buy groceries "on the book" at a nearby shop, her family of four would go without food some days.

"How much do you spend on food?" We asked her. "And what do you buy?"

Ten minutes later she had produced her weekly shopping list. It consisted of the most basic foodstuffs only. For instance, she spent only R2 a week on meat. Total cost came to R18. Sales tax would add another R1.08 to her bill.

On February 1 her contribution to the Government will increase to R1.26.

"Clothes for her family — which she doesn't buy very often — will push this amount even further."

Mrs Cupido's weekly shopping list:

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 tin peas</td>
<td>42c</td>
</tr>
<tr>
<td>1 tin green beans</td>
<td>42c</td>
</tr>
<tr>
<td>2 tins mixed vegetables</td>
<td>98c</td>
</tr>
<tr>
<td>1 tin brand fish</td>
<td>84c</td>
</tr>
<tr>
<td>1 tin yellow fish</td>
<td>62c</td>
</tr>
<tr>
<td>1 tin tomato paste</td>
<td>44c</td>
</tr>
<tr>
<td>1 tin ideal milk</td>
<td>82c</td>
</tr>
<tr>
<td>1 tin corned beef</td>
<td>99c</td>
</tr>
<tr>
<td>1 tin meatballs</td>
<td>65c</td>
</tr>
<tr>
<td>1 tin frikadellers and spaghetti</td>
<td>59c</td>
</tr>
<tr>
<td>1 kilogram rice</td>
<td>72c</td>
</tr>
<tr>
<td>2½ dozen eggs</td>
<td>45c</td>
</tr>
<tr>
<td>500g margarine</td>
<td>R1.09</td>
</tr>
<tr>
<td>6 leaves brown bread</td>
<td>R1.06</td>
</tr>
<tr>
<td>1 kilogram sugar</td>
<td>R1.17</td>
</tr>
<tr>
<td>1 tin coffee</td>
<td>R1.43</td>
</tr>
<tr>
<td>meat</td>
<td>R2.60</td>
</tr>
</tbody>
</table>

TOTAL: R18.89

As can be seen, only the most essential foodstuffs have been included.
Anti-GST call grows

Own Correspondent
PRETORIA — Pressure on the government to remove GST from basic foods and other necessities is increasing.

The urgent need for scrapping the seven percent tax on basics like bread and milk has been stressed to the government repeatedly by the Housewives League, the Trade Union Council of South Africa and the Progressive Federal Party.

'Difficulties'
So far the Minister of Finance, Mr. Owen Horwood, has rejected the pleas on the grounds of "administrative difficulties".

The issue has become even more urgent since Tuesday's announcement that GST is to be raised to seven percent from February 1.

Economists pointed out yesterday that seven percent extra on basic foods was a heavy burden for lower-income groups.

Poverty and hunger in South Africa had spread since the start of the recession nearly two years ago. Scrapping the seven percent tax would bring real relief to thousands of black families and pensioners of all races, it was stated.

Now the Association of Chambers of Commerce (Assocom), which until now has supported the broadly-based tax and opposed exemptions, is to investigate the merits and demerits of introducing exemptions on basic necessities.

Assocom has also claimed that at low rates of tax the administrative cost of exemptions would outweigh the benefits.

The investigation is to be made by Assocom's tax committee, with the possible assistance of university personnel.

Chambers of commerce throughout the country would be consulted, the executive director of Assocom, Mr. Raymond Parsons, said.

Tax-man to step up hunt for evaders, page 19.
Higher bar prices: Hoteliers don’t fear drop in drinking

Staff Reporter
LOCAL hoteliers do not expect the higher bar prices of brandy and whisky, announced this week, to affect sales of these drinks.
The bar price of brandy is expected to increase by 4c a tot and whisky by 2c a tot when the increases come into effect on Monday. This does not include the extra 1c in the rand GST which takes effect on Wednesday. The new prices coincide with increased off-sales prices.

The managing director of a central hotel said the increase was not substantial enough to have any lasting effect on sales.

"South Africans are used to having to pay a little bit more every time they shop for goods in a supermarket so this shouldn’t affect them all that much,” he said.

“It may encourage them to take advantage of specials on other drinks in the bar, but I don’t think it will affect their drinking habits in the long term.”

The increases follow last week’s announcement of increased wholesale prices to retailers.

According to the Cape Hotel, Bottle Store and Restaurant Association, whisky will be hardest hit because the increase coincides with the lifting of Christmas discounts to retailers.

Wholesalers sell imported whisky to retailers at discount prices from October to December and these increases are passed on to the consumer.

Wine will increase by about three percent a five-litre box at off-sales outlets, fortified wines by 6.6 percent and sparkling wines by eight percent.

The price of whisky is expected to increase again in May.
School levies in Natal rise by up to 100%

DURBAN — Some school levies at Natal provincial schools have increased by as much as 100%, it was learnt yesterday.

This follows a policy adopted by the Department of Education two years ago in which it was decided that a percentage of maintenance costs would be charged to school accounts.

The principal of Westville Boys High School, Mr Roy Couzens, said yesterday that the levy at the school, for which payment was not compulsory, had been raised from R60 to R120 a year.

"Pupils are getting a lot for that money, including transport to sports meetings and 10 computers in the school," he said.

Westville Girls' High School, Durban Girl's High School and Durban High School have all increased the levy to R120.

The principal of Durban High School, Mr Ken Tomlinson, said the step had been taken to counter the effects of inflation. The school's levy was R60 last year.

Levies at provincial high schools in and around Maritzburg jumped by between 30% and 60% over the past year so that the cost of sending a child to high school has risen by a greater percentage at Government schools than at exclusive State-aided schools, although the overall cost at these institutions remains much higher.

Maritzburg College increased its levy by 60% percent from R190 to R190, while Alexandra Boys' High was not far behind at 50%, going up to R120.

Boarding establishment fees at both schools, which are laid down by the province, remained unchanged at R180 a term.

Principals said school fund contributions at all provincial schools were left to advisory boards to determine, and money collected was used to provide educational and sporting facilities, equipment, and pay for school outings.

Schools increasingly were expected to bear the cost of providing and maintaining their own amenities.

Among state-aided institutions, widely known as private schools, fees generally include board and tuition.

A spokesman for Girls' Collegiate said their maximum rate for a senior pupil was R1 035 a quarter, which, she said, was an increase of between 12% and 15%.

At Epworth, senior boarders pay an all-exclusive fee of R1 045 a quarter.

Hilton and Michaelhouse charge R6 600 and R6 700 a year respectively, each up by R1 000 — Sapa.
Farmers plough crops in - prices rocket

Staff Reporters

WESTERN CAPE farmers are ploughing food crops into the ground, creating a shortage which has sent salad-vegetable prices rocketing in Cape Town.

Mr Emme Carstens, manager of an agency at Epping Market, said low prices fetched on markets in recent weeks had not made harvesting worthwhile and had forced some farmers to plough crops into the ground.

In other cases, irrigation had been turned off and crops left to dry up in the fields.

The resulting shortage was forcing prices up again, he said.

A spokesman for the Department of Agriculture said this situation occurred often in the Peninsula, particularly among Philipps vegetable farmers.

"During the Christmas period there is an upswing in the demand for vegetables. All the farmers - each producing on his own scale - push through their produce at good prices.

"Vegetable produce is then in excess of the demand and the prices they can expect on the market do not allow them to make a profit.

"In these circumstances it is not worth their while to harvest. They might hold back supplies to create an artificial shortage and, when they are assured of better prices, they return to the market."

The spokesman said that because vegetables were a short-cycle product, fluctuations in supply and price did not have a lasting effect.

FLUCTUATIONS

He said he believed that many of the fluctuations which now occurred were a result of a lack of co-ordination of farmers' marketing policies.

An investigation into the prices of salad vegetables this week confirmed that lettuces in particular were in short supply and selling for R40 a case.

In supermarkets, small heads are selling for up to 75c each. Radishes are also scarce, if available at all, and are selling for 40c a bunch at the Epping market.

Fresh-produce buyers at supermarkets have denied that farmers from whom they buy were ploughing produce back into the ground.
<table>
<thead>
<tr>
<th>Item</th>
<th>PE</th>
<th>low</th>
<th>avg</th>
<th>high</th>
<th>PE diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flour</td>
<td>1.86</td>
<td>1.72</td>
<td>1.87</td>
<td>2.10</td>
<td>-0.8</td>
</tr>
<tr>
<td>B'fast oats</td>
<td>1.15</td>
<td>1.07</td>
<td>1.20</td>
<td>1.40</td>
<td>-4.2</td>
</tr>
<tr>
<td>Mutton Veal (2.5 kg)</td>
<td>1.03</td>
<td>1.01</td>
<td>1.08</td>
<td>1.13</td>
<td>-4.6</td>
</tr>
<tr>
<td>Rice (500kg)</td>
<td>0.87</td>
<td>0.86</td>
<td>0.72</td>
<td>0.79</td>
<td>-6.9</td>
</tr>
<tr>
<td>Rump steak</td>
<td>6.91</td>
<td>5.70</td>
<td>6.78</td>
<td>7.46</td>
<td>+1.9</td>
</tr>
<tr>
<td>Srlan</td>
<td>6.28</td>
<td>5.01</td>
<td>5.68</td>
<td>6.28</td>
<td>+12.5</td>
</tr>
<tr>
<td>Boneless chuck</td>
<td>3.71</td>
<td>3.30</td>
<td>3.70</td>
<td>3.84</td>
<td>(same)</td>
</tr>
<tr>
<td>Hind quarter</td>
<td>3.62</td>
<td>3.23</td>
<td>3.40</td>
<td>3.71</td>
<td>+6.5</td>
</tr>
<tr>
<td>Lamb leg</td>
<td>5.85</td>
<td>4.48</td>
<td>5.24</td>
<td>5.85</td>
<td>+11.6</td>
</tr>
<tr>
<td>Boerwors</td>
<td>3.36</td>
<td>2.05</td>
<td>3.60</td>
<td>4.04</td>
<td>-6.7</td>
</tr>
<tr>
<td>Frozen hake (400g)</td>
<td>1.44</td>
<td>1.13</td>
<td>1.31</td>
<td>1.44</td>
<td>+9.3</td>
</tr>
<tr>
<td>Cheese</td>
<td>4.36</td>
<td>4.00</td>
<td>4.64</td>
<td>4.77</td>
<td>-6.0</td>
</tr>
<tr>
<td>Condensed milk (397g)</td>
<td>0.73</td>
<td>0.73</td>
<td>0.84</td>
<td>0.94</td>
<td>-13.1</td>
</tr>
<tr>
<td>Butter (500g)</td>
<td>1.88</td>
<td>1.62</td>
<td>2.03</td>
<td>2.18</td>
<td>-7.3</td>
</tr>
<tr>
<td>Grd 1 eggs (1 doz)</td>
<td>0.55</td>
<td>0.54</td>
<td>0.58</td>
<td>0.69</td>
<td>-5.2</td>
</tr>
<tr>
<td>Potatoes</td>
<td>0.68</td>
<td>0.52</td>
<td>0.67</td>
<td>0.77</td>
<td>+1.5</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>1.33</td>
<td>0.82</td>
<td>1.30</td>
<td>1.52</td>
<td>+2.3</td>
</tr>
<tr>
<td>Green beans</td>
<td>0.98</td>
<td>0.84</td>
<td>1.40</td>
<td>1.02</td>
<td>-30.0</td>
</tr>
<tr>
<td>Lettuce</td>
<td>0.80</td>
<td>0.51</td>
<td>0.77</td>
<td>0.95</td>
<td>-22.0</td>
</tr>
<tr>
<td>Carrots</td>
<td>0.47</td>
<td>0.47</td>
<td>0.68</td>
<td>0.90</td>
<td>-30.9</td>
</tr>
<tr>
<td>Squash</td>
<td>0.86</td>
<td>0.65</td>
<td>0.91</td>
<td>0.97</td>
<td>+13.8</td>
</tr>
<tr>
<td>Apples</td>
<td>1.10</td>
<td>1.09</td>
<td>1.25</td>
<td>1.42</td>
<td>-12.0</td>
</tr>
<tr>
<td>Orangels</td>
<td>0.66</td>
<td>0.61</td>
<td>0.72</td>
<td>0.89</td>
<td>-8.3</td>
</tr>
<tr>
<td>Ten</td>
<td>1.52</td>
<td>1.35</td>
<td>1.69</td>
<td>1.84</td>
<td>-10.1</td>
</tr>
<tr>
<td>Grd 1 apricot jam</td>
<td>0.98</td>
<td>0.93</td>
<td>1.10</td>
<td>1.44</td>
<td>-10.9</td>
</tr>
</tbody>
</table>

*Unless otherwise specified the quantity of each item is one kilogram.
Eggs go up 13c on Monday

Consumer Mail

The price of eggs in the Transvaal and Free State increases by 13c a dozen from Monday.

The price dropped about 10c during the second half of last year when there was an egg surplus, but the surplus situation has now ended.

The price increase in feed has forced producers to add on the amount they reduced last year.

Eggs in supermarkets currently cost about 66c a dozen for large and R1.10 a dozen for extra large.

When the egg price was reduced last year, consumption did not go up, Mr. Sech Coetzee, of the SA Poultry Association, told Consumer Mail.

The price was reduced by 6c a dozen in August and by another 4c in October.
How PE's prices, wages shape up

LIVING costs appear to differ little from one major centre to the next in South Africa — though at the other end of the spectrum incomes can and do show major differences.

This emerges clearly from the table (left), compiled by BUSINESS POST from statistics supplied by the Central Statistical Office in Pretoria.

Good news for East London householders is that the price of a random basket of goods bought there is lowest of all in comparison with the price-setter, Johannesburg.

The hypothetical basket of goods (see footnote), would have cost a Reef household the most (R47.64), while for the same selection an East London shopper would have paid least — R44.26 (or 7% less than her Reef counterpart).

For the same basket of goods householders in Port Elizabeth and Durban would have paid R46.57 (2.2% below the Johannesburg price), in Pretoria R46.53 (2.3%), in Maritzburg R46.05 (3.3%), and in Cape Town R45.52 (4.4%).

Naturally such a comparison should be conducted over a longer period (the prices were canvassed in November last year), in order to establish a trend, and the income earned by shoppers in the different areas needs to be calculated in order to draw a fair comparison.

A major personnel consulting group released selected details of a recently-completed regional salary survey to BUSINESS POST, which goes some way towards a fairer comparison.

According to these figures (surveyed among white workers), it appears that at the lower end of the salary spectrum Eastern Province salaries for junior office staff, for instance, is up to 24% below that paid in Johannesburg.

Thus basic gross median monthly incomes for “AS” income earners in Johannesburg were around R700, while in the Eastern Province this dropped to R542 a month and in the Western Province to R532 (In Pretoria the comparable figure was R619 and in Natal R580).

The gap was not as great at the upper (“D-upper”) end of the scale, where professional and skilled salaried workers earned around R2500 a month in Johannesburg, R2000 in Pretoria and Natal (–9%), slightly less in the Western Province (R2280), and some R2200 in the Eastern Province (–14%).

The hypothetical basket of groceries was made up of 1kg flour, 1kg bread, 1kg potatoes, 1kg beef stew, 1kg sausages, 1kg lamb, 1kg pork, 1kg rice, 1kg pasta, 1kg tomatoes, 1kg green beans, 1kg squash, 500g butter and one dozen eggs.

INSIDE

- Wool report
- General Motors achieves record sales
Price war between big stores benefits buyers

By ALEC HOGG

Retail giants Pick 'n Pay and OK Bazaars are at each other's throats again, and the consumer is scoring.

Pick 'n Pay chief executive Raymond Ackerman told the Sunday Times this week that, as a symbolic gesture in his attempt to persuade the Government to exclude basic foods from general sales tax, he will drop the price of bread throughout his stores to seven percent below cost for the whole month of February.

This means that consumers will pay 45c for a white loaf against the cost price of 60c, and 53c for brown against cost of 61c.

It compares with prices of 50c and 33c exclusive of GST for white and brown bread respectively through small outlets like cafeterias.

Mr Ackerman disclosed that he had sent a telegram to the Minister of Finance, Mr Owen Horwood, this week suggesting that GST be abolished on five basic foods: milk, bread, flour, maize and sugar.

Counter

He argued that the Government could go a long way towards recovering this lost revenue through collecting the lost tax from the large retail chains.

"Although I realise this will hurt our profits, I am happy that we and other companies take this lead for consumers. After all, we can afford it better than most of our customers can."

OK, meanwhile, is countering the Pick 'n Pay attack by cutting the price of both bread and milk to below cost.

According to food division head Ralph Horwitz, OK will drop the price of milk to 52c in Johannesburg, Pretoria, Durban and Maritzburg, which is 8c below cost.

In what he describes as the "more competitive" areas of Cape Town and Port Elizabeth, the price will be 2c below cost.

OK is lowering the cost of white bread to 47c and brown to 50c — both 1c below cost. 
Spiralling prices a grim warning for consumers

By Russell Gault

Prices have started spiralling again, and one of South Africa's foremost business academics warns of grave times ahead.

The sales director of a major supermarket chain, Mr Richard Cohen, told 24 Hours that a rash of price increases had been notified by wholesalers in the last few days.

He said maize had gone up 8.9 percent, canned goods 9 percent, most toiletries 10 percent, kitchen wrapping goods 10 percent, stationery 20 percent, bacon, sausages and polony 15 percent and frozen vegetables seven percent. Cooking oil went up 60 percent last year and appeared set to increase again soon.

Mr Cohen said a sinister aspect of the increases was that they had come so early in the year.

He believed certain manufacturers would push up prices again before the end of the year; in many cases that could mean increases of up to 20 percent in the 12 months from last month to December.

In the liquor field, some hotels had increased the price of beer by 5c a bottle — even though the breweries had not announced an increase.

All wines and spirits have gone up by 6 percent, according to the chairman of the liquor affairs committee of the Federated Hotels Association of South Africa, Mr A Murray.

Sales of South African spirits are running at 93 percent of sales 12 months ago with fortified wines nearly 10 percent down at 91 percent. In slight contrast, beer is up five percent.

Prices for goods such as refrigerators, freezers and washing machines have also increased — for the second time since June last year.

The head of the bureau of financial analysis at the University of South Africa, Professor A Zabenberger, said the downturn in the economy was having a serious effect on the hotel industry and grave times seemed to be ahead for the whole economy.

Room-occupancy rate to November 1983 was down 9.5 percent over the previous 12-month period. It now stood at a dangerously low 60 percent.

"There is a lot of pressure on the industry, particularly in the rural areas," Mr Murray said the recession meant that commercial travellers were making their calls by telephone and rural hotels were suffering badly. Occupancy and bar sales were well down.

"I think we will see a lot of hotels failing in the coming months," he added.

One of Johannesburg's major appliance retailers told 24 Hours that confidential information compiled by the industry indicated sales had dropped country-wide by 20 percent last year.

But he said that in spite of the fall sales of video, hi-fi equipment and television sets had held up.
They're trying to wipe us out, says small chicken producer

Weekend Argus
Bureau

PORT ELIZABETH — Big Business is waging a chicken price war in the Eastern Cape with the aim of wiping out the small independent producer as a prelude to taking over the whole market and then raising prices through the roof.

This is the view of one of the largest of the independent producers, Mr Tony Ward, who has recently resigned as chairman of the Eastern Cape Poultry Producers Association in protest against the Big Brother takeover.

"I have seen them do the same thing to the egg industry and now they are moving in on the chicken industry," says the disgruntled farmer. "These big companies are allied to the big feed producers, have no place in agriculture."

Down to eight

"If they succeed in their long term aims of controlling the chicken industry then they will eventually destroy the small farmer who is the backbone of the agricultural sector in South Africa."

Mr Ward said that he had seen the number of independent poultry producers in the East Cape drop from 47 a decade ago to a mere eight this year.

"I was no longer prepared to sit around a table with a group of men with whom I have no common interests — now both the chairman and the vice chairman of the association work for big companies.

He said the method the big companies used to get rid of the small operators was to start a price war which they knew the smaller producers could not survive.

"That is not capitalism at work, it is monopoly capitalism and the only loser is the consumer."
### Survey reveals slowdown in food price increases

By Stuart Flitton

The Star's regular shopping survey shows food price increases have slowed considerably in the past nine months. Prices increased by only 2.7 percent since the last survey in May 1983 compared with a 10.3 percent increase between August 1982 and May last year.

The cost of this month's grocery basket of 13 basic foods, at four selected Johannesburg northern suburbs shops and including the new 7 percent GST charge, was R36.10 compared with R35.16 in May 1983. Between August 1982 and May 1983, the Star's sample grocery bill rose from R31.88 to R35.16.

The greatest increases in the latest survey were in dairy products. A kilogram of butter was up 10.6 percent from R1.78 to R1.97 and a litre of milk rose 10.5 percent from 55c to 61c.

Potato prices have returned to more realistic levels after a huge increase during last year's winter drought.

A 2kg bag of potatoes costs about 78c compared with R2.41 last year.

A dozen eggs dropped from R1.84 in May 1983 to 97c, while a 1kg bag of rice went down from R1.20 to R1.10.

---

<table>
<thead>
<tr>
<th>Product</th>
<th>I &amp; J Hake</th>
<th>Cracker Saldan</th>
<th>OK Hyperama</th>
<th>Park 'n Pay</th>
<th>Beemore</th>
<th>Average</th>
<th>Percentage increase or decrease</th>
<th>Average on 13/5/83</th>
<th>Average on 14/2/84</th>
</tr>
</thead>
<tbody>
<tr>
<td>I &amp; J Hake Fillets 1 kg</td>
<td>2.28</td>
<td>2.79</td>
<td>2.49</td>
<td>2.69</td>
<td>2.70</td>
<td>2.27</td>
<td>+19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eskort middle bacon 250 g</td>
<td>—</td>
<td>1.72</td>
<td>1.49</td>
<td>1.66</td>
<td>1.62</td>
<td>1.49</td>
<td>+8.72%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Super Lamb chops 1 kg</td>
<td>7.18</td>
<td>7.06</td>
<td>6.98</td>
<td>6.98</td>
<td>7.06</td>
<td>6.78</td>
<td>+3.98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasty Rice 1 kg</td>
<td>1.09</td>
<td>1.09</td>
<td>1.09</td>
<td>1.12</td>
<td>1.10</td>
<td>1.20</td>
<td>-8.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choice butter 500 g</td>
<td>2.09</td>
<td>2.05</td>
<td>1.84</td>
<td>1.92</td>
<td>1.97</td>
<td>1.78</td>
<td>+10.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk 1 litre</td>
<td>62c</td>
<td>61c</td>
<td>61c</td>
<td>61c</td>
<td>61c</td>
<td>55c</td>
<td>+10.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kelloggs Cornflakes 500 g</td>
<td>1.12</td>
<td>99c</td>
<td>1.09</td>
<td>84c</td>
<td>1.01</td>
<td>89c</td>
<td>+13.48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nescafé 250g classic coffee</td>
<td>3.99</td>
<td>4.29</td>
<td>4.15</td>
<td>3.99</td>
<td>4.10</td>
<td>3.91</td>
<td>+4.85%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product</th>
<th>Five Roses 250g tagless teabags</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.95</td>
<td>-</td>
<td>1.79</td>
<td>1.87</td>
<td>1.65</td>
<td>+13.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Porterhouse steak 1 kg</td>
<td>8.26</td>
<td>7.88</td>
<td>6.49</td>
<td>7.89</td>
<td>7.63</td>
<td>7.40</td>
<td>+3.11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade A frozen chicken 1 kg</td>
<td>2.19</td>
<td>1.88</td>
<td>2.89</td>
<td>2.38</td>
<td>2.33</td>
<td>1.80</td>
<td>+29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium Potatoes 2 kg</td>
<td>85c</td>
<td>92c</td>
<td>63c</td>
<td>72c</td>
<td>78c</td>
<td>2.41</td>
<td>-68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large eggs 1 dozen</td>
<td>1.12</td>
<td>94c</td>
<td>86c</td>
<td>96c</td>
<td>97c</td>
<td>1.04</td>
<td>-6.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

The Star Wednesday February 8 1984
Spokesman for BMA said maize crisis was likely to continue for another year, in a statement at the weekend. Ports. "We have no way of telling the consumer that there will be a shortage of maize in the future," he said. "The increase in price was not due to any shortage of maize, but rather due to the increase in cost of production."

The maize crisis continues to worsen. The government has announced that it will be importing maize from overseas to meet the demand. However, this has not solved the problem as the price of maize continues to rise. The government is under pressure to find a solution to the crisis.

Meanwhile, the National Farmers Union has called for a moratorium on the importation of maize. The union said that the country is capable of producing enough maize to meet its own needs. They also called for a ban on the use of maize as animal feed to free up more maize for human consumption.

Agricultural experts have warned that the maize crisis could have serious consequences for the economy. They said that the shortage of maize could lead to a decrease in agricultural production, which would have a knock-on effect on the economy as a whole.

Meanwhile, the government has announced that it will be subsidizing the price of maize for consumers. However, critics have said that this will not be enough to solve the problem as the price of maize continues to rise.

The maize crisis continues to be a major concern for the government and the public. The situation is likely to get worse in the coming months as the harvest season approaches and the demand for maize increases.
Bread Price Shock

Bread prices later this year will be "absolutely unspeakable". He also warned that a further increase in bread prices this afternoon, announced by the Minister of Fuel Mr. Horwood, will go up to 6 c a loaf from Monday. The Minister of Fuel, Mr. Horwood, has announced that bread prices will rise by 16 p white and 11.5 p brown.

Subsidy figures

In the current financial year, the bread subsidy would amount to nearly $73,000,000 if the bread price was kept at 4 1/2 c a loaf. As a result, the price of white bread would be raised to 5 c a loaf, and the Cabinet was giving full attention to the matter.
CAPE TOWN—The price of bread, both white and brown, is to be increased by 6 c a loaf from Monday.

This was announced by Finance Minister Owen Horwood yesterday.

Introducing the Part Appropriation Bill, Mr Horwood said further increases in the bread price this year appeared to be inevitable.

Next week’s increase would still leave an extraordinarily large subsidy on bread.

He said there was a view that basic foodstuffs should be exempt from GST, but “as I have indicated repeatedly, such a move would create serious administrative problems and result in a considerable increase in the GST on other goods.”

The Government spent considerable amounts subsidising bread and maize in the current financial year, the bread subsidy totalled R275 million and the maize subsidy R140 million.

In the case of brown bread, which accounted for more than 75 percent of bread consumption, the subsidy was nearly 50 percent of the retail price (GST included).

The price of brown bread was so unrealistically low that malpractices apparently had occurred, such as use of bread as animal feed.

“Such a state of affairs cannot be tolerated and the Cabinet is presently giving the matter serious attention,” he said.

The white-bread subsidy was much lower. No good reason existed for the price to be subsidised and so, to eliminate the subsidy, the price would be increased by 6 c — bringing the cost to 60 c a loaf (GST included).

In the case of brown bread the problem was more complex. If the subsidy was too great, malpractices occurred. On the other hand, brown bread was a basic foodstuff and it was therefore necessary to retain an important subsidy. As a temporary measure it had been decided to increase the price by 6 c a loaf.

The adjustments would nevertheless leave an extraordinarily large subsidy on brown bread in the coming year which would be difficult to finance, and the price would inevitably have to be readjusted, Mr Horwood said — (Sapa)
Outcry as price of bread rises by 6c

By PAT SIDLEY
Consumer Mail

THE 16.5% increase in the price of brown bread — well ahead of the inflation rate and hot on the heels of the GST increase — has angered and "appalled" trade unionists, supermarkets and consumer spokesmen.

Mr Raymond Ackerman, one of the supermarket chains' chief executives, has renewed his call for increased tax to be placed on companies so that the poor can be relieved of these burdens.

And a bread price war is likely to break out among the three heavily competitive supermarket chains.

About 3 000 000 children under 15 in South Africa are already malnourished, according to the Stellenbosch University Bureau for Economic Research, and the poorer black population rely on brown bread as a source of nourishment.

The price of bread is to rise by 6c on Monday — which represents a rise of 16.5% on brown bread and 11% on white.

The subsidy on brown bread has been reduced while that on white bread has been wiped out. These reductions would amount to a "saving" of R85 million to the country, a spokesman for the Wheat Board said yesterday.

He said each loaf of brown bread was subsidised by about 17c of the price. The subsidy on each loaf of brown would now be about 11c — a drop of a third.

The bread subsidy meant a net income transfer from the higher income groups to lower income groups. The reduction in the subsidy will show this tendency.

"The 100 000-member Council of Unions of SA (Cusu) has slammed the price rise, saying "the most deprived in the community" were being expected by the Government to "contribute the greatest amount to maintain the oppression of apartheid."

In a statement by its general secretary, Mr Phronshaw Camay, Cusu noted that the 6c rise in the bread price had come in the wake of the recent 1% rise in GST.

"It is not acceptable that in the wake of the GST increase, the price of bread is now increased as well."

Spokesmen for the three major supermarkets — Checkers, the OK Bazaars and Pick 'n Pay — all expressed outrage at the increase.

Pick 'n Pay is to retain its prices at the "special offer" level to which it reduced them recently. A loaf of white bread will cost 48c and loaf of brown 51c including the 7% GST.

The OK and Checkers will announce their competitive moves soon.
Outcry follows the 6c bread price increase

By Zenaide Vendero

Consumer organisations reacted with "shock" to the 6c increase in the price of white and brown bread announced in Parliament on Wednesday.

Mrs Sally Moliana, president of the Black Housewives' League, said black consumers would be particularly hard hit by the price rise as they were the lowest-paid population group in South Africa.

Mrs Moliana warned that consumers could expect increases in other foodstuffs. "Once one commodity goes up in price, you can be sure the increase will spread to all related foodstuffs."

Mr Bernard Hellberg, assistant director of the South African National Co-Ordinating Consumer Council, said it was "a disappointing development."

SPECULATION

There had been speculation of a price increase because of the state of the wheat industry and because the Government felt it could not raise the subsidy on bread.

"This is a bitter blow," said Mrs Joy Hurwitz, national president of the Housewives' League of South Africa. "Increases of this size, coming so soon after the increase in GST, will hit those consumers who can least afford it in this time of recession."

"I'm especially distressed that the price of brown bread has been increased as consumers have been encouraged to purchase it because of its better nutritional value."

Mrs Hurwitz said that a price rise had been expected and "the League asks again for the exemption of basic foods from GST."
Shock, anger at increase in price of bread

Staff Reporters

TRADE unionists, supermarket chiefs and consumer spokesmen yesterday expressed shock and dismay at the bread price increases announced in Parliament.

The Minister of Finance, Mr Owen Horwood, announced that the price of bread, both white and brown, was to be increased by six cents a loaf from Monday, February 20.

Introducing the Part Appropriation Bill, Mr Horwood said further increases in the bread price during the year appeared to be inevitable.

Next week’s increase would still leave a large subsidy on bread. In the current financial year the subsidy on bread was R275-million, and on maize R140-million.

In the case of brown bread, which accounted for more than 75 percent of bread consumption, the subsidy was nearly 50 percent of the retail price (GST included). The subsidy on white bread was much lower. No good reason existed for the price to be subsidized, he said.

Mr Pirosław Camay, general secretary of the Council of Unions of South Africa, which represents 11 black unions, said the increase was a “very harsh move” which would hit workers hard.

Mr Joe Foster, general secretary of the Federation of South African Trade Unions, representing more than 100,000 workers, labelled the increase as “shocking.” Bread was a staple food.

Supermarket chiefs also lashed out at the government over the increase.

Pick ‘n Pay chief executive Mr Raymond Ackerman said it was “foolhardy to raise the price of bread with so much unemployment in the country.”

Checkers’ managing director, Mr Gordon Utan, said: “I am horrified by this irresponsible action. Throughout this country people are starving. First, GST is increased, including the bananas; now this.

Grand Bazaars managing director Mr Jackie Sacher reacted with disbelief to the rise. “You and I have a salary to live on. But when government overspend they just ask for more. Tax the luxuries rather than the basics. Bread is a necessity.”
on the way

Price rises

By TOS WENTZEL, Political Correspondent

Animal fodder

Would pull through

The minister of agriculture, Mr J G Wentzel, has warned that the days of cheap food are over — more price increases are on the way.
Plea for bread tax on business

By BRIAN STUART, Weekend Argus Reporter, and TOS WENTZEL, Political Correspondent

A PLEA to the Minister of Finance, Mr Owen Horwood, to "hit larger companies" who supply bread to the public rather than the poor and unemployed has been made by Mr Raymond Ackerman, chairman of Pick 'n Pay.

Mr Ackerman, who is due to meet Mr Horwood next week, said today "In a country where there is poverty and unemployment, you cannot ignore these factors because of some great economic theories. You cannot just cut subsidies for bread at this time."

"I have a number of proposals to make to the Minister. I'm asking for a bread tax on business, on high-income-earning people, and not the poor and unemployed who must pay this increased price. This is absolutely critical."

Mr Ackerman said Pick 'n Pay would subsidise bread prices by R500 000 this year to sell bread at below cost until Easter.

Shoprite, Grand Bazaars, OK Bazaars, Checkers and Bloch will also be keeping down prices "as long as possible." "Until it hurts," said OK Bazaars.

Meanwhile, consumers can brace themselves for further price-increase shocks, with expected announcements of higher transport fares and tariffs later this month.

The increases are likely to be between seven and 10 percent.

According to sources in the transport services, an effort will be made to keep the increases to less than the present inflation rate, which is said to be in the region of 11 percent.

The public has recently been hard hit by:
- The higher GST rate of seven percent
- Higher mortgage bond repayments
- Increased beer and liquor prices
- The announcement of higher bread prices

Now the Minister of Transport, Mr Hendrik Schoeman, is preparing his Transport Services budget and is set to give notice of increased tariffs when he speaks in Parliament on February 28.

Fares and tariffs will have to rise because of big losses on passenger services, uneconomic running of trains on minor branch lines, the general fall-off in freight due to economic conditions and the pay rises which railway employees were awarded recently.

Some railway branch lines might even be axed completely as the SA Transport Services tries to fight its way out of the red.

Although South African Airways is doing better these days than in recent years, domestic air tickets are also expected to cost more soon.

Third-party vehicle insurance is set for an increase as well, but probably only by about R2.

An announcement on this is expected next week.
Some stores keep bread at former prices

By STEPHEN ROWLES

The increase in the price of bread — by 6c a loaf to 86c for white bread and 42c for brown bread — came into effect today at shops and cafes.

Supermarkets are still selling bread below the new price, and two chains have given undertakings to maintain their prices for a time.

The general manager of Pick 'n Pay for the Eastern Cape, Mr Terry Carroll, said the stores would be holding their current bread price until Easter.

White bread costs 45c a loaf while brown bread sells for 29c.

The area manager for Grand Bazaars in the Eastern Cape, Mr Ian Stevens, said the group's stores would be maintaining their prices of 31c a loaf for white bread and 38c for brown bread.

He was awaiting a directive from his head office on the prices his group would charge in future.

A spokesman for the Grand Bazaar head office in Cape Town said a meeting was being held to decide on a strategy on the bread price.

A spokesman for the Checkers divisional office for the Eastern Cape said their stores would continue their policy of selling bread at cost.

White bread would now be sold at 54c a loaf and brown bread would cost 87c a loaf.

The spokesman said Checkers had a policy of having weekly "specials" on staple foods, and bread would also be included in this at some stage.

The district manager of OK Bazaars for the Eastern Cape, Mr Maurice Hardwich, said his stores would be maintaining their prices of 47c for a loaf of white bread and 50c for a loaf of brown bread until the end of the month.

The position would then be re-assessed by the group's head office, he said.
Outcry over bread price rise escalates

Mall Reporters

MAJOR food retailers are to seek a meeting with the Government to ask that the increase in the price of bread be rescinded and the general sales tax on staple foods lowered.

The chairman of Pick 'n Pay, Mr Raymond Ackerman, said the recent increase in the price of bread was an "unjustified and inflationary decision" in the light of the recent GST increase.

"We are fully aware of the enormous pressures on the farmers as a result of the drought.

"But it is absolutely crucial that an emergency meeting be held between Government and major food retailers and manufacturers to reach an urgent solution to prevent the man in the street from bearing the cost of this huge increase on an item which is a basic food for millions of people," he said.

He also suggested that legal loopholes for companies to avoid tax should be closed and that specific tax for individual purposes be introduced so that there was a food crisis, companies could be made to pay a "food tax", the revenue from which would be used to relieve the crisis.

Also adding his voice to the growing outcry was the managing director of the Cape chain-store group Shoprite, Mr Wellwood Benson. Mr Benson criticised the bread price increase and called for an immediate inquiry into the entire costing structure of all factors affecting bread.

Mr Tony Bloom, chief executive of Premier Milling, which mills flour and bakes bread, said subsidies had kept down the price of bread.

He said he believed in the theories of the free market, but in practice in South Africa in 1984 one had to have subsidies to help those at the bottom end of the wage scale. He was in favour of subsidies on both bread and maize.

Mr Bloom said it was probably correct to keep the subsidy limited to brown bread, but regretted that this too had been cut.

And economists predicted that the escalation of food and other prices combined with the recent increase in GST would keep the inflation rate in double figures.

Barclays Bank's chief economist Dr Johan Cloete predicted that the year ahead would be tough for consumers.

"Any hopes that the inflation rate could be pressed down into single figures seems to have disappeared with the GST increase and the expected increases in administered prices," he said.

Dr Cloete said 26% of the calculation of the Consumer Price Index was based on food prices.

There had been hopes, too, that the continuing recession would have forced the cutting back of food prices.

Aggravating the plight of the consumer were:

- Expected limited salary and wage rises during the year
- Increased taxation, with the possibility of a new saving levy
- Heavy personal debt resulting from excessive credit buying at high interest rates

"It all adds up to smaller disposable incomes and even greater austerity for consumers. We are all going to be poorer," Dr Cloete said.
Fast food outlets say price rise in line with hike in costs

By INES TAYLOR
EAST LONDON — Take-away food outlets have defended the price of their products saying they were not out of step with costs.

We undertook a survey when a colleague complained that the price of a toasted sandwich went up ten cents from 70 cents to 80 when sales tax went up from six to seven per cent.

This 10-cent rise is a percentage increase of 14 per cent.

But the outlets said it was not merely a sales tax. Everything was going up, they said.

Outlets said they were experiencing price rises in cheese, bread and oil particularly and this, in addition to the recent rise in GST resulted in increased prices for the consumer.

But spokesmen to various outlets said they had no immediate plans to raise prices due to the bread price rise.

As far as the ingredients of a typical cheese salad roll goes, though, it would cost just as much to make one at home as to buy one from most take-aways.

A loaf at 54 cents, tomatoes (79 cents a kilo), a lettuce at 75 cents, cheddar cheese R4.70 a kg, cucumber at 69 cents comes to 78 cents for the takeaway article when the proportions of the above are calculated and GST is added on.

A toasted cheese sandwich using white bread and not including the cost of the electricity comes to 66 cents, including GST.

Obviously, many outlets make up their products more cheaply by buying in bulk from wholesalers.

One cafe is selling both toasted cheese sandwiches and cheese salad rolls for 60 cents.

"We have no intention of raising our prices even though GST and the bread price have just gone up," a spokesman for the cafe said.

"On average we raise our prices twice a year but we don't put them up automatically as soon as cheese, for instance, goes up," she said.

Another concern said they had had to put up their prices due to the GST hike.

"We are selling a cheese salad roll for 60 cents and a toasted cheese sandwich at 80 cents," a spokesman said.

"When I took over this business five years ago, we had one price rise a year, then two a year, then three and now we don't even bother printing a menu because the prices go up so often."

"Almost every week something goes up but our last price adjustment was five months ago. We try to absorb as much as possible before passing it on to the consumer."

Another take-away manager said their prices had gone up the day before the GST increase.

"We have had no price increase for one and a half years before that though if the price of my ingredients rises then that is my problem and not my customers, and I try to protect them as much as I can," she said.

An outlet in Beacon Bay said they had not put their prices up since November. They sell a toasted cheese sandwich for 75 cents and a big cheese roll for 60 cents.

"We have to buy the giant rolls from the supplier at 20 cents each and by the time we have filled them, there is not really that much to mark up," a spokesman said.

"We don't want to put our prices up as the customer already has to pay more with the increased GST, so we will hold off as long as possible."

A concern in Oxford Street is selling toasted cheese sandwiches and cheese salad rolls at 80 cents each inclusive of GST.

"We have put a few of our prices up because of the increase in GST," the owner said.

"This is only the second time in two years we have put our prices up — and not all our prices have gone up," she said.

DDB
New bus fare structure to be introduced

Municipal Reporter

DURBAN'S two major bus operators would introduce a new fare structure on April 1, it was announced yesterday.

The Durban Transport Management Board and Putco have rationalised their fares so black commuters travelling similar distances on any route will be charged the same fare.

Commuters using the two services are currently charged different fares depending on the route followed. Putco will now change over to the stage system which has been used for many years by the DTMB.

'This is a major breakthrough. Most fares will decrease, some will increase and some will remain constant,' said Mr. Marshall Cuthbert, general manager of the DTMB.

On a recommendation of the National Transport Commission, the Department of Transport spent a year working out a system rationalising all fares charged by the two companies in the Durban area.

Mr Pat Rogers, public relations executive for Putco, said a 12.5 percent increase already approved by the Department of Transport for Putco passengers had been absorbed in the new fares.

But increases in fares would be less than they would have been had rationalisation not been introduced, he said.

Earlier this week the move was explained to community leaders who seemed satisfied it was in the best interests of commuters, Mr. Cuthbert said.

'While any change is usually suspect, we are hoping commuters will not resist the implementation of the new structures,' Mr Rogers said.

Mr Vic Coetzee, financial executive of Putco, said the majority of commuters in Durban paid cash for single journeys. Most of these fares would be decreased, he said.
(1) Two men (a) aged 20 and (b) aged 30

(2) Whistle.

(3) The Minister of Health and

(4) CO/L55.

Note: Form E 25.

The Minister of Finance.

The above figures are based on 1936 and 1937 figures and do not include the effects of the stock market crash. The figures for the current year are estimates and are subject to revision.
**Schoeman thanks SATS staff**

THE ASSEMBLY — Sacrifices made by South African Transport Services (SATS) personnel deserved the highest praise and appreciation, the Minister of Transport Affairs, Mr Hendrik Schoeman, said today.

Introducing his budget, Mr Schoeman said the economy measures introduced because of the unfavourable financial position of SATS, combined with the decline in the purchasing power of the rand, had caused much hardship and many employees found it extremely difficult to make ends meet.

"Nevertheless, the staff associations displayed exceptional understanding in negotiations for possible financial relief and exercised remarkable self-control in their claims for salary adjustments."

"The attitude of the staff associations and the sacrifices made by the personnel deserve the highest praise and appreciation. Mutual trust and frank cost-cutting have always been the hallmark of successful deliberation between Services and its staff associations."

The Minister said that an organ would only work as good as its staff. "Without them our expensive machinery would have been of little use."

Sapa

---

**37 000 fewer people employed**

THE ASSEMBLY — The SA Transport Services already had 37,000 fewer employees than in June 1982 as a result of the continued staff rationalisation, the Minister of Transport, Mr Hendrik Schoeman, said today.

Transport Services would continue to give "serious attention" to rationalisation of its personnel complement in the coming financial year, he added in his introduction to the 1983/84 Transport budget.

Mr Schoeman said "With this strategy, we are concentrating on increased productivity of our labour force."

He emphasised that the services of no permanently employed staff had been, or would be, terminated in the process.

"But it must be borne in mind that there is a relation between the reduction in personnel and the decline in transport activities," — Sapa

**Discount train-travel pass for tourists to be introduced**

Political Correspondent

THE ASSEMBLY — A new train pass for tourists, the popular Eurail pass used overseas, is to be introduced in Africa.

Foreigners will have to produce their passports when they apply at local and foreign travel bureaux for the passes, which will be valid for up to three months.

The pass is intended to give owners 40 percent and 25 percent discounts on tickets.

The pass will be valid for all first and second class trains but not on luxury trains.

---

**Jump in cost of commuting**

Political Correspondent

THE ASSEMBLY — Examples of commuter fare increases, coming into effect on April 1, have been given in the Transport Budget.

A first-class single train fare from Johannesburg to Pretoria jumps from R2.50 to R2.70. The third-class single fare from Johannesburg to Dube goes up from 35c to 40c.

A first-class weekly from Johannesburg to Pretoria goes up from R15 to R16.50. The third-class weekly from Johannesburg to Dube increases from R2 to R2.30.

A first-class monthly ticket from Johannesburg to Pretoria will rise by 10 percent; from R85 to R91.

Third-class monthly tickets will cost 12 percent more.

---

**Fares up, but coffee is free**

THE ASSEMBLY — Train passengers will get their early morning coffee free from April.

The Minister of Transport Services, Mr Hendrik Schoeman, said free coffee would be served to all first and second-class passengers — but only on trains equipped for the service. — Political Correspondent

Sapa

---

**Namibian transport losses high**

THE ASSEMBLY — White transport losses in Namibia creased to R90 million — it was not possible for Transport Services to operate there, Mr Hendrik Schoeman said today.

He said, in his speech on the Transport Budget for 1983/84, the balance of Namibia to the country and operating the services in the territory.

"I have asked SATS to conduct an investigation into our losses in the area."

"The time has come for the company to accept that running a successful transport service in Namibia," Mr Schoeman said.

Sapa
NEWS...AND THE GOOD

AIR FARES: 6% UP
RIFFS 10.9% to 15.2% UP
- 9.8% UP

CONcessions: National Servicemen Air Concessions UP from 30% to 40%
Senior Citizens: 40% Discount Off-Peak
Air Fares: 50% Discount on Special Late Night Flights; 25% Discount on Weekend Excursions

...station
....ion
...o the
...n Transport
...alisation
...tastructure-value

...SS...uced

similar to
... in South
... applying
... which will
... students 50
... class jour-

...n
...gh

- As transit had in-
... annually, for the SA
... to continue
... Schoeman

second read-
... Transport the time had
... to accept fi-
... respons-
... services in

'TS manage-
... in-depth in-
... services in
... income' for Na-
... financial' and
...ibility for
... the term-
...an said.
were already in arrears on their home repayments and rentals. "If people can already hardly pay the rent, how can they possibly afford these increases in train fares?"

Mr Piroschow Camasy, secretary of the Council of Unions of South Africa (Cusa), said the only solution to the high cost of public transport was to get rid of racial barriers.

"As long as an apathetic service exists, we will have to pay for it.

"Now all we can do is to wait for the Minister of Finance to increase taxes — then workers will be paying for apartheid in all its forms."

"Soaked"

Mr Arthur Gobbe, general secretary of the Trade Union Council of South Africa (Tusca), said it was to be "deeply regretted" that the Minister of TransportAffairs was loading the less affluent sections of the population with relatively higher increases.

"This action will give credence to the contention that the poor are being soaked," he said.

The increases could only lead to "justifiable demands for increased wages and salaries."

The increase in transport fares would have a regrettable impact on the economy, the director of the Cape Chamber of Commerce, Mr Brian MacLeod, said.

The Consumer Council has called on businesses to absorb the increases as far as possible, Mr Jan Cronje, director of the council, said consumers should realize that the drought, floods and recession

*****

To page 2

Petrol price up inland, not on coast

Political Staff

CAPE TOWN and other coastal areas have escaped a surprise petrol price increase which will go up progressively by a maximum of 1.5c a litre in just a few days. The increase may affect the further one travels inland.

The increase comes on top of the sweeping railway, road and air tariff increases announced yesterday by the Minister of Transport, Mr Hendrik Schoeman.

There was no direct reference in Mr Schoeman’s budget speech to a petrol increase and the possibility of it went unnoticed when he referred to rising fuel transport costs.

Then the Minister of Mineral and Energy Affairs, Mr Dean Landman, issued a statement that "apart from the announced increase in transport costs, no further increase in the prices of petrol, diesel and jet fuel illuminating paraffin and power kerosene are foreseen during 1984.”

Inquiries revealed the shock petrol increases which inland motorists will have to pay.

Gun-shop man shot in calf

Staff Reporter

THE manager of a Somerset West gun shop accidentally shot his business partner in the leg while he was showing a prospective client how to use a safety catch on a 22mm pistol on Tuesday afternoon. Police said yesterday.

Jackson wins "Synchronicity" award

Los Angeles — Superstar Michael Jackson won an unprecedented eight Grammys, including album and record of the year, but was beaten twice by the Police ballad "Every Breath You Take," the year’s top new song.

Jackson’s hit album "Thriller," which spawned seven top-10 singles that dominated the airwaves throughout 1983 and has sold nearly 30 million copies worldwide, was named the year’s top LP on Tuesday night over rivals including "Flashdance" soundtracks."
THE inland price of petrol and other fuels is to be increased by up to 1.5c a litre from April 1.

This was the hidden shock apart from wide-ranging tariff increases which emerged yesterday from the South African Transport Services budget presented in Parliament by the Minister of Transport Affairs, Mr Hendrik Schoeman.

Although Mr Schoeman did not mention fuel price rises in his budget, he announced an average increase of 10.3% in the tariff for the conveyance of fuel in the SATS pipeline from the coast.

In a statement later, the Minister of Mineral and Energy Affairs, Mr Dainis Steyn, said a "substantial" increase in the fuel price had become necessary because of an unfavourable rand-dollar exchange rate.

But the Government was aware of the detrimental effect such an increase would have on the economy and consequently "proposed to methods to minimize or to avoid such a price increase", he said.

There was presently a relatively favourable buyer's market for crude oil and in the light of this the Government had thoroughly investigated the country's crude oil stocks.

As a result of the investigation it had decided that a "very snug portion" of the stocks could be made available for refineries without in any way "affecting the preparedness of the country".

"It thus affords me great pleasure to announce that apart from the announced increase in transport costs, no further increases in the prices of petrol, diesel, jet fuel, illuminating paraffin and power kerosene are foreseen during 1984," Mr Steyn said.

He mentioned no figures for a price increase to cover the "increase in transport costs" (the pipeline tariff) announced by Mr Schoeman.

But when questioned by the Rand Daily Mail, an official in Mr Steyn's department confirmed that the price would be increased by a maximum of 1.5c a litre from April 1. The increase would also cater for an 18.5% increase in the pipeline tariff announced in last year's SATS budget, which was not compensated for by a price increase at the time. Last year's increase was absorbed by the Equalisation Fund.

The Opposition spokesman for mineral and energy affairs, Mr Brian Goodall, last night said the increase was "deplorable".

"It is unfair that inland motorists have to subsidise other unprofitable and uneconomic transport services.

Pipeline tariffs had been increased by 16.8% in January last year and now another increase had been announced.

"Yet the pipeline operations showed a profit of R145 500 000 last year," Mr Goodall said.

The fuel price increase was inflationary and the Government had to realise that it could not ask the private sector to show restraint to combat inflation when the Government itself did not use surpluses to absorb increased costs, he said.

Economists said yesterday the increased railway and air tariffs and oil pipeline costs would send an "inflation shiver" through the economy, according to Gerald Reilly.

They stressed the average 9.4% tariff rates, when they worked their way through commerce and industry, would be substantially greater when they reached the consumer.

This means consumers, who so far this year have been hit with a 6% increase in electricity tariffs, a 6c a loaf bread price rise, and a 16% rise in GST, will face a whole series of price rises over the next few months generated by the higher tariffs.

Also expected within the next two months are increases in milk and maize prices.

All these factors, economists said, would make the Government's aim of getting inflation down to single figures virtually impossible this year.

The 12.5% increase in third class suburban commuter fares will be a particularly heavy burden on urban blacks, it was pointed out.

The chief economist at the economic research bureau of the University of Stellenbosch, Dr O J D Stuart, said the entire economy would be affected Costs in commerce and industry would rise, and this would be passed on to consumers.

Volkskas chief economist, Mr A T Engelbrecht, said although the average increase had been kept below the current inflation rate the higher tariffs would be inflationary.

And the chairman of the Transport Consultative Committee, Mr D Mamoo, said the increase in tariffs on profitable services for cross subsidisation was in fact a tax on commerce and industry.

See Page 2
STUDENTS FARES UP 30%

PUTCO has increased bus fares for scholars in the Pretoria area by more than 30 percent.

In a notice attached to yesterday's minutes of the Atteridgeville/Saulsville Town Council monthly meeting, the company pointed out that it was forced to limit the extent of its subsidy towards students' fares due to the economic downturn, a sharp drop in passengers and inflation.

The notice states that PUTCO did not implement increases on scholar fares during August last year because there was hope that either the company could continue subsidising these fares as in the past or authorities could possibly be persuaded to hold them at the present level.

The increases on the cash fares and weekly tickets were implemented on Monday this week. The monthly tickets will only apply from today.

The chairman of the council, Mr Z. Z. Masho, told the meeting a committee responsible for such matters would attend to the matter immediately to see what steps can be taken.

The increases mean that between Eerstervier and Gezina there has been an increase from 20 cents to 30 cents daily and from R2 to R2.50 on weekly tickets.

Between Atteridgeville and Saulsville students will pay a cash fare of 20 cents instead of the previous 15 cents and another 30 cents on the R1 weekly tickets.

By ALINAH DUBE

MAYOR MASHAO. Immediate inquiry to fare increase.
Staff Reporter

TRADE unionists and community leaders yesterday reacted with shock and anger to the train-fare increases announced in the Transport Services budget.

They were particularly angered by the fact that second- and third-class fares, which affect most workers, would go up more than first-class fares.

Mr Jan Theron, general secretary of the Food and Canning Workers' Union, said it was "shocking" that working people would be hardest hit.

Pointing to the recent increases in GST and the bread price, he said the fare rises were part of a pattern in which higher costs were increasingly being shoved on to people who could least afford them.

In a statement, the 11 000-strong Cape Town Municipal Workers' Association expressed its "disgust and dismay" at the increases.

"Workers were forced to use public transport to earn wages which had already been eroded by the recent increases in GST and bread prices," it said.

"Wages would now be eroded further.

The fare increases would also hit workers' children, many of whom were often forced to travel to school by train."

Mr Wilfred Rhodes, chairman of the Cape Areas Housing Action Committee (Cahac), "resolutely rejected" the increases.

"Once again people who are the worst-off will have to pay the most."

Arrears

He said most people in Mitchell's Plain and other townships were forced to travel by train. Many of them were already in arrears on their home repayments and rentals.

"If people can already hardly pay the rent, how can they possibly afford these increases in train tariffs?"

Mr Piroshaw Camay, secretary of the Council of Unions of South Africa (Cusa), said the only solution to the high cost of public transport was to get rid of racial barriers.

"As long as apartheid service exists, we will have to pay for it."

"Now all we can do is to wait for the Minister of Finance to increase taxes — then workers will be paying for apartheid in all its forms."

"Soaked!"

Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa (Tusca), said it was a "deeply regretted" that the Minister of Transport Affairs was loading the less affluent sections of the population with relatively higher increases.

"This action will give credence to the contention that the poor are being soaked," he said.

The increases could only lead to "justifiable demands for increased wages and salaries."

The increase in transport fares would have a regrettable impact on the economy, the director of the Cape Chamber of Commerce, Mr Brian MacLeod, said.

"The Consumer Council has called on businesses to absorb the increases as far as possible Mr Jan Cronje, director of the council, said consumers should realize that the drought, floods and recession would adversely affect them.

"The increases would have a ripple effect on general price increases."

"Deplorable!

The increases in rail and air tariffs announced yesterday by the Minister of Transport Affairs, Mr Hendrik Schoeman, were "deplorable", the Opposition spokesman on Transport, Mr John Malcomes, said last night.

In a statement in Cape Town, Mr Malcomes said the tariff rises were part of an overdose of increases in recent weeks which were potentially explosive.

The increases were the fourth the government had imposed on the South African public in the past six weeks. They followed increases in GST, the bread price and Third Party payments already announced. At a time of desperate unemployment, this was deplorable.

Details of increases, page 4
Transport costs push inland petrol price up

Political Staff

CAPE TOWN — It will cost more to fill your car’s petrol tank after April 1 — even though the basic price of petrol is not going up.

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, said no fuel price increases are foreseen for the rest of the year.

The snag is that higher transport costs announced yesterday by the Minister of Transport, Mr Hendrik Schoeman, will put about 1.5c on every litre of fuel which has to be taken from the coast to inland areas.

For the average motorist pulling up at the petrol pumps to get 30 or 40 litres, the increase will be about 50c.

Mr Steyn said yesterday that a substantial fuel price increase had in fact become necessary because of the unfavourable rand-dollar exchange rate.

However, the Government was well aware that such an increase would have detrimental effects and it had therefore decided to release a small portion of South Africa’s crude oil stocks.

That would not in any way affect the country’s preparedness and would keep the cost of fuels at their present levels.

In the present relatively favourable buyers’ market for crude oil, existing stocks could be replaced by better quality products and more knowledge could be gained about stockpiling.

Mr Steyn said: “Apart from the announced increase in transport costs, no more increases in the price of petrol, diesel, jet fuel, illuminating, paraffin and power kerosene are foreseen during 1984.”

SLAMMED

The Progressive Federal Party has slammed the inland fuel price increase as inflationary.

PFP mineral and energy affairs spokesman Mr Brian Goodall said it was unfair that inland motorists had to subsidise unprofitable transport services.

Pipeline surpluses should have been used to absorb the extra cost of transporting petrol, he said.

The Automobile Association and motor industry leaders have also criticised the inland fuel price rise.
Milk, sugar prices to rise

Bs. Martin Barker, Consumers were stuck a double blow yesterday with the announcement that the price of milk in the Peninsula area would increase more than 4 cents a litre next week and that from today sugar throughout the country is going up 6 cents a kilogram.

Both increases will be carried fully by the consumer.

The proposed increases, which follow the announcement earlier this week that train fares are to rise by between 7.5 percent and 17.5 percent, and the recent bread price increase of 40c a loaf, will hit the poor hardest.

Third-class commuter train fares will increase by 12.8 percent, while first-class fares will go up by 9.1 percent.

Milk, sugar and bread are basic foods and the sugar price increase is expected to affect some canned foods such as jams.

Milk, which presently costs 66c a litre if delivered at home, was last increased by 2c in December. The dairies recommended price to retailers is 69c without GST.

A further increase in the price of milk seems likely in the near future in view of the statement from the Cape Dairy.

****

To page 2

bs on spies

At the outset, the five trainees lost the "tag" of the "defector" while following them in Melbourne and had to ask the secret service base where they had gone.

They were told the targets were hiding in Room 004 of Melbourne's Sheraton Hotel. Its management had not been warned of the exercise.

The trainees, dressed as a waiter, a bus boy and group of partygoers, had only two sub-machine guns and two handcuffs, while the secret service people were also told to buy a hammer.

The trainees, dressed in their party masks, were captured in Melbourne and thehamster. The events were not a part of the exercise.

The agents in Room 004 were searched with the help of the secret service people.
Milk: Cost of dairy products to rise, too

Staff Reporter

CHEESE and other dairy products will cost more as a result of the increase granted to farmers of 4c a litre for fresh milk.

Prices of cottage cheese and yoghurt will probably be put up next Wednesday to coincide with the new milk prices. According to spokesmen for supermarkets, the prices of other types of cheese as well as skim-milk powder should remain as they are until stocks are replenished.

Neither retailers nor dairymen could provide new prices for milk products today. A spokesman for the dairymen said they were still working out how the increased price of fresh milk would affect processing costs. Retailers had to wait for new wholesale prices before they could decide on their selling prices.

When the price increase comes into effect next Wednesday, the price for a litre of fresh full-cream milk will be 6sc, plus 4c tax, making a total of 68c if coupons are bought from dairy agents, but it will cost an extra cent if bought directly from milk-delivery men.

Fresh skim-milk is cheaper than full-cream milk.

Increase defended

Meanwhile, spokesmen for the Housewives’ League and the Cape Dairy Products Association defended the milk price increase, saying that if farmers had not been given the increase, local milk production would not have been able to keep up with demand.

Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives’ League, said the increase was justified, and consumers had to realise that the cost of producing milk here was much higher than elsewhere in South Africa, mainly because feed had to be transported over long distances.

She said: “Of course the extra 4c is going to be hard on the consumer. We deplore any increases, because we know many parents are not giving their children enough milk. But we must support any move which will ensure that enough milk is produced to meet local needs.”

Mr Martin Henning, chairman of the Cape Dairy Products Association, said: “The price increase is actually to the advantage of the consumer. There have been definite signs that we could be running short of milk if any more farmers give up milk production or cut back.”

Sugar prices in Cape Town shops should remain at present levels for several weeks in spite of the price increase of 6c a kg.

The 10 percent price increase was necessary because last year’s drought had resulted in decreased production, the chairman of the South African Sugar Association, Mr Ian Smeaton said.

Editor questioned on source of ‘leak’

Argus Bureau

PORT ELIZABETH. Police have taken a statement from the editor of the Eastern Province Herald, Mr J C Viviers, on the leaking of a Port Elizabeth City Council confidential planning report.

The report break a firm undertaking not to reveal the identity of the person who leaked the report.

He said he was then told he could be subpoenaed for examination before a magistrate.

No regrets after eight-year ordeal — Carl Fortuin

South African born Carl Fortuin reunited with his parents after his release from an Angolan jail this week.

Argus Foreign Service

KETTERING (Northamptonshire) — South African born former mercenary Carl Fortuin, 38, freed from an Angolan jail only days ago, says he would do it all again.

Speaking from his home yesterday he said he had no regrets about his eight-year ordeal other than the distress he had caused his parents.

He said he went to Angola for several reasons, including the money. There were also political reasons.

“The Russians have been trying to get a foothold in Africa for a hell of a long time. I would go and fight against them again.”

The bearded Fortuin faced newsmen after selling his story to the mass circulation Sun newspaper, which arranged the reunion with his parents, John and Doris, at a secret rendezvous after his arrival at Gatwick airport.

WELL-TREATED

During his time in jail, he had a minor heart attack, but said he was treated well by the Angolans and had no complaints.

“But at times I was very, very low. I wrote to my parents that I wished I was dead because I felt it would be better for them that way. I am glad they worry and suffering is over.”

“Man had guts. He had no sense of fear. He would do anything but I didn’t agree with his actions.”

He said he did not know any of the men Callan was said to have shot or ordered to be killed.

His mother, Doris, 78, who is half blind, said she still found it hard to believe he was home at last. “I was sitting waiting for him to come back. I was full of emotion, and then suddenly he was in my arms,” she said.

“Thank God he has been returned safely to us”

Carl, an ex-paratrooper, was lured to Angola in 1976 by promises of R260-a-week wages. But he was captured after being left in a forest suffering from malaria and a badly sprained ankle.

EXECUTED

He and nine others were tried and three, including Colonel Callan, were executed by firing squad.

The rest received prison sentences ranging from 16 to 30 years. Carl got 24 years. The worst moment was in May 1977 after a rebellion in Angola, when the mercenaries were dragged from their cells and lined up against a wall.

“I really did think I was going to be blown away,” said Carl. But they were saved by an officer who explained that the rebellion had noth-
Sugar price shoots up today

Financial Editor

THE price of sugar rises by 10 percent today and consumers can expect to pay about 6c more a kilogram.

Sugar will cost R46 a ton more for white and R43 a ton more for brown.

The retail price of sugar is no longer controlled by the Government and shopkeepers are free to charge what they wish.

Mr Ian Smeaton, chairman of the South African Sugar Association, announced last night that Dr Dawie de Villiers, Minister of Industries and Commerce, had authorised the increase.

Loans

Pointing out that the new sugar price was less than the full cost of production, Mr Smeaton said the severe drought had cut production by 800,000 tons, or about 40 percent of the usual crop.

The effects of the drought and recent losses suffered when farms were flooded at Pongola and Umfolozi, taken with the poor price for exports, meant that the industry had had to push up its loans to R323 million.

Mills and growers are to absorb R107 million and earn no return on capital during the current season. Last season only half the legally permitted return was paid.

The sugar price was increased a year ago.
Dearer sugar will hit cold drinks, sweets, canned fruits

Sour news for sweet tooth

Cola group to increase its usage of high fructose corn syrup from 50 to 75 percent of its sweetener content.

But the increase in the sugar price — by R48 a ton for white and R43 a ton for brown — will not substantially ease pressure on the sugar industry.

Even after this increase the industry will still be producing sugar at below the cost of production.

It sells about half its annual production on the home market and has an obligation to satisfy its local customers first. The balance is exported.

But there is a world surplus of sugar and, due to the switch to artificial sweeteners and the activities of the anti-sugar lobby, there are no immediate prospects of supply and demand coming into balance.

Nor is there any chance of this position being offset at home as the price is controlled.

The result is that the industry was R168 million in the red after the 1982/83 season and its total debt this season, which ends this month, will be R323 million.

Spokesmen for the cool drink and sweet industries said their prices would be affected but they could not yet say by how much.

Higher sugar prices are reported to have decided the Coca-Cola group to increase its usage of high fructose corn syrup from 50 to 75 percent of its sweetener content.

Mr A N Zulman, managing director of Beacon Sweets, said that, for the sweet industry, there was no suitable alternative to sugar and he expected that sweet prices would go up.

Spokesmen for leading manufacturers and retailers said the increase was likely to heighten a swing from the use of sugar to alternative sweeteners and from canned foods to fresh produce.

But the biggest impact probably would be on canned fruits, already suffering from consumer resistance, they said.

The 10 percent rise in the price of sugar is only one of a series of price increases consumers can expect, says the Consumer Council.

In a statement in Pretoria, the council's director, Mr Jan Cronje, said that the higher sugar price would inevitably cause many other products to go up in price.

But, for the moment, the three biggest supermarket chains — Chequers, OK Bazaars and Pack 'n Pay — will stick to the present price of sugar.

Prices of cool drinks, sweets, chocolates and canned foods will be pushed up as a result of the increase.

Spokesmen for leading manufacturers and retailers said the increase was likely to heighten a swing from the use of sugar to alternative sweeteners and from canned foods to fresh produce.

But the biggest impact probably would be on canned fruits, already suffering from consumer resistance, they said.

Spokesmen for the cool drink and sweet industries said their prices would be affected but they could not yet say by how much.

Higher sugar prices are reported to have decided the Coca-Cola group to increase its usage of high fructose corn syrup from 50 to 75 percent of its sweetener content.

Mr A N Zulman, managing director of Beacon Sweets, said that, for the sweet industry, there was no suitable alternative to sugar and he expected that sweet prices would go up.

Spokesmen for leading manufacturers and retailers said the increase was likely to heighten a swing from the use of sugar to alternative sweeteners and from canned foods to fresh produce.

But the biggest impact probably would be on canned fruits, already suffering from consumer resistance, they said.

Spokesmen for the cool drink and sweet industries said their prices would be affected but they could not yet say by how much.

Higher sugar prices are reported to have decided the Coca-Cola group to increase its usage of high fructose corn syrup from 50 to 75 percent of its sweetener content.
Price of milk up by 3c in April

Post Reporter

ANOTHER price hike will hit Eastern Cape consumers on April 1, when milk will go up by 3c a litre.

The price would rise from 65c a litre to 68c a litre — an increase of 4.6% — Mr Fred Botha, general manager of the United Dairies, said today.

Mr J K Scheepers, chairman of United Dairies and the Port Elizabeth Milk Producers Union, said the increase had come in view of the rise of input costs to the farmer and especially because of the 18% increase in the cost of mealies in November, 1983. Mealies made up 60% of food concentrates fed to animals.

He said milk producers had absorbed that increase until now, but could not do so indefinitely.

The dairy industry was anticipating another price rise again this year as farmers were expecting another 36% to 15% increase in the mealie price to be announced later this year, said Mr Scheepers.

The 3c per litre increase would affect only the Eastern Cape.

Western Cape consumers could expect an increase of 4c, and Johannesburg consumers an even higher increase.

The price of a stick of 20 coupons would be established by United Dairies next week, said Mr Botha.
More Price Shocks

Cigarettes, beer, steel... you name them.

Price, price, price...
Petrol... now the big sting!

Loaded pipeline charges squeeze inland motorists

By Kevin Davie

UP-COUNTRY motorists are being loaded with fuel pipeline charges — now 6,5 c a litre on the Rand — but almost no petrol is being pumped from the coast to the Reef.

Sasol meets virtually all the country's inland petrol requirements but the levy was raised, in Johannesburg from 5 c to 6,5 c by the Minister of Transport, Hendrik Schoeman.

The pipeline levy currently nets the transport budget R200 million a year.

The move has outraged motoring and opposition leaders.

John Malcomess, Opposition spokesman on transport, said he believed if a proper investigation were done into the charges, the end result would be that the public would get cheaper petrol.

"It's quite obvious that the inland petrol user is being hit to an unnecessarily large extent," he said.

"And," said Denzi Vermooten, economic spokesman for the Automobile Association, "the profit of the fuel pipeline from the coast to inland areas is way in excess of operation costs."

The pipeline last year produced a huge profit of R149 million, helping the Minister of Transport to show a minor overall deficit of only R11 million.

A senior source at the pipeline office in Durban confirmed that, because Sasol was now the main inland supplier, very little fuel was being pumped from Durban to the Reef.

However, the quantity pumped from Sasol was similar to the quantity that was pumped from Durban in the past.

The source confirmed that the pipeline was used also to pump commodities other than fuel but declined to identify these for strategic reasons.

"Very probably the amount of oil is being transported a considerably shorter distance," said Malcomess, criticising the fact that over the past two years pipeline charges had increased above the level of inflation.

He said he understood that the pipeline charge were based on what it would cost to rail the petrol and he believed, because most of South Africa's petrol was being produced where it was consumed — in the Transvaal — this meant that the public should get their petrol cheaper.

"This appears to be a cross-subsidisation exercise. The Johannesburg motorist has to pay for uneconomic rail passenger services," he said.

The AA has been campaigning for some years to remove cross-subsidisation.

According to Mr. Vermooten, at present South African Transport Services gets 5 c a litre for petrol sold inland to cover transport costs. This nets a profit of about R160 million a year, whereas the National Road Fund receives 4 c a litre, bringing it R150 million.

"If the National Road Fund got a bigger share it would avoid the need of having to get its money through the toll system which is a very expensive method.

"More than 40 percent of money collected on the toll system goes to administrative expenses while the administrative expenses involved with the petrol levy is negligible," he said.
Consumers urged to use skimmed milk powder — cheaper and good

Consumer Reporter

CONSUMERS have been urged to buy more skimmed milk powder to cope with the increase in fresh milk prices.

Mrs Sheila Lillie, chairman of the Cape Town branch of the Housewives League, said, "Even when the price of skimmed milk is increased, skimmed milk powder will still work out a lot cheaper than fresh milk, yet it contains all the nutrients of fresh milk except the fat."

"Parents should not cut down on milk for their children. They should buy less fresh milk and use more skimmed milk powder."

A spokesman for the distribution department of the Red Cross Children's Hospital confirmed that skimmed milk powder would be given to children.

CALORIES

But babies not yet taking solid food should still be breast-fed or given diluted, fresh full-cream milk, full-cream milk powder or skimmed milk powder sweetened with sugar to add the necessary calories.

She said "Skimmed milk, either fresh or dehydrated, contains all the ingredients of fresh full-cream milk, except for the fat in the cream, which is removed."

"Babies need that fat or a high-calorie substitute — if given only skimmed milk they will not gain weight satisfactorily."

"Sugar can be added to a skimmed milk mixture."

40 CENTS

A kilogram of skimmed milk powder, which makes 10 litres of milk when mixed with water, costs about R4, depending on where it is bought — about 40 cents a litre.

Prices also vary from brand to brand and economical mixes can be made. If a 5kg pack is bought One supermarket sells 5kg for R18.14 including tax, which works out (when mixed) to about 33 cents a litre.

Milk powder blends are cheaper — about R3 a kilogram even when bought in comparatively small quantities.

Though suitable for many purposes and a useful supplement, these blends should not be regarded as substitutes for milk.

A spokesman for a major supermarket said that in addition to milk powder, the blended powders contained other ingredients which did not have the same nutritional value as milk and that therefore would not recommend that they be used for children and especially not for babies.

New thrilling in sear

Two hide after violence erupts at weekend

Argus Correspondent

MARBURG — An injured Harrismith SPFA official, Mr Louis Lausbeg, and his wife have gone into hiding and a member of the society, Mrs Riza van Schie, 25, has severe internal bruising after ugly scenes at a weekend rodeo in the town.

A videotape shot by Mr Lausbeg records Mrs van Schie being butted and trampled by a bull while blood-thirsty "cowboys" shouted "Slaan hulle dood en sleep hulle uit" (Hit them to death and drag them out) a copy of the tape is in the possession of the police at Harrismith and today Mrs van Schie, who is from Johannesburg, will attend an identification parade in the town.

BRUISING

Speaking from Johannesburg, Mrs van Schie said that she had severe internal bruising.

Mrs van Schie and Mr Lausbeg were to monitor the rodeo which featured six "cowboys" from Kroonstad.

She said she was speaking to the convenor, Mr Gary Spilsbury, when she heard a spectator shout that...
Transport Debate

House of Assembly

PFP: Rail increases could have been halted.
PARLIAMENT

Fares increase too high

Parliamentary Staff

THE INCREASE in rail fares was far too high and perhaps even unnecessary, the Progressive Federal Party spokesman on transport, Mr John Malcomess (PF P Port Elizabeth Central) told the Assembly.

He said it would add to inflation, and to the cost of living. On top of increased general sales tax, bread prices and sugar prices could result in great hardship.

This was one of the main issues raised during the resumed debate on the SA Transport Services budget.

Government speakers defended the budget, saying tariff increases were necessary under present economic conditions. They suggested rail tariffs might have to be increased still more in future.

"Hard to believe."

Mr Malcomess said he found it hard to believe that third-class rail fares would go up 17.5 percent after an increase of 10 percent only last August.

Yet first-class fares were going up only 7.5 percent and were not increased last August.

The biggest reason for the railway losses was its passenger services here, the Government's own actions had created a "desperate need."

Mr Malcomess said that in Western Europe, labourers lived close to their workplace, but in South Africa, by law, the opposite prevailed.

Here, the poorest labour section of the community was moved a considerable distance from places of employment and thus had to be transported at a "less than economic fare."

Examples were Cape Town's Mitchell's Plain and Mdantsane, 20 km from East London.

A further example of Government policy was the announced intention to move the black inhabitants of Guguletu and Langa to Khayyalitha.

Mr Graham McIntosh (PFPP Maritzburg North) said the Government had moved black people out of South Africa's cities for ideological reasons.

It was true that there were also whites living far from their places of work, but they did so voluntarily and did not have it "rammed down their throats."

Defending the tariff increases, Mr J J Niemann (NP Kimberley South) said that sooner or later those people using the "socio-economic services" of the railways would have to realise that they could not expect others to pay their tariffs.

An opposition member interjected that a 31 percent increase in rail tariffs in one year was "excessive."

"Streamline services."

Mr Niemann said it should be accepted that tariffs for low-fare passengers should be increased annually.

Mr George Bartlett (NRP Amanzimtoti) said any steps taken to streamline the SA Transport Services would have the full support of the NRP, even if those steps meant closing down uneconomic services.

Mr K D Swanepoel (NP Gezina) said the State could not indefinitely be held responsible to provide low fares for commuters, because the taxpayer ultimately had to foot the bill.

Employers would have to accept responsibility for paying employees' fares, he said.
Many food prices set to rocket

By Bill Levitt and Hannes Ferguson

The price of maize is set to rise by at least 25 percent and this is expected to rebound on the prices of a wide range of foodstuffs. Supermarket executives say suppliers have already notified them of the increases—which have come about as a result of the rise in the maize price—but it remains unclear when they will take effect.

Commodities expected to be affected—and their anticipated percentage price increases—include:

- Poultry, by 10 to 15 percent
- Snacks such as crisps, by about 10 percent
- Corn flake breakfast cereals, by 10 percent
- Eggs, by another five percent.
- Rice, which is mostly imported, by about 16 percent
- Detergents, about five percent and toiletries, about 16 percent.
- Biscuits, by nine percent.
- Fertilizer, by 12 to 18 percent.
- Coffee, by 7.5 percent.
- Sugar, by another three percent when rail adjustments are made.
- Chocolates will rise by an undetermined percentage due to rising sugar costs.
- Tea, by as much as 25 percent.

Meat and dairy prices could be affected although industry officials said it was still too early to tell.

The increase in the price of maize is expected to be supplemented by the situation of agriculture, Mr. C.B. Young, director of the maize farmers' congress in Potchefstroom next week.

The present controlled price of maize is about R11.71 a ton. Imported maize, delivered in Johannesburg, costs the State about R220.71 a ton. As the millers have been supplying the South African price, the subsidy has amounted to almost R50 a ton.

Maize imports are estimated to reach 4.3 million tons this season, involving a State subsidy of R254 million. As this will throw the budget of the Department of Agriculture out of gear, the Minister is believed to have given instructions that R500 million is to be spent on domestic maize price to the price of imported maize.

The General Manager of the National Maize Producers Organization, Dr. P.J. Gouws, said that for five years now, the State has tried to fix the maize price but it has been fixed way below production costs.

"The Government attempted to combat inflation by treating the maize price as an administrative price like the price of electric power. Now the policy has backfired," he said.

See Page 11, World section.

SA economy is threatened

By Bill Levitt

The Government's failure to curb inflation as promised last year will place an extraordinary strain on imports, the billion-dollar backbone of the South African economy.

Senior economists said today that double-digit inflation made South Africa's products more expensive and thus it was difficult for exporters to compete on the world market.

That, in turn, could force local plants to shut down, putting thousands of people out of work, they said.

Late last year, prices appeared to be stabilizing, but since January there have been numerous and are bound to fuel inflation.

The price of brown bread has risen 15.6 percent and the price of sugar, last has increased 14.7 percent.

General sales tax has been raised to seven percent, pushing up the price of milk and other basic foodstuffs.

The price of beer recently went up by between 6.1 and 9.2 percent and the price of spirits and wine was raised by about 10 percent.

Canned goods cost an average of nine percent more and eggs have risen close to 13 percent to bring prices back to their June 1983 levels. Maize products went up seven percent.

Rail, air travel and freight rates will rise by 5.4 percent on April 1.

These increases were bound to trigger calls for higher wages and benefits—pressure that would in turn exceedingly difficult to bear inflation, the economists said.

One alternative might be to allow the rand to fall further against the US dollar and other currencies, Mr. Dave de Koch of the Standard Bank suggested. However, he cautioned that it was not likely to happen for some time.

High-priced exports also hurt at a time when South Africa's major trading partners—the US, Japan, Britain and West Germany—had beaten back inflation to below 7 percent.

The latest inflation figure 16.5 percent for the 12 months up to the end of January, was the lowest in more than five years. Last year's figure was 11 percent.

South African exports are expected to reach close to R12 billion, up eight percent from 1983.
Schoeman defends fare increases

HOUSE OF ASSEMBLY — The Official Opposition protested at the greater increase in third-class rail fares than in first-class, but ignored the fact that the wage gap between whites and non-whites was being narrowed, the Minister of Transport, Mr Hendrik Schoeman, said yesterday.

"We cannot afford to continue transporting these people, whose incomes have increased, at such uneconomic rates," he said in his reply to second reading debate on the SA Transport Services (Sats) Appropriation Bill.

The Progressive Federal Party was pushing the government to narrow the wage gap between whites and non-whites, but would not accept the realities this involved as the process was implemented.

Referring to the 7.5 percent third-class fare increase, as compared to the 7.5 percent first-class increase, Mr Schoeman pointed out that people of "other colours" than white could also travel first-class if they wished.

Turning to a Conservative Party demand during the debate that he undertake to protect white workers in Sats, Mr Schoeman said he stood for the protection of all Sats workers, regardless of race.

The bill was read a second time after the House divided with all three opposition parties voting against the National Party.

Mr Schoeman had earned the title "Marie Antoinette of the House of Assembly" by his response during the French Revolution by Queen Marie Antoinette that peasants could "eat cake" if they did not have bread.

• Alarm, systems or telephones on trains could help curb railway crime, said Dr Alex Boraine (PFP Pinelands).

During a recent visit to Germany he had been able to telephone his family in Cape Town while travelling on a high-speed train.

Back in South Africa and returning home by train he had noticed a sign giving a telephone number at which assistance could be sought in cases of trouble.

"It occurred to me that while it is handy to be able to write down the number as you're being beaten over the head — in order to be able to phone the police when you manage to get off the train at the next stop — it would be far more effective if there was some sort of alarm or communication system to alert the police or somebody who is able to take action" — Sapa.
attacks in more
Cost of water, mail, phones goes up

Shock spate of tariff increases

By DAVID CAPEL in Johannesburg,
CHRIS FREIMOND in Cape Town,
and GERALD REILLY in Pretoria

YESTERDAY was Black Tuesday for South African consumers, with the announcement of hard-hitting increases in postal rates and telephone and water tariffs.

And hospital fees are due to go up on April 1, the Transvaal Provincial Administration announced yesterday, though by how much is not yet known.

On top of this, coal and steel prices will be increased soon, according to reliable sources in Pretoria.

In a series of shock announcements yesterday, the consumer was told:

- The drought had forced the Rand Water Board to increase the price of water by 23.5% in all areas controlled by the board from April 1.
- Postal and telephone tariffs would go up by an overall average of 9% although some increases were well above that, rising as high as 25%.
- Airfare hikes in the price of steel and coal is imminent.
- Hospital fees are also likely to go up, but it is not known by how much.

The water price increase means that, assuming the average household uses 4000L a month at the present 40c/L, and the entire 23% is passed on to the consumer — which is highly unlikely — the consumer will then pay an extra R3 for the same amount of water.

The Rand Daily Mail established that the rise should not exceed about 10%.

The postal and telephone tariff increases, announced in Parliament by the Minister of Posts and Telecommunications, Dr Lapa Munnik, mean:

- The unit charge for telephone and telex calls will go up 14% from 7c to 8c.
- Overseas call charges will go up 4.7% from R3.36 per minute to R3.52 per minute.
- Calls to neighbouring states including Malawi will go up between 3.6% and 14.2%.
- Monthly telephone rentals will rise by 16.6% from R6 to R7.
- Shared service telephone rentals will go up 22% from R4.50 to R5.40.
- Night and weekend telephone service rentals will go up 25% from R4 to R5.
- Postal tariffs for standardised letters will go up 10% from 10c to 11c.
- Tariffs for non-standardised letters and parcels will go up an average of around 10%.
- The annual charges for post office boxes and private bags.
It’s neck and neck in US

Pilot ejects from Mirage

BY NORMAN PATTERTON

A South African Air Force Mirage F1 fighter pilot ejected to safety yesterday, moments before his plane crashed into a meadow field near Lydenburg in the Eastern Transvaal.

Captain D Holdsworth, 23, of No 1 Squadron at Hobanskop, was shot to safety in his ejector seat at 13.30pm as the fighter emerged from a “very low” cloud about 4km west of Lydenburg.

Capt Holdsworth parachuted onto Mr Japa Boshoff’s meadow farm, Franswaagad, as the plane crashed into a wet meadow field about 4km away with a deafening bang.

Mr Boshoff’s neighbour, Mr Godson Bota, witnessed the crash from his home less than 1km away.

“My family and I rushed across our car and found that the nose of the plane had remained stuck in the ground. The rest of the plane had broken into two and had plunged through the field for more than 200m,” he said.

Meanwhile, Mr Boshoff’s son, Mr Hanse Boshoff, and Mr Francois Potgieter went looking for Capt Holdsworth in a bakkie after a domesticate worker on the farm had seen him eject.

Capt Holdsworth suffered slight back injuries and was wandering in a daze through the field when he was picked up.

“He was shocked and didn’t seem to know where he was,” Mr Hanse Boshoff said.

The SAAF is investigating the cause of the crash.

Koeberg Nuclear Power Station goes critical

Mail Correspondent

CAPE TOWN — Koeberg Nuclear Power Station has been given the go ahead for the big switch on by the Atomic Energy Corporation (AEC) and the first reactor is expected to be started up today.

But officialdom has closed ranks behind a veil of secrecy and refused to confirm or deny details about the highly controversial giant nuclear reactor on Cape Town’s doorstep.

The licensing for the first reactor “is critical” was issued by the AEC according to schedule on Monday this week.

It had already been approved by the independent Council on Nuclear Safety.

This means that the nuclear reactor with the reactor may now be started and maintained at a constant level to produce nuclear power.

Synchronisation with the Ecom power grid can be expected by mid-April and full power generation by mid-July.

Dr Lapo Munnik

Postal rates rise

14 per cent.

- Monthly telephone rental will rise by 16.6% from R8 to R7.
- Shared services telephone rental fees will go up 22% from R4.50 to R5.30.
- National and international airline rates will go up by 25% from R4 to R5.
- Postal tariffs for standardised letters will go up 10% from 10C to 11C.
- Tariffs for non-standardised letters and parcels will go up an average of 15%.
- Hand-charged rates for post offices and private bags will rise an average of 11%, and commission charged on postal orders will go up an average of 25%.

On top of this, an Econ proposal for a steel price increase is now with the Government, according to Pretoria sources, a price rise of about 8% is expected.

As for the coal price, it is expected to increase by April.

The current price is expected to increase in April by 10% for the past 10 years the price has been raised in April and March was no reason to believe the same procedure would not be followed this year.

The official Opposition was concerned at the rate of inflation and the Prime Minister, Dr Nivnan, recently mentioned that he would like to see the rate of inflation at South Africa’s current rate.

Mr Widman said the Prime Minister has said that at the rate of inflation was “extremely high” and that the rate of inflation was “just as high” as South Africa’s rate.

In the light of recent increases, the Prime Minister is expected to be “very critical” of the South African economy.

The New Republic Party’s spokesman on Posts and Telecommunications, Mr Brian Page, said the increases “would contribute to inflation”.

Mandy Palmer, back left; Sandie McPherson, Bronwen Evans, front left; and chitz are four of the Johannesburg College of Education’s seven Rag Queen contestants.

Pilots are competing for the JCE crown at a Johannesburg hotel tomorrow.

Club’s royal

WHAT DO teenagers want most about parents? Re- spondents to surveys of young people claim they want their parents to be more strict and to give them more freedom.

In a survey of 1,000 teenagers in the UK, 60% said they wanted their parents to be more strict and to give them more freedom.

But 40% said they did not want their parents to be more strict and to give them more freedom.

WHAT DO teenagers want most about parents? Research shows that teenagers want their parents to be more strict and to give them more freedom.

In a survey of 1,000 teenagers in the UK, 60% said they wanted their parents to be more strict and to give them more freedom.

But 40% said they did not want their parents to be more strict and to give them more freedom.

WHAT DO teenagers want most about parents? Research shows that teenagers want their parents to be more strict and to give them more freedom.
Consumers brace up for more shocks

By David Braun and Bill Levitt

Consumers, hit by the telephone and postage price increases announced yesterday, must brace themselves for more shocks in the main Budget in two weeks.

Cigarettes, alcohol, income and company taxes — and possibly fringe benefits like housing subsidies and company cars — may be hit.

The average nine percent rise in communications costs is the latest in a long list of increases since January, including those for water and hospital fees. (See Page 1, Metro section).

Many of the increases, especially those affecting essential foods, have been well above the 10.3 percent inflation rate for the year to January 31.

The Minister of Posts and Telecommunications, Dr Lapa Munnik, yesterday warned of more increases for stamps and letters later this year if the economy does not improve.

That might be no idle threat, because most economists are forecasting continued depressed conditions for the rest of 1984.

Tight-fisted monetary policy, high interest rates and higher mortgage payments will combine with wage increases and a slump in disposable income to stifle the economy.

These events have triggered warnings from critics that the Government’s failure to combat inflation makes South Africa’s exports less competitive — a situation that could lead to closures of factories and widespread unemployment.

The latest price shocks come at a time when South African productivity figures — the individual worker’s contribution to the country’s gross national product — are declining rapidly.

The Department of Manpower’s deputy director-general, Dr C F Scheepers, warned managers last week that declining productivity and average wage increases of 12 to 16 percent could fuel inflation.

See Page 4, World section.
POST OFFICE BUDGET

PO's 9 pc 'is sign that stiff Budget looms'

By David Braun and Bill Levitt

Reaction to the average nine percent rise in communications costs ranged from "depressing" and "horrible" to "inflationary" and "necessary."

But most agreed that the increases — up to 69 percent — were signs that the Government intended to ram through a host of tax increases when its Budget was tabled in two weeks' time.

Professor Leon Weyers, a member of the President's Council, predicted that these increases would trigger another round of price increases.

Describing the latest announcement as "highly inflationary," Professor Weyers said he was worried that inflation "will shoot up higher than last year, probably to 15 percent."

Professor Weyers, dean of the University of South Africa's Economic and Management Sciences department, also criticised the Post Office for raising prices without apparently demanding similar increases in productivity to offset the costs.

Mrs Betty Hiralz, president of South Africa's National Consumer Union, called the Government's latest move "depressing and horrible."

"Tax the rich to feed the poor," she said. "We have said all along that the Budget should be tough but money must not be raised by taxing those who cannot afford it."

Mr J H Visagie, the Conservative Party spokesman on posts and telecommunications, said he was worried that the Government had lost control over inflation.

"The Government must be careful that it does not make the cost of these services so high that the public uses them less and Post Office income falls as a result," he warned.

Mr Louis Geldenhuys, senior economist at Sebenza, agreed with the Government that the increases would have little impact on inflation. It was clear that the authorities were trying to contain price increases as far as possible, he said.

A major private sector group said it viewed with duet the Minister's statement that tariff increases might not be limited to the nine percent increase budgeted and that there might be a further increase during the year.

"This is particularly worrying as certain tariffs have been increased by up to 69 percent and any increase will have an inflationary impact," it said.

The group, the National Consultative Committee on Post Office Affairs, represents the Afrikaanse Handelsinstituut, Assecom, the Federated Chamber of Industries, Seifsa and other private sector bodies.

In view of its effect on tariffs the Post Office's capital budget required careful scrutiny, the group added, because expenditures had risen by 50 percent a year over the last two years.

Professor A L van der Westhuizen, of the Rand Afrikaans University's department of economics, called the increases "realistic" at a time when the Government had to clean increased revenue wherever it could.

He said the increases were not extraordinary "and I believe we can cope."

Professor van der Westhuizen said he felt the average householder — who spent only a small percentage of his budget on post and telecommunications — would not be much worse off than before.

However, he expressed concern about businessmen, saying the increases could hit their pockets fairly hard.

In Parliament opposition parties have slammed the increases in postal tariffs which they said would add to inflation.

New price increases bound to fuel inflation

By David Braun and Bill Levitt

Increases since January have been numerous and are bound to fuel inflation.

The latest inflation figures, 10.5 percent for the 12 months to the end of January, was the lowest in more than five years.

Increases include:

- Brown bread up by 16.6 percent, white loaves by 11 percent
- General Sales Tax raised to seven percent, pushing up the price of milk and other basic foods
- Beer up by between 5.3 percent and 9.2 percent and spirits and wine by about 10 percent
- Canned goods up by an average of nine percent
- Rail air travel and freight rates will rise by 9.4 percent on April 1

Maize is heading for an increase of at least 25 percent, which will affect a large number of other commodities. They include:

- Snacks, such as crisps, could cost about 10 percent more
- Corn flakes breakfast cereals could rise by 10 percent
- Eggs are likely to rise another five percent
- Meat and dairy prices could be affected although industry officials said it was still early to tell.

Other commodities to be hit by increases include:

- Detergents by about five percent and toiletries by about 10 percent
- Sugar another three percent
- Tea shortages will force up the price by as much as 25 percent
- Coffee will rise 7.5 percent

Postal costs could go up again later this year

By Peter Sullivan,
Postal costs could go up again later this year

By Peter Sullivan, Political Correspondent

THE ASSEMBLY — From April 1 postage on letters will go up by one cent — from 10c to 11c. Telephone calls will also increase, by one cent a unit — 6c instead of 7c for a basic unit. The main burden of an overall nine percent tariff increase introduced in the Post Office budget yesterday.

Financial experts from the Department of Posts and Telecommunications said the tariff increases would raise the inflation rate by only 0.09 percent and added that talks with organised commerce had shown that businessmen were willing to accept the new rates.

The increases will provide the Post Office with additional revenue of R231.3 million. But despite this the Post Office has budgeted for a deficit for the first time since 1968 and estimates an operating loss of R131.3 million.
PO price increases criticized

Political Staff

SOUTH African consumers, already reeling from a series of government-initiated price increases, were dealt another blow yesterday when the Minister of Posts and Telecommunications, Dr Lapa Munnik, announced wide-ranging postal and telephone tariff increases.

The Official Opposition spokesman on postal matters, Mr Alf Widman, attacked the increases and accused Dr Munnik and fellow cabinet ministers responsible for price increases of seriously threatening South Africa's prosperity.

'Cancerous'

Mr Widman said the Prime Minister's concern at the rate of inflation was so great that he called a special conference of businessmen in November last year and warned that "cancerous inflation" was "eating away at South Africa's prosperity".

The New Republic Party's spokesman on Posts and Telecommunications, Mr Brian Page, said the increases would contribute to inflation and when coupled to other recently-announced increases left little hope that the projected decrease in the inflation rate would be achieved.

Dr Munnik announced the increases during the Post Office budget presented in Parliament yesterday.

Although the overall average tariff increases were 8 percent, some increases were well above that, rising as high as 25 percent.

The increases which will affect the man in the street and commerce and industry most included:

- The unit charge for telephone and telex calls up 14 percent from 7c to 8c.
- Overseas call charges up 4.7 percent from R2,36 a minute to R3,52 a minute.
- Calls to neighbouring States, including Malawi, up between 3.8 percent and 14.2 percent.
- Monthly telephone rentals up 16.0 percent from R6 to R7.
- Shared services telephone rentals up 22 percent from R4,50 to R5,50.
- Night and weekend telephone service rental up 25 percent from R4 to R5.
- Postal tariff for standardized letters up 10 percent from 10c to 11c.
- Increases in tariffs for non-standardized letters and parcels averaging around 10 percent.
- Increases in the annual charges for post office boxes and private bags averaging 11 percent.
- Increases in commission charged on postal orders averaging 23 percent.

Postal tariffs up 9 percent on April 1

HOUSE OF ASSEMBLY

An increase of nine percent in all Post Office tariffs on April 1, a possible further increase later in the year and subsequent “more regalize” increases, was the message of the Minister of Posts and Telecommunications, Dr. Lapa Munnik, when he introduced his Post Office budget yesterday.

Further increases this year would be inevitable if there were no improvement in the PO’s revenue and no upswing in the economy, he said.

Dr. Munnik said a much higher increase could be justified, but he had kept it low because he expected a rise in earnings from increased telephone connections and a general upswing in the economy.

“However, if this does not have the desired effect, I shall have no alternative but to introduce tariffs again later this year.”

He added that future increases could also be affected by the loan position of the Post Office. It was the first time since 1968 that the Post Office was budgeting for an operating loss.

Dr. Munnik announced the increases in his record R3.5-billion budget for 1984-85.

He said he expected an operating loss of R3.35-million by the end of the year, but a tariff adjustment to eliminate this loss entirely was regarded as too drastic.

The increase would realize an estimated R303.7-million.

“The total expected operating expenditure of R2.384.4-million is R473.3-million or 24.8 percent higher than 1983-84,” he said.

The increase provided mainly for normal growth in activities, the effect on a full financial year of the 12 percent salary adjustment for civil servants in January, the further implementation of occupational differentiation, cost escalation and higher interest payments on anticipated increased loan requirements.

“In addition, an appropriation is required for loan redemption, staff housing and the increase in Standard Stock capital that will total R215-million,” the minister said.

Total expenditure was therefore estimated at approximately R3.879-million, R745-million or 23.8 percent up on 1983-84.

The operating loss of R3.35-million meant there would not be a contribution from the operating surplus towards capital expenditure and to defray the high operating costs.

The large operating loss compelled him, as foreseen last year, to increase tariffs.

“The most important adjustments included:

- An increase of 9 percent in all Post Office tariffs on April 1.
- An investigation into more competitive salaries for Post Office workers would be completed soon and employees would benefit from two new housing schemes this year.

An investigation into more competitive salaries for Post Office workers would be completed soon and employees would benefit from two new housing schemes this year.

Dr. Munnik announced in his budget speech.

Dr. Munnik said R303.7-million had been provided for housing loans in addition to the department’s housing subsidy scheme and the 100 percent housing loans obtainable from building societies and other institutions.

He announced that staff who could not secure 100 percent loans would be granted loans by the department for deposits on houses, while it had been decided to allow senior staff to buy official houses of the department — Saps.
Know Your Rights Campaign
Consumer Council Launches

There has been a lot of interest in these issues because of the recent high-profile cases and the increasing awareness among consumers about their rights. The Consumer Council, in collaboration with various organizations, has conducted workshops and seminars to educate the public about their rights and responsibilities as consumers.

The workshops cover a wide range of topics, including consumer protection laws, rights and duties of consumers, and strategies for resolving disputes. The council aims to empower consumers to make informed decisions, protect their interests, and hold businesses accountable.

Many consumers have benefited from these sessions, gaining valuable knowledge and practical skills to better navigate the market. The council encourages all consumers to stay informed and assert their rights in every transaction.

For more information or to register for an upcoming workshop, please visit the Consumer Council's website or contact them directly.
Tvl hospital fees more than double for some patients

Preto Correspondent
Transvaal provincial hospital fees have more than doubled for some categories of patients.
Part-paying hospital patients who used to pay R10 a day will now pay R20 a day.
The increase will come into effect on April 1.
Private full-paying patients belonging to medical schemes will now pay R50 a day instead of R35.
This represents a tariff of R35 plus a levy in respect of services of R15.
Out-patients and emergency cases, who are non-medical patients, will also pay the same daily fees as those on medical aid.
The Administrator of the Transvaal, Mr Willem Craywagen, who announced the higher tariff structure last week, said “draconic” increases in the price of medicines, equipment, foodstuffs and services had necessitated the increases.
Transvaal Hospital Services had spent R443,755 million in 1981/82, R538,16 million in 1982/83, and for 1983/84 the services’ estimated expenditure was R705,86 million, he said.

Kitten thrown from car is rescued by radio personality

By Olga Horowicz
There is, it is said, more than one way to kill a cat.
Mrs Vivienne Tothill and her cousin, Mr Gary Tarr, witnessed one way when driving along Oxford Road on Monday evening.
It was peak hour when a black kitten was hurled out of the window of a car ahead of them.
Mr Tarr stopped the vehicle and Mrs Tothill picked up the “bundle of shivering fur”.
Mrs Vivienne Tothill, whose concern for animals is known nationwide through her Sunday midday Springbok Radio programme “Animal Caravan”, thought there would be other kittens from the litter who had suffered the same fate.
In the middle of Jan Smuts Avenue she found a second cat, squashed and dead.
Mrs Tothill has 16 rescued cats in her Parkwood home and the kitten has become an honoured member of the family.
It is in a highly nervous state, and has to be kept warm and fed with a syringe.
“The ideal thing would be to find a female cat to suckle the kitten,” she said.
“Not only is it frightened but it does not know how to drink from a syringe or a bottle. But we believe it can be nursed back to health.”
She appealed to people to telephone the SPCA or the newspapers when they needed help in caring for an unwanted animal when “Because the kitten is black, and was saved, we have decided to name it Lucky.”

Magid gets the CBDA hoppin’

By James Clarke
Johannesburg’s new mayor, Mr Eddy Magid, left a meeting of city centre businessmen last night with a fly on his ear.
The mayor, in his address to the annual general meeting of the Central Business District Association, broke the tradition of trading platitudes and told the six-year-old association he was “disappointed in its achievements.”
Moments later the CBDA’s chairman, Mr Nigel Mandy, retorted that the private sector “has difficulty attracting the attention of the city council” and charged that the council abstracted and political and managerial problems were a threat to the future of the city.
Mr Magid, a long-standing member of the city’s management committee, said he was deliberately being provocative in his hope of getting an action.
For much of the time he was smiling — but his smile disappeared during the chairman’s address.

Mr Nigel Mandy, elected chairman last night for the sixth successive times the city’s businessmen had received reaction from the city council.
He said the council had sat from 1975 until 1981, when a notice of meeting was urgent and gave the president a month to study it and comment.
As regards the Colosseum, he said the budget campaign to save it was urgent and on calling in professionals.
The mayor’s smile faded as council’s lack of response over Pramall over the CBD retailers’ lack of security force — “We were left the council was distracted by other things.”
When the meeting ended Mr Mandy said, “I intended to provoke. If it will impetus then I am proud to be needed to work together. There is a
Black bus fares set for three stage rise

Political Reporter

ILANGA Transport bus fares for single trips in the Inanda/Ndwele area will rise by an average of 20 percent on April 1 and commuters can expect another two increases in the next 18 months.

This will bring fares into line with Putco tickets in that area.

Mr E Marshall, managing director, said about 350,000 people would be affected by the increase which was to comply with a directive from the Department of Transport that all operators in the Inanda area must charge the same fares.

Commuters using trip tickets, now valid for 14 days instead of five days, faced minimal increases.

It was too early to say what the next two increases would be.

The bus company had met representatives of all the chiefs in the area to explain the situation.

While they had obviously not welcomed the increases they appeared to have understood the need to raise fares.

The last increase had been in August 1982 and operating costs had increased considerably since then. Fares on most other bus services had been raised at least once since 1982.

The board of KwaZulu Transport, which controls Ilanga Transport, issued a statement yesterday that it accepted that parity in fares was in the long-term interest of passengers.

But it would be unreasonable to implement parity at once.
Blacks ready to use their collective buying power

BLACK consumers—generally regarded as the most uninformed, unorganised and exploited section of the South African community—were now ready to use their collective economic power to bargain for a fair deal in the market place.

This became clear at the high-powered consumer conference held in Johannesburg last weekend, where representatives of over 20 organisations came together to form the first black national consumer body.

Formed after consultations between black organisations and a committee assigned to study the feasibility of such a body, the newly formed Black Consumer Union (BCU) aims to:

- Represent and further the interests of black consumers
- Represent these interests to all organisations in the country where it will benefit black consumers
- Educate black consumers on their rights as consumers and on the commodities they consume
- How strong the consumer body is going to be, will depend on its membership, said Professor Henri Joannas, a consumer specialist who came all the way from France to attend last Saturday's conference.

"If the new baby is to grow teeth, the first tooth should be membership. The membership it commands will determine its strength." Prof Joannas said.

An invitation to the Commercial Catering and Allied Workers' Union of South Africa gives an indication that the BCU will also rely on the support of unions.

Whether the BCU will extend membership or forge links with political organisations remains a big question. Political bodies were conspicuous by their absence at the meeting. The formation of the BCU falls in line with the prediction by Cape Town University political scientist Prof James Leatt, who told a consumer conference last year that blacks in this country will use their collective economic power to fight for their rights in the coming years.

Prof Leatt said, "Some blacks in South Africa are politically disenfranchised; they have little chance but to use their collective economic power in the market place to express their political aspirations.

"And, if the past history of black politics is anything to go by, I believe civil and human rights issues are going to be in the spotlight in industrial relations and in the market place in the future, and with greater sophistication and organisational support," the political scientist predicted.

Meanwhile the newly formed consumer body has stated that it will not be affiliating to the white South African Consumer Union and the Government-created South African Coordinating Consumer Council—meaning that its membership will be exclusively black.

BCU's executive committee members are Mrs Ellen Khuwawo (president), Mrs A. Erik (vice-president), Mr E. M. Mwando (vice-president), Mrs Dorothy Muanda (secretary), Mrs Alice Nkhu (treasurer) and additional members Mrs Anastasia Thula, Mrs Ellen Lambar and Mr Abram Mmutle.

SOUR MILK PRICE DROP

THE Dairy Board has announced that it will subsidise the price of "maas" and cultured buttermilk.

The subsidy will lower the price of these products by 10 cents a litre and five cents a half-litre (500 ml). Indications are that the board will sustain the subsidy until May this year.

The board's general manager, Mr Edu Rooy, said: "The subsidy is being introduced in the light of the general surplus situation still existing in the dairy industry. A further aim is to bring products which are consumed traditionally by blacks to the notice of those consumers who do not as yet make full use of such wholesome products, like maas and cultured buttermilk."

Mr Rooy said that it was the board's policy to make surpluses available to the local consumer before exporting them.

"The over-production of milk during the past months by farmers to ensure a cash flow in place of the crops they lost to drought seems set to continue and it is important that all marketing segments should benefit from the increased population of milk and dairy products," the general manager said.

Seminar at YWCA

THE Attorneys' Association, a group of lawyers, will hold a seminar at the Dube YMCA this week on the rights of consumers and the laws protecting them.

The seminar will be on March 29 and starts at 7pm. The public is invited.

The Soweto Electricity Information Committee is holding a meeting at Dube Memorial Chapel on Saturday.

Former Johannesburg city councillor Dr Seleta Brodie will address the meeting on electricity matters. The meeting starts at 2pm.
Hospital tariff increases criticised

Pretoria Correspondent

It was a "sad day" for the Transvaal when the Province had to balance its books by taxing the sick and the poor, the leader of the opposition in the Provincial Council, Mr Douglas Gibson, has said in reaction to the latest hospital tariff increases.

"The short session of the council which took place last month was kept in the dark about the hospital tariff increases and we were not, therefore, able to debate the necessity or the extent of the increases," Mr Gibson said today.

"I am terribly concerned about the fact that it has become fashionable for the Government and the Province to announce drastic tariff increases at a time when either Parliament or the council is not sitting."

Mr Gibson said the ordinary man was reeling under the impact of continual cost increases in virtually every sphere of life and the announcement on provincial hospital tariff hikes yesterday "could be the straw that breaks the camel's back."

Inflation could reach 14 percent by the end of the year after price increases announced by the Government and the council would have to share a large portion of the blame, Mr Gibson said.

Mr Willem Cruywagen, the Administrator of the Transvaal, in announcing the new tariff structures last week, said rises in the prices of medicines, equipment, foodstuffs and services had necessitated the increases.

The Transvaal Hospital Services estimated expenditure for 1963/64 was R705,86 million, he said.
(1) Whether household gas is subject to price control, if so,

(2) whether the price thereof was increased recently, if so, (a) by what percentage and (b) when?

'The DEPUTY MINISTER OF INTERNAL AFFAIRS (for the Minister of Mineral and Energy Affairs)

(1) No.

(2) (a) and (b) Although the price of household gas is not subject to control, the Department of Mineral and Energy Affairs has been advised by the oil industry that the price increased by 5.0 c/l or by 9.8 per cent in Johannesburg on 12 March 1984
Price rises yet to be felt

Official 10 pc inflation could be misleading

By Bill Levitt

Don’t be lulled by Government statistics showing that inflation in the year ended in February dropped to 10 percent despite the recent rise in GST — the actual figure is probably higher.

The 10 percent figure does not take into account a number of price increases since January, nor the proposed price rises for such things as maize, sugar, coffee and canned goods set to hit the consumer shortly.

A spokesman for the Government’s Central Statistical Office said today it normally takes one to three months before price increases on non-Government controlled items had an impact on the inflation rate.

The reason is that retailers can hold back price increases as long as lower-priced stocks last. Although canned goods prices may have risen nine percent in January, for instance, consumers may only start paying higher prices this month.

At least one major supermarket chain said recently it had stockpiled $50 million worth of commodities in warehouses across the country in an attempt to cushion consumers against rising prices.

Using its huge buying power, the 78-store chain filled warehouses across the country with such commodities as sugar, canned goods and toiletries — all bought at cheaper prices.

Another major chain has purchased an undisclosed amount for storage in its supermarkets — having rejected warehousing because of the added transportation costs and the high cost of borrowing money.

Spokesmen for the food stores warned that once stocks are depleted, customers will face the full brunt of price increases that, in some cases, will exceed the current 10 percent inflation rate.

Since January, several announcements have been made:

- The brown bread price has risen by 6 percent and the price of a white loaf has increased 11 percent.
- Canned goods have been hiked by an average of nine percent.
- Rail, air travel and freight rates will rise by 9.4 percent from April 1.
- Maize is heading for an increase of at least 25 percent and this will affect a large number of other commodities.
- Other commodities to be hit by increases include:
  - Rice, which is mostly imported, is expected to rise about 10 percent.
  - There has been no increase for 18 months.
  - Detergents are set to rise by about five percent and toiletries should rise by about 10 percent.
  - Biscuits will rise nine percent.
  - Insecticides will jump from 12 to 16 percent.
  - Sugar prices will rise another three percent when rail adjustments are made.
  - Chocolates will rise by an undetermined percentage because of rising sugar costs.
  - Tea shortages will force up the price by as much as 25 percent.
  - Coffee will rise 7.5 percent.

See Page 7, World section and Page 10, Metro section.

Charles’s tour off to a sweet start

The Star’s Foreign News Service

LUSAKA — A South African-built Land-Rover carried Prince Charles past hundreds of branch-waving school children and through thousands of hectares of sugar cane as he embarked on his first tour of Zambia yesterday.

The Prince was inspecting the Kalyeza Holdings sugar scheme, in which the Commonwealth Development Corporation has invested $250,000.

Clad in a khaki bush jacket and velvooten, the Prince, who is a director of the corporation, valiantly tried to syphon water from an irrigation channel into a furrow.

But he was unable to obtain a sustained flow.

“At least I got a little bit of water,” he said, throwing down the syphon.

A labourer took up the syphon and to loud applause quickly achieved what had eluded the Prince of Wales.

A little later, the Prince — with noticeable hesitation — took his first bite of raw sugar cane. His hosts had warned him no dentist was available.

After some thoughtful munching, the Prince pronounced it “very nice”, adding “But I see what you mean about the dentist.”

Prince Charles is expected to go to Victoria Falls this afternoon.

See Page 8, World section.
Price rises yet to be felt

Official 10 pc inflation could be misleading

By Bill Levitt

Don’t be lulled by Government statistics showing that inflation in the year ended February dropped to 10 percent despite the recent rise in GST — the actual figure is probably higher.

The 10 percent figure does not take into account the many numbers of price increases since January, nor the proposed price rises for such things as maize, sugar, coffee and canned goods.

A spokesman for the Government’s Central Statistical Office said today it normally takes one to three months before price increases on non-Government controlled items have an impact on the inflation rate.

The reason is that retailers can hold back price increases as long as lower-priced stocks last. Although canned goods prices may have risen nine percent in January, for instance, consumers may only start paying higher prices this month.

At least one major supermarket chain said recently it had stockpiled R30 million worth of commodities in warehouses across the country in an attempt to cushion consumers against rising prices.

Using its huge buying power, the 78-store chain filled warehouses across the country with such commodities as sugar, canned goods and toiletries — all bought at cheaper prices.

Another major chain has purchased an undisclosed amount for storage in its supermarkets — having rejected warehousing because of the added transportation costs and the high cost of borrowing money.

Spokesmen for the food stores warned that once stocks are depleted, customers will face the full brunt of price increases.

Since January, several announcements have been made:

• The brown bread price has risen by 6 percent and the price of a white loaf has increased 11 percent.
• Canned goods have been hiked by an average of nine percent.
• Rail, air travel and freight rates will rise by 9.4 percent from April 1.
• Maize is heading for an increase of at least 25 percent and this will affect a large number of other commodities.
• Other commodities to be hit by increases include:
  • Rice, which is mostly imported, is expected to rise about 16 percent. There has been no increase for 10 months.
  • Detergents are set to rise by about five percent and toiletries should rise by about 10 percent.
  • Biscuits will rise nine percent and insecticides will jump from 12 to 18 percent.
  • Sugar prices will rise another three percent when rail adjustments are made.
  • Chocolates will rise by an undetermined percentage because of rising sugar costs.
  • Tea shortages will force up the price by as much as 25 percent.
• Coffee will rise 7.5 percent.

See Page 7, World section and Page 10, Metro section.

Prince Charles claps hands with a throng of fans.

Charles’s tour off to a sweet start

LUSAKA — A South African-built Land-Rover carried Prince Charles past hundreds of branch- and-branch school children and through thousands of hectares of sugar cane as he embarked on his first tour of Zambia yesterday.

The Prince was inspecting the Kalya Holdings sugar scheme, in which the Commonwealth Development Corporation has invested Rs 250 million.

Clad in a khaki bush jacket and velvskoen, the Prince, who is a director of the corporation, valiantly tried to siphon water from an irrigation channel into a furrow.

But he was unable to obtain a sustained flow.

"At least I got a little bit of water," he said, throwing down the siphon.

A labourer took up the siphon and to loud applause quickly achieved what had eluded the Prince of Wales.

A little later, the Prince — with noticeable hesitation — took his first bite of raw sugar cane. His hosts had warned him no dentist was available.

After some thoughtful munching, the Prince pronounced it "very nice", adding "But I see what you mean about the dentist!"

Prince Charles is expected to go to Victoria Falls this afternoon.

See Page 8, World section.
Design to force people to homelands?

The Black Sash is a good source of information on the implementation of laws and policies that touch the lives of black South Africans. This week The Star features highlights from the 40 papers presented at the Sash national conference held in Johannesburg at the weekend.

JO-ANNE COLLINGE reports.

Life in the townships becoming dearer

The sharply rising cost of township life—most notably increasing rents and expensive renewal schemes—in effect a way of reducing the size of the urban population and forcing homes into the homelands?

The question was posed at the recent Black Sash national conference in Johannesburg as study groups presented papers on Alexandra, Lamontville and Grasmere.

In response to the Alexandra study, a delegate remarked that it seemed the township was being redeveloped not for its present population, but for some other—far wealthier—group.

In her research, Sash housing committee member Glenda Glover noted the priority being given to middle-class housing in the renewal of Alexandra: "Looking after those who can take care of themselves seems a strange starting point."

The paper highlighted the following features of urban renewal in Alexandra—its 89,000 people that was to have been razed to make way for a cluster of hostels, but redeveloped in 1979—

- Redevelopment of the area has been "at snail's pace in contrast with the speed at which 'to hell and gone' townships like Khayelitsha and Morethwell are developed."
- Housing provided since 1979 comprises 78 "matchbox" houses built by the West Rand Administration Board and 56 privately-built homes in the R300,000 to R42,000 range.
- An official income survey in 1981 showed that only 15 percent of households had a monthly income of more than R100. Anyone wanting to buy one of the privately-developed homes would need to earn at least R1,000 a month to repay a loan at 15.5 percent interest—thus the first phase of renewal had offered Relief to a mere fraction of residents.

It was claimed by community groups that most privately-developed homesteads had gone to outsiders. It also showed that 75 percent of Alexandra households earned between R100 and R400 a month.

- The overall redevelopment plan "appears to be a very expensive option. One hears talk of a 'garden city'—a plan no doubt palatable to surrounding whites, but completely out of reach of the average Alexanderian."

- The scheme involved rerouting roads, and the demolition of a large portion of the 3,976 existing houses.

- The path of several residents has been from homeowners to tenants in the expropriated homes they once owned, to occupants of temporary shelter provided as their old homes were bulldozed.

ZINC HUTS

In some cases the economic implications of this change in status were that rent-free houses were "exchanged" for a few shacks, and those in turn for more expensive rented shelter of a prefabricated kind.

Among the worst temporary accommodation were the zinc huts in 3rd Avenue, where two families shared a single-room shack, and where rental was to be R20 a month for half a hut.

- These newly-created "temporary" residents had been promised first option on new housing. But the Town Clerk, Mr Arthur Magierman, was quoted as saying that rentals in the new schemes would be at least R125.

Discussing the implications of creating a temporarily housed community in the course of renewal, the author writes: "We wonder what will happen to those in temporary housing if the new Koornhof Bill—linking housing and approved accommodation with permanent urban residence—becomes law. Is it possible that the poor and unemployed will be sent away?"

The same question was posed in relation to the Grasmere squatters, many of whom presently qualify to be in the Johannesburg or Vaal urban areas, but who cannot get, or cannot afford, housing in those townships.

The authors also highlighted the position of pensioners: "It is unrealistic to expect that even if these people are housed in core housing at rentals adjusted to their means, they will come out financially in the urban township structure. Such people require socially assisted housing."

A case study of the strife-torn Natal township of Lamontville put a similar view, quoting Mr Mike Mabaso, a member of the Joint Rent Action Committee: "The rent increases of 90 percent in Lamontville, and ranging from 25 to 85 percent in other Durban townships are a strategy to put into effect the provisions of the Orderly Movement and Resettlement of Black Persons Bill before it has even gone through Parliament."

The views expressed at the conference have been put directly to Minister of Co-operation and Development, Mr Piet Koornhof, by residents of Huhudi township near Vryburg.

The freeze on private improvements in the old township, and high rentals to be charged for administration board homes, were designed to force residents a "forced landing in the homelands," the Huhudi Civic Association wrote to the Minister.

Leaders of the Eastern Township of Leandra have predicted that removals from their settlement of 11,400 will not stop at the 56 families presently regarded as disqualified from urban residence. The rents in the redeveloped housing area would soon force the poorest out, the Leandra Action Committee argued, pointing out that the region's wages were low.
PE hospital fees: still lower at Provincial

Post Reporter

ALTHOUGH hospital fees will rise by 50% from Sunday in the Cape Province, the tariffs at the Port Elizabeth Provincial Hospital, which is a non-teaching hospital, remain much below those of the private St Joseph's Hospital.

Patients at the Provincial have to pay a primary fee of between R23 and R38, depending on income, whereas St Joseph's has no primary fee.

A bed in a general ward at the Provincial has now gone up from R18 to R27 a day.

Thus, however, includes theatre fees and medicines for those who are not members of a medical aid scheme and who can't afford to pay for them. Medicine is also-free to patients who have exhausted their medical aid.

St Joseph’s general ward costs are R56 a day but this does not include theatre fees and medicine — 25 minutes in theatre costs R19 and the fee goes up by R15 for every 15 minutes after that.

In semi-private wards at the Provincial, daily tariffs have gone up from R21 to R32. At St Joseph’s a private room with a shared bathroom costs R63 a day.

A private ward at the Provincial has risen from R24 to R36 whereas a private room at St Joseph’s, with private bathroom, costs R70.

The increase in the Provincial Hospital fees will not necessarily push up medical aid subscriptions.

The general manager of the Midland Medical Plan in Port Elizabeth, Mr Michael Cross, said only 10% of medical aid fees went towards paying hospital fees.

He said: “Last year we foresaw provincial hospital tariffs increasing and took these into consideration in our year-end review. Because we put up our fees then, there is no need to do so now.”

“Unfortunately, we cannot always anticipate what will hit us.”
CAPE TOWN — Provincial hospital fees are to rise by 50 per cent from April 1.

The MEC in charge of hospital services in the Cape, Mr P.J. Loubser, released this information yesterday.

From next month, the primary fee in a teaching hospital will be R38, the daily fee for a general ward will be R45 and for a private ward the daily fee will be R60.

The primary fee in a non-teaching hospital will be R23, the daily fee for a general ward will be R22, and the fee for a private ward will be R36.

Out-patients will pay R23 per visit to a teaching hospital and R16 per visit at a non-teaching hospital.

Mr Loubser said the increase "still compares favourably" with the tariffs in private hospitals and those being raised in other provinces.

He said the tariff at teaching hospitals was all-inclusive. At non-teaching hospitals the fee covered everything except medical services.

The average daily cost in all provincial hospitals had increased from R45,77 per day for an in-patient in 1981 to more than R65 in 1983.

Hospital fees during the 1982/83 year brought the province only 5.6 per cent of what it spent on hospital services. The preliminary estimate for 1983/84 was that this would drop to 5.1 per cent — DDC.
MAIZE

Prices set to soar

There appears to be no way that Minister of Agriculture Greyling Wentzel can avoid announcing a stiff maize price increase next month.

The farmers' representative body, Nampo, called for a 25% hike at its Potchefstroom congress earlier this month. It says this year alone farmers lost R1 billion on planting and cultivating maize which was devastated by the drought.

Government also wants an increase because it has to pay the difference between the current price of R187/t and the cost of imported maize. So far the premium on imports is about R35/t above the official price. With about 4 Mt to be imported this year, government will have to find R140m.

The Maize Board (MB) too is likely to push for an increase. It met this week to prepare its recommendation.

The drought has underlined the importance of correct assessments of the maize crop, as mistakes can affect pricing decisions and negotiations on purchases (or sales) on world markets.

MB GM Henrie Nel admits that "mistakes are made" in assessing maize crops, but are to be expected, given SA's varied and irregular climatic patterns. Furthermore, estimates by government and the board do not always agree.

The Department of Agriculture's (DA) official assessment of the maize crop in March was about 4.1 Mt, but the board's previous preliminary assessment was only 3.5 Mt (FM March 16).

A DA spokesman says his department's system of assessing crops is "reasonably good," and has usually been within 5% and 6% of actual figures.

He says the department investigated the use of US Department of Agriculture's Landsat satellite pictures to refine crop estimates in 1978, but found this too costly and complicated (a special computer is required). In addition Landsat pictures have to be confirmed and tested "on the ground," which demands additional technical staff.

The board wants to refine its assessment method in the coming year, starting preliminary assessments as early as December. Using agricultural co-ops, its agents in production areas and its more than 300 receiving points, it would use this system and a mass of continuous information to form assessments of maize and other crops. This would be done with, and not in opposition to, the DA's official assessments.

Nampo economist Kit le Clos says he doubts the wisdom of publicly announcing crop assessments, as this could influence prices on world markets, depending on SA's import or export requirements.

According to him, government should determine an import budget, as soon as final crop assessments are received, which should then be handled on a day-to-day basis by the MB, as the administrative importing arm of the industry and of government.

"The present system, with imports managed by the board and government's special import advice committee, is far too cumbersome," he says. "Meetings have to be called and resolutions passed asking government's authority to import. The process can take weeks and has caused the country to lose some good deals in the past." According to him, government should determine an import budget, as soon as final crop assessments are received, which should then be handled on a day-to-day basis by the MB, as the administrative importing arm of the industry and of government.

"The present system, with imports managed by the board and government's special import advice committee, is far too cumbersome," he says. "Meetings have to be called and resolutions passed asking government's authority to import. The process can take weeks and has caused the country to lose some good deals in the past."

"Where there is a set offer, a decision should be reached immediately on its acceptance as international markets are subject to daily and even hourly changes and price movements."

Maize consumers ... in for a shock?

Financial Mail, March 30 1984
EAST LONDON — South African Transport Services have announced a fare increase on the service between Mdantsane and East London which will come into operation tomorrow.

Fares are to go up by a few cents, for example, a third class ticket from Mdantsane to East London has been increased from 35c to 45c. A weekly ticket between the two centres will now cost R2.40 instead of R2.

Sats also announced a number of special trains which will run during the forthcoming Easter holiday period. They are:

March 29, East London to Johannesburg departing at 11.15 am and East London to Port Elizabeth departing at 12 noon.

April 19, East London to Queenstown departing at 9 pm (for black passengers only) and East London to Cookhouse at 9.41 pm.

April 23, East London to Port Elizabeth departing at 1.50 pm.

April 24, Queenstown to East London arriving at East London at 4.43 am (for black passengers only).
THOUSANDS of commuters were shocked and angry today to find the cost of their weekly and monthly train tickets had increased in some cases by more than 20 percent.

Many telephoned The Argus to complain. They said they had expected an increase of about nine percent in terms of information given by the Minister of Transport, Mr Hendrik Schoeman, when he presented the South African Transport Services Budget to Parliament this year.

Thousands bought monthly tickets today at the start of the new month.

Mr Leon Els, assistant officer of the Department of Transport Services, confirmed the increases, but said they averaged 9.5 percent because some fares had remained the same and some had, in fact, been reduced.

He disagreed with complaints by commuters that they had been misled.

Monthly increases of which people complained, with actual percentage increase in brackets: Claremont to Cape Town: Up from R15.50 to R16.50 (22 percent); Plumstead to Cape Town: Up from R17.50 to R21 (20 percent); Observatory to Cape Town: Up from R8.76 to R11.50 (32 percent)

Mr Els said that in certain cases the high increases were due to changes in the system of determining fares.

Previously, fares were determined on a five-kilometre zone system (where all fares in a zone were the same). Now, due to the pending introduction of automatic ticket machines, fares were calculated on actual distance.

"Sneaked in"

Mrs D Watson, a city building society employee, whose monthly Plumstead to Cape Town rail ticket today cost her R21, a jump of R3.50 from the old R17.50 fare, said she was "annoyed that the railways had "sneaked in" a 20 percent, rather than the promised 9.5 percent fare increase."

"It is the principle that matters. They said they would increase the fares by 9.5 percent — which some people consider high enough anyway — and now they push it up at the last minute. The rising cost of living is bad enough. Now we have to cope with this as well.”

Miss Pat Schwartz, one of Mrs Watson’s colleagues, said that she had to pay much more for her monthly ticket.

"I am very annoyed. They said the increase would be 9.5 percent. The railways should have stuck to that."

Mr B MacLeod, director of the Cape Town Chamber of Commerce, today accused the railways of misleading the public and “hiding behind averages.”

Goods tariffs

He said that not only passenger fares, but also goods tariffs were much higher than the average expected. Some goods tariffs were more than double the expected 9.4 percent.

"The railways are running at an enormous loss, and we understand they are trying to reduce these losses, but they should not set unrealistically high tariffs and mislead the public."

Mr MacLeod said the minister “should be taken to task” for giving a low and misleading average increase and should be asked to explain how many people would pay the reduced fares used to determine the average and how many thousands actually paid considerably more.

The average given by the railways would be “a nonsense figure” if it transpired that most people actually paid more than the average given.
Price increases dash hopes of curb on inflation

By Bill Levitt

Several price increases took effect yesterday and these will make it virtually impossible for the inflation rate to drop below 10 percent this year, economists say.

Last month, the Government announced that the inflation rate had dropped to 10 percent - the lowest for six years.

But that figure did not take into account a number of price increases since January nor the proposed increases in the prices of several other items.

A spokesman for the Government’s Central Statistical Office said today that it normally took between one and three months before price increases on non-Government-controlled items had an impact on the inflation rate.

This was because retailers could hold back price increases as long as lower-priced stocks lasted, he said.

But spokesmen for food stores warned that, once stocks were depleted, customers would face the full brunt of price increases that, in some cases, would exceed the current 10 percent inflation rate.

Effective from yesterday

- Increases effective from yesterday were
  - Petrol — up 1.5 c a litre in the Transvaal
  - Railway, air and harbour tariffs — up an average of 9.4 percent.
  - Post Office tariffs — up nine percent.
  - Rand Water Board tariffs — up 23.5 percent
  - Transvaal Provincial Hospital tariffs — increased by up to 100 percent.
  - Maximum penalties for traffic offences — increased to R2 000 for speeding and a maximum R2 000 (up from R100) for drunken driving

- Since January:
  - Brown bread has risen 16.6 percent and the price of a white loaf has increased 11 percent
  - Prices of canned goods have been increased an average of nine percent.
  - It has been announced that maize is heading for an increase of at least 25 percent.

- Other items for which increases are forecast:
  - Rice is expected to rise about 16 percent
  - Detergents are set to rise about five percent and toiletries by about 10 percent
  - Biscuits will rise nine percent and insecticides from 13 to 16 percent
  - Sugar prices will rise another three percent when full adjustments are made.

- Tea shortages will force up the price by as much as 25 percent.

- Coffee will rise 7.5 percent.
Services, food soar in price

Pretoria Bureau

ALTHOUGH the average inflation rate for the past three months is 10.4%, some goods and services rose above the average rate, according to the Consumer Council.

Prices of commodities rose by only 8.8% against the increase of 14.4% in services, the council said in a statement.

The main increase in food prices was on fats and oils — 17.7%. Fruit went up 18.9% and coffee and tea 13.4%. Other foods — like vegetables — showed only a slight increase or otherwise an increase made the average inflation rate.

Cold drinks showed an extraordinary increase of 19.6% which is much higher than the 8.8% of alcoholic drinks and 9.9% of tobacco and cigarettes.

The inflation rate on housing is also abnormally high at 17.9%.

The building industry, said the Consumer Council, was known as one of the economic barometers and therefore it was "discom-forting" that the increase on housing showed such a sharp jump.

The retail price of motor vehicles increased by 11.6%.
Train delays on day of fare increases

Staff Reporter

THOUSANDS of angry train commuters, who had just been hit by a fare increase, were left standing at their stations when 14 trains ran up to 22 minutes late yesterday morning.

Commuters were particularly angry at the delays yesterday because it was the first day that new, generally increased fares came into effect.

A signal defect at Retreat was the cause of the delay, said Mr Leon Els, public relations officer for the South African Transport Services. He added that the technical problem had been sorted out.

The service was back to normal soon after 8am.

The Mitchells Plain service had also been disrupted, he said, as the problem had begun on the Simon's Town line at 6.35pm, just after the start of the morning peak time.

"Some of the trains had to be turned around before reaching their destinations on the route away from Cape Town," said Mr Els.

It was a question of limiting the inconvenience to the smallest possible number of people, said Sats spokesman Mr Ernie du Plessis.

"Average increases for third-class tickets were 12.6 percent, and first-class tickets went up by an average 9.1 percent," said Mr Els.

However, some of the increases were as high as 26 percent.

Mr Els said some fares had decreased by as much as 20 percent, as a new tariff system had been introduced yesterday.

"Now we charge for exactly the number of kilometres travelled, whereas the previous system worked on a zone basis. Each zone was 5km in length," he said.

The introduction of the new fare set-up was a step towards the modernization of the ticket-issuing system, he said.

"We hope to have automatic ticket machines in operation by the end of the year," he said.

A general rail fare increase had been instituted simultaneously with the the change-over from the zone-based method to the kilometre-based one, he said.
Brewery: stick to budget increase

He said that this would be in the interests of both consumers and the liquor trade as the increase would have a depressing effect on the growth of beer sales in the future.

With the new prices, lager and pale lager beers will vary in wholesale prices from R8.46 for a case of 12,750 ml bottles to R11.62 for a case of 24 340 ml cans, milk stout from R9.05 for a case of 12,750 ml bottles to R9.83 for a case of 24 375 ml bottles, and draught (road deliveries only) will now cost R51.20 a 50 litre keg.

Mr Summs said the deposit value will not change.

DDR
Goods and services pass inflation rate

Pretoria Correspondent

In the last three months the cost of goods and services has risen above the average inflation rate of 10.4 percent, according to the South African Co-ordinating Consumer Council.

While the cost of commodities rose by 8.6 percent the cost of services increased by 14.4 percent, said the council.

The main increase in food prices was caused by a 17.7 percent increase on fats and oils, 18.9 percent on fruit, 13.2 percent on tea and coffee and 14.4 percent on other items.

According to the council, colliermans showed an extraordinary price increase of 19.5 percent which was much higher than the price increases of 6.2 percent for alcohol, and 9.9 percent for tobacco and cigarettes.

The Consumer Council said the building industry was an economic barometer so it was discomforting that the inflation rate for housing had risen so much.

The council also maintained that a 15.5 percent increase in domestic servants' wages contributed to inflation and that setting minimum wage levels for them would be inflationary.

The retail price of vehicles increased by 11.8 percent in the last three months -- excluding the increases on vehicles above and below R15 000 announced in the Budget.

The Consumer Council also criticised the increase in communications tariffs, saying it was an unhealthy economic principle to close gaps so suddenly.

The council said it could be reasoned that there had been no communications increases between 1975 and 1979, and that communications during this period had slipped behind other services which introduced periodic price rises.

But the council said it was a harsh measure to rectify the gap by introducing a 26.4 percent increase in tariffs.
Price spiral in E Cape slows

LATEST calculations of the household subsistence levels (HSL) for black and coloured families in South Africa, show only "moderate" price increases, according to the University of Port Elizabeth's Institute for Planning Research.

According to the UPE figures just released the barest minimum monthly income required by a black Port Elizabeth family of six rose 0.7% to R278.87 in March (compared with September last year).

The HSL (see footnote) calculated for a coloured family of five members in Port Elizabeth rose 4.2% to R295.10.

The report contained comparatively good news for black families in the Eastern Cape, as the increase in the HSL over the past six months was lowest in Uitenhage (0.1%), closely followed by Port Elizabeth (0.7%).

In Plettenberg the increase was 1.4%

Under the circumstances Port Elizabeth remains among the cheapest cities for black families, with it's minimum monthly bill of R278.87 considerably lower than the most expensive city, Windhoek, where a black family requires a minimum income of R414.83.

In East London the HSL for black families rose 4.9% over the past six months to R232.55, and 5.9% for coloureds, to R280.98.

Centres showing the highest increase in the black HSL were Johannes-burg, Springs and Germanson (8.4%), Benoni (9.2%), and Boksburg (8.9%). Contributing to these substantial increases were the costs of water and electricity.

In a commentary attached to the figures UPE observes that "it would appear that the effect of the general increases in the prices of certain commodities which were announced recently, such as maize, sugar, bread, and cooking oil and sugar, were partly offset by very low increases of other commodities".

For coloured households the pattern "follows that of blacks". While the average increase in the HSL for black households over the past six months was 3.7% (9.2% over a 12-month period), that for coloured families, says UPE, was 5.8% (and 15% for the 12-month period).

Best off were the residents of King William's Town, where the calculated HSL for March was actually lower than that for September (declining 1.6% from September's R235.36).

"This apparent anomaly," says UPE, "is partly due to a substantial drop in the average electricity and water account."

Other centres which experienced moderate to low increases were Queenstown (3.4%), and Port Elizabeth (4.2%).

In Pretoria a substantial 10.1% increase in March's HSL compared with that for September was recorded.

The UPE's Household Subsistence Level (HSL) is updated every six months and was first published in April 1973. It measures, by way of field research, the estimated theoretical income required by an individual household to maintain a defined minimum level of health and decency in the short turn. Included in the survey is the cost of food, clothing, fuel, washing and cleaning materials, plus the cost of workers' transport.

Excluded are medical expenses, holidays, travel purchase allowances, reading materials, incidental expenses and general transport. Reflecting the HSL by some 30% produces the HESL (household effective level), which would include such additional expenses.

**A CRITIQUE OF THE SMART PLAN**

John Knight

The table details HSL statistics for selected Eastern Cape centres, while the chart graphs the trend in HSL increases for black households in the country's five major urban centres.

---

**HSL FOR MARCH 1998**

<table>
<thead>
<tr>
<th>Centre</th>
<th>HSL 55-year-olds</th>
<th>HSL 65-year-olds</th>
<th>HSL 70-year-olds</th>
<th>HSL 75-year-olds</th>
<th>HSL 80-year-olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Elizabeth</td>
<td>324.75</td>
<td>228.87</td>
<td>213.75</td>
<td>198.63</td>
<td>183.51</td>
</tr>
<tr>
<td>Pretoria</td>
<td>249.31</td>
<td>195.55</td>
<td>176.86</td>
<td>160.52</td>
<td>144.20</td>
</tr>
<tr>
<td>East London</td>
<td>285.03</td>
<td>200.54</td>
<td>176.10</td>
<td>156.76</td>
<td>138.21</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>316.68</td>
<td>215.58</td>
<td>185.55</td>
<td>160.52</td>
<td>137.51</td>
</tr>
<tr>
<td>Uitenhage</td>
<td>230.16</td>
<td>175.55</td>
<td>151.86</td>
<td>133.85</td>
<td>115.84</td>
</tr>
</tbody>
</table>

---

**FIGURE 1**

The household subsistence level cost for five major urban centres.

---

**Hand out sheet**

---

**Legend**

- **Black**
- **Coloured**
- **Blacks**
- **Coloureds**
- **Blacks**
- **Coloureds**

---

**Notes**

- The data is updated every six months and was first published in April 1973.
- The cost of food, clothing, fuel, washing and cleaning materials, plus the cost of workers' transport is included in the survey.
- Medical expenses, holidays, travel purchase allowances, reading materials, incidental expenses, and general transport are excluded.
- The HESL (household effective level) produces an estimated cost by some 30% of the HSL.

---

**Graph**

The graph shows the trend in HSL increases for black households in the country's five major urban centres.
Bus fares climbing — again

By DERRICK LUTHAYI

NEXT Wednesday is a gloomy day for commuters — they will have to dig deeper into their pockets when the giant Greyhound Bus Lines increases its fares on the West Rand.

According to the company's traffic manager, S. Noble, local community councils and town councils in the West Rand are aware of the 8.3 per cent increase, and it has been approved by the Local Road Transportation Board.

Mr Noble said the fares will increase on some routes by five cents, but on others there will be no increase.

Commuters travelling between Mohlakeng and Randfontein, Delmas, Aures, Leratong Hospital, Greenhills, Chamor factories and Bekkersdal will pay five cents more.

Commuters travelling between Kagiso, Krugersdorp, Sterkfontein, Delporton and Leratong Hospital will also pay five cents more.

He urged commuters to use weekly and monthly tickets, which are cheaper. On some routes, commuters can save up to R1.30 a week.

"We had planned to implement the increase from January this year," said Mr Noble. "But, during our discussions with local councils, we were asked to postpone the increase for as long as possible.

"We managed to do so because of the reduction in fuel prices."
Another shock for consumers

US maize imports to jolt prices

By Bill Levitt

Blacks, pensioners and low-income whites will face more hardship later this year when the high cost of imported maize forces up the price of meat, poultry, eggs and mealie meal.

The Poultry Association says broiler chickens could cost 12c/kg more, and eggs could rise by 9c a dozen.

The Government-controlled floor price for meat at cattle auctions will be reviewed in July, and milk prices — deregulated last year — could also rise.

A spokesman for Premier Milling said there could be a 15 percent increase in mealie meal — from 78c to 90c for a 2.5 kg packet.

South Africa must import 4.4 million tons of maize, and producers say most of the additional cost — between 30 and 35 percent — will be passed on to consumers.

Though maize imports began last year, the Maize Board refuses to say if this year's requirements have been bought, or when they will be shipped.

The National Maize Producers estimate that it will cost R267 to get a ton of maize from the United States to producers in South Africa. Local maize costs about R197.

Producers estimate that the cost of producing chickens will rise R7 million for every R10 a ton imported maize costs more than the local prize.

Egg producers will pay about R3 million more.

This latest blow comes at a time when consumers are still reeling from price rises to a number of staples, increased cost, and new taxes on alcohol and cigarettes.

Consumer groups such as the Housewives' League of South Africa have urged the financially-strapped Government to subsidise the maize imports.

The Government is investigating the possibility of such a move, but sources say it is unlikely that any subsidy will cover the total costs.
Power, blacks told
Use your consumer
power...
Inflation continues to spiral upwards

By GERALD REILLY

Pretoria Bureau

SOUTH AFRICA'S chronically high inflation rate increased again during March, according to the latest consumer price index (CPI) released in Pretoria yesterday by the Central Statistical Services.

In February the rate dropped by 0.3% to an 12-month figure of 16%.

During March however, it rose again 10.2%.

Economists said yesterday the 10% barrier would be hard to break and it was unlikely it would be broken for the rest of the year.

During March the all-item index rose from 278.4 to 281.3, an increase of 1.3% which, on a 12-month basis, is more than 15%.

The food-only index reflected the exasperating costs under the impact of last summer's disastrous drought.

The index rose by 2% during March, with a 12-month figure of 9.6%.

A Volkskas economist, Mr. Adam Jacob, said the CPI was likely to continue rising during the months ahead.

Major factors in the level of the country's inflation rate were the weakening of the rand which made imports much more expensive, high growth in the money supply and the high level of Government spending, which lasts a short-term impact.

Other economists pointed out that high railway and post office tariffs, which came into effect on April 1, still had no impact on the index.

Just ahead, too, were price increases in two major foods, maize and milk.
Doubts on costly imported maize

By Barry Sergeant

NEW maize prices for producers and mealie-meal prices for consumers will be announced within the next two weeks, say the SA Agricultural Union and the National Maize Producers Organisation (Nampo).

Although the increases are a foregone conclusion, the vital news will be the size of the consumer subsidy. SA producer prices are expected to increase 17.6% to R220, the national landed cost of imported maize. Exact import prices cannot be disclosed by the Maize Board because of tactical bargaining on world markets where prices are rising.

Bread

Mealie meal could rise by up to 33%, according to conclusions reached at a Maize Board meeting where producer, consumer and feedstock organisations were represented. If the normal subsidy of R136-million is given to meal, prices would rise 25%. But if the subsidy were increased to bread's R275-million they would rise by only 12%.

Pieter Gous, executive director of Nampo, says the producer maize price will have to be R354 a ton to compensate farmers for lost production costs.

The price announcement will be made amid controversy over the quality of imported maize. Argentina has suffered crop losses because of heavy rains and the US because of drought.

Top grade

The quality of US maize has been affected by its payment in kind programme (PKP) which gave farmers maize — stockpiled for the past three years — in return for idling part of their land. The stockpiled mealies have suffered because of lengthy storage.

Hennie Nel, general manager of the Maize Board, insists that only top-grade maize is being bought.

One grain analyst says that because foreign maize is not used for human consumption, it receives less handling and storage care than in SA.

The SA maize crop will be marginally up on 1983's, according to the Department of Agriculture's estimate — 117 000 tons for 1984 compared with 1983's 4 075 000.

Shipping

Farmers will keep 60 000 tons of maize for their own use, leaving deliveries of 3317 000 tons.

Consumption exceeds 7 million tons, and 3.6-million tons of mealies will have to be imported. Dr Gous says imports could be reduced by using 300 000 tons of grain sorghum to feed stock.

Hennie Bezuidenhout, manager of the SAAU's grain commodities committee, says discussions on importing wheat from Brazil and Australia are under way. World wheat prices are lower than for maize.

The maize import programme worries shippers because the authorities insist that ships carry only 25 000-ton cargoes, with a 5% allowance on either side. The Maize Board also insists that the vessels have a maximum draught of 32 feet.

The reason, according to Mr Nel, is to allow flexibility in port destinations. Richards Bay can take ships with a 40-foot draught, but East London and Port Elizabeth, which are handling most of the imports, cannot.
### Price

In terms of the old official price list, the R.C.36 is listed as a 90-kilogram bag of coal and the R.C.40 as a 100-kilogram bag of coal. The old official price was R2.98 per bag, while the new official price is R3.87 per bag. This represents an increase of 25%.

Local coal merchants have charged a premium of R0.30 per bag for the 90-kilogram bag of coal and R0.50 per bag for the 100-kilogram bag of coal. This is an increase of 10% and 16% respectively.

### Consumer Concerns

Consumer concerns are growing with the increase in coal prices. Some consumers are frustrated with the hike in prices and feel that it puts an unnecessary burden on their budgets. Others are concerned about the environmental impact of coal mining and wonder if there are alternative sources of energy.

### Coal Trade

The coal trade is a significant part of the South African economy. Coal is a major export commodity, providing revenue for the government and jobs for many workers. However, the increase in coal prices may also impact the economy, as it can lead to inflation and increased costs for businesses.
Maize price:
end to GST
on food urged

The Government has been urged to give immediate relief to the poor and unemployed by withdrawing the general sales tax on essential food items following yesterday's huge rise in the maize price.

The calls were made by the chief Opposition spokesman on finance, Mr Harry Schwarz, and the executive chairman of Pick 'n Pay, Mr Raymond Ackerman, after the 26.5 percent increase in the gross producer price of maize announced by the Maize Board yesterday.

An increase in the State maize price subsidy reduces this to what is still a record 18.5 percent rise in the retail price of maize products.

This in turn will have a severely inflationary effect on a range of other essential foods such as eggs, meat and milk.

Mr Schwarz said the low-income groups had already seen their disposable incomes shrink as a result of the recession. These people, as well as the many unemployed, would not be able to afford the latest price increases.

He called on the Government to immediately increase the subsidies on essential foodstuffs so that the seven percent GST was refunded to consumers.

Mr Ackerman appealed to the Government to make an urgent re-assessment of the GST on basic foods in the light of the increase.

HUGE INCREASES

He said the question of subsidies on maize and bread should be investigated because of the huge increases poorer people were facing.

The secretary of the Western Cape Agricultural Union, Mr Gert Bosch, said the latest maize price increase would have a particularly adverse effect on intensive stock farming in the Western Cape. He said producers would not be able to absorb the increase.

The chairman of the Western Cape Fresh Milk Producers' Union, Mr Nico Basset, said in view of the increase, he doubted whether it would be possible to avoid increasing the consumer price of milk. A milk price increase had not been planned until the end of the year.

The deputy-chairman of the Boland Poultry Producers' Association, Mr Ferruccio Ferucci, said since 60 percent of the country's maize production was used by poultry farmers, he expected the price of eggs to go up by eight cents a dozen. The price of chickens could rise by 15c a kg.

The increase would force pork farmers to give greater attention to alternative sources of protein to replace maize in the rations, said the chairman of the Western Cape Pork Producers' Association, Mr David Gault.
Prices up in wake of maize

Staff Reporter

RETAIL price rises on maize products could be felt by shoppers within three weeks, following the Maize Board's 18.5 percent maize price increase.

The price rise is likely to be felt more widely as a ripple-effect pushes up prices of foods associated with maize.

The chairman of the Maize Board, Mr Crawford von Abo, who announced the price rise, said in Pretoria the prices of maize products would probably increase by about 18.5 percent.

As a result of the increase in the cost of animal feeds, the price of such foodstuffs as eggs, broilers, pork, milk and beef were expected to rise also, he said.

Some supermarket chains pledged today to keep their prices down for as long as possible.

THREE WEEKS

Spar's supermarkets countrywide will keep a lid on prices but expect old stocks to run out within a week, said Mr Sidney Matus, executive director of the group.

Mr Raymond Ackerman, managing director of Pick 'n Pay, said: "The price hike will be passed along to the consumer within the next three weeks in our shops, as maize is a perishable item."

"However, stores should not raise their maize prices immediately until their old stock has run out — that would be very unfair to the consumer."

Mr Gordon Utian, Checkers' managing director, called on all food manufacturers to help consumers by cushioning price increases that will follow the maize price increase.

Some supermarket chains pledged today to keep their prices down for as long as possible.

THREE WEEKS

Spar's supermarkets countrywide will keep a lid on prices but expect old stocks to run out within a week, said Mr Sidney Matus, executive director of the group.

Mr Raymond Ackerman, managing director of Pick 'n Pay, said: "The price hike will be passed along to the consumer within the next three weeks in our shops, as maize is a perishable item."

"However, stores should not raise their maize prices immediately until their old stock has run out — that would be very unfair to the consumer."

Mr Gordon Utian, Checkers' managing director, called on all food manufacturers to help consumers by cushioning price increases that will follow the maize price increase.

The South African Coordinating Consumer Council has warned that consumers could turn to other foods such as rice and potatoes if maize prices continued rising.

Egg prices could go up by 4c a dozen, broiler prices by 5c/kg, pork by 7c/kg, milk by 1.5c/litre and the price of beef by 20c/kg.

National president of the Black Housewives' League Mrs Sally Motlana expressed shock at the increase of "the staple food for the lowest and poorest section of the population."

"This increase will make the poverty of blacks unbearable and may even cause the peace we are looking for to be very shaky," she said.
Massive maize price increase

Own Correspondent

Johannesburg. — Supermarket chains called on the government to introduce urgent action to minimize the crippling effect of a massive maize price increase of 18.5 percent announced in Pretoria yesterday.

And black consumer bodies reacted with shock to the increase, predicting that a price increase in "the most essential foodstuff for people in the lowest income bracket" would make black poverty "unbearable".

The price increase was announced by the chairman of the Maize Board, Mr Crawford van Abo.

Speaking at a press conference in Pretoria after a meeting with the Minister of Agriculture, Mr Greyling Wentzel, Mr Van Abo said: "This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize."

Ripple effect

The two major reasons for the huge price rise are the devastating drought, which destroyed two-thirds of last summer's crop, and the high price of imported maize.

Mr Van Abo said: "He said the prices of animal products would rise because of the inevitable increase in animal feeds. Eggs were likely to rise by four cents a dozen, broilers by five cents a kg, pork by seven cents a kg, milk by 1.5 cents a litre and beef by 20 cents a kg."

Pick 'n Pay chairman Mr Raymond Ackerman made an "urgent" call to the government to subsidize maize.

He also called for a "quick decision" on withdrawing General Sales Tax on all basic foodstuffs, "before this very big increase filters through to the consumer."

Mr Ackerman said Pick 'n Pay would be able to help the consumer absorb the increase because it had bought forward maize.

Pick 'n Pay would not raise the maize price till all the forward maize stock had been sold — and its mark-up on the basic maize price.

Checkers, called on all food manufacturers to "exercise restraint" and help the consumer by "repositioning" the inevitable price increases that would follow the maize price increase.

Mr Utian also made an urgent call to the government to implement a "selective subsidy" to relief organizations so they could continue feeding commitments.

"Although the man in the street will be hit hard by the ripple effect of this massive increase, it is a major disaster for the emergency-relief feeding organizations presently keeping hundreds of thousands of drought-stricken people from starvation," he said.

The national president of the Black Housewives' League, Mrs Sally Motlana, said she was shocked that the government could increase the price of the staple food of "the lowest and poorest" section of the population.

LONDON — The British Prime Minister, Mrs Margaret Thatcher, yesterday slammed what she called the "utterly appalling" treatment Zola Budd faced at Crystal Palace Stadium last night when sections of the crowd hurled racial insults.

As the row over Zola reached the highest levels of British politics, Mrs Thatcher told the House of Commons: "I thought the treatment meted out to a 17-year-old girl was utterly appalling and a disgrace to this country and held it up about South Africa."

Mrs Thatcher also backed criticism of Labour-controlled local authorities which seek to ban Zola. In the House, Tory MP Mr Keith Best declared it was "petty-pie."
increase

Own Correspondent

JOHANNESBURG.—Supermarket chains called on the government to introduce urgent action to minimize the crippling effect of a massive maize price increase of 18.5 percent announced in Pretoria yesterday.

And black consumer bodies reacted with shock to the increase, predicting that a price increase in "the most essential foodstuff for people in the lowest income bracket" would make black poverty "unbearable.

The price increase was announced by the chairman of the Maize Board, Mr. Crawford van Abo.

Speaking at a press conference in Pretoria after a meeting with the Minister of Agriculture, Mr. Greyling Wentzel, Mr. Van Abo said: "This is the price we have paid after being battered by drought, and for not being self-sufficient in maize."

Ripple effect

The two major reasons for the huge price rise are the devastating drought, which destroyed two-thirds of last year's crop, and the high price of import.

Mr. Van Abo said preliminary calculations were that the price of maize products would rise by about 18 percent.

He said the prices of animal products would rise because of the inevitable increase in animal feeds.

Eggs were likely to rise by four cents a dozen, broilers by five cents a kg, pork by seven cents a kg, milk by 1.5 cents a litre and beef by 20 cents a kg.

Pick 'n Pay chairman Mr. Raymond Ackerman made an "urgent" call to the government to subsidize maize.

He also called for a "quick decision" on withdrawing General Sales Tax on all basic foodstuffs, "before this very big increase filters through to the consumer."

Mr. Ackerman said Pick 'n Pay would be able to help the consumer absorb the increase because it had bought forward maize.

Pick 'n Pay would not raise the maize price till all the forward maize stock had been sold — and its mark-up on the higher price maize would be "absolutely minimal."

Mr. Gordon Utian, managing director of Checkers, called on all food manufacturers to "exercise restraint" and help the consumer by "cushioning" the inevitable price increases that would follow the maize price increase.

Mr. Utian also made an urgent call to the government to implement a "selective subsidy" to relief organizations so they could continue feeding the poor.

"Although the man in the street will be hit by the ripple effect of this massive increase, it is a major disaster for the emergency-relief feeding organizations presently keeping hundreds of thousands of drought-stricken people from starvation," he said.

The national president of the Black Housewives' League, Mrs. Sally Molana, said she was shocked that the government could increase the price of the staple food of the "least and poorest" section of the population.

"This increase will make the poverty of the black man unbearable, and may even cause the peace we are looking for to be very shaky."

The president of the Black Consumer Union, Mrs. Helen Khuwanyo, said it was clear that the increase in the price of maize was to "protect" farmers, and not to help the consumer.

"Going to die!"

Farmers are the government's dependants. They have got big loans, and they are subsidized in many ways," she said.

Mrs. Maggie Nkwe, matron of the Orlando Children's Home, said the increase in the price of maize was an indirect way of really destroying the poor.

"We are already, and increasing, the price of our most basic foodstuffs means that we are going to dip..."
Consumers must pay 18.5% more

Shock rise in price of maize

By GERALD REILLY
Pretoria Bureau

THE price of maize is to be increased by a record 18.5%, the chairman of the Maize Board, Mr Crawford van Abo, said in Pretoria yesterday.

Speaking at a Press conference after a meeting with the Minister of Agriculture, Mr Greiling Wentzel, Mr Van Abo said:

"This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize. We are faced with reality, and we must act accordingly. World supplies are low and we have to purchase whatever is available."

"Maize is the basic food of my people who are struggling to feed themselves, especially after the recent increase in other basic foods, including bread."

Mrs Mvubela said there was already widespread hunger in the townships and loading the maize price by almost a fifth would mean starvation in some families.

The big price rise, Mr Van Abo said, was the consequence of the unusual drought, especially in the western part of the country.

This had resulted in a maize crop of about four million tons of which producers would deliver only 2 700 000 tons to the board. This meant that between four million and four million tons of maize would have to be imported.

This year for the first time in the country's history, he said, imports would exceed local production.

The cost of imported maize would be R245.75 a ton.

"And if the Government had not been willing to subside the domestic selling price the board's selling price would have been R245.75 a ton."

As a result of a considerably larger Government subsidy, however, the board's selling price would be R220 a ton. This was about 10% higher than the present selling price of R200 a ton.

Consumer organisations reacted with shocked surprise at the extent of the price increase, which will affect a whole basket of essential foods and hit the poor, who rely on maize meal as a staple diet. 

"Two main reasons for the huge price rise are the devastating drought, which destroyed two thirds of last summer's crop, and the high price of imported maize."

Mr Van Abo said preliminary calculations were that the price of maize products would rise by about 18.5%.

He said the prices of animal products would rise because of the inevitable increase in animal feeds.

Eggs were likely to rise by 15c/kg, broilers by 50c/kg, eggs 1 1/2c/kg, milk by 10c/l, and beef by 50c/kg.

"The Consumer Council said the higher price would have a serious impact on the budgets of low income earners."

The effect the new price would have on other foods was disturbing, a spokesman said.

"The president of the Housewives' League, Mrs Joy Hurwitz, was "shocked."

"This will be terrible blow to the black consumer, especially in a climate of rising unemployment and a continued recession."

"The general secretary of the Garment Workers' Union of South Africa, Mrs Lucy Mvubela, said, "I am shocked. How could they do such a thing?"

Consumer groups slate increase

By CHRIS STEYN

SUPERMARKET chains last night called on the Government to take urgent action to cushion the impact of the massive 18.5% maize price increase.

Consumer organisations also reacted strongly.

The national president of the Black Housewives League, Mrs Sally Moolenaar, said she was shocked that the Government could increase the price of the staple food of the "lowest and poorest" section of the population.

The president of the Black Consumer Union, Mr Helen Khuzwanyo, said it was clear that the increase of the "most basic staple food for people in the lowest income bracket" was to "protect" farmers and not to help the consumer.

Mr Pick 'n Pay's chairman, Mr Raymond Ackerman, last night urged the Government to subsidise maize.

He said Pick 'n Pay would not raise the maize price until all current contracts had been sold and its markup on the higher-price maize would be "absolutely minimal."

Mr Gordon Hood, managing director of Checkers, called on food manufacturers to exercise restraint and help the consumer by cushioning the price increases that will follow the maize price rise.

South Africa's largest retailer, OK Bazaars, has reacted to the increase in the price of maize by slashing the price of its Fos' Gold high protein macaroni and spaghetti.

OK's managing director, Mr R. Hood, expressed his alarm at the extent of the increase which comes hot on the heels of other food price rises.
Warning on maize price rise

Staff Reporter

WORKER and community organizations in the Western Cape have warned the government that the 18.5 percent maize price increase announced this week would cause widespread anger and resentment which could threaten the country's stability.

The publicity secretary for the United Democratic Front in the Western Cape warned that the increase on this staple food was seen by workers as a "clear provocation" from the government.

"Our people's patience is not endless," he said. "Workers in South Africa have learnt that the only defence against these attacks on their living standards is united action."

The secretary of the General Workers Union, Mr. Dave Lewis, said the union deplored the increase following as it did increases in the prices of most basic foodstuffs and the increase in GST.

"The unions have already taken up the GST increase with the Minister of Finance and this is further proof that the government is not interested in consulting with or considering the plight of the people most sorely affected by the increase."

"It will come to learn the consequences of this type of action," said Mr. Lewis.

If the government reduced expenditure on defence, it could easily subsidize the maize price, he said.

A spokesperson for the Food and Canning Workers' Union said the union was "shocked and outraged" by the price increase.

The director of the Carnegie Inquiry into Poverty and Development, Professor Francis Wilson, said the poorest members of the community would feel the increase first, and most acutely.

"Papers submitted to the Carnegie Inquiry show that the number of people in the homelands with no visible means of support — no land, no cattle, no pensions, no remittances — has increased 5½ times in the past 20 years," he said.

"If you are scraping by with no money at all, what do you do when the price of your staple food is increased by almost 20 percent?"

Professor Wilson said the price increase was a political decision and questioned whether increasing the consumer's burden would really solve the "enormous" problems faced by the maize industry.

The Minister of Agriculture, Mr. Tos Wentzel, has given his full approval to the increase, which he described as "unavoidable."

Countrywide crop failure

In a press statement, Mr. Wentzel said the Maize Board's decision was the result of a countrywide crop failure for the second successive year, which necessitated the highest import programme in history at a time when import processes were particularly high.

Because white maize is unobtainable on the overseas market, South Africa will import only yellow maize. Maize this year will therefore contain 75 percent yellow and 25 percent white maize.

The maize price increase will also have a substantial effect on other animal products, according to figures released yesterday.

Eggs are expected to cost 4c more a dozen, broiler chickens to increase by 5c a kilogram, pork by 7c a kilogram, beef by 20c a kilogram and milk by 1½ cents a litre.
Pillars of Inequality

Focus on Poverty

By Marion Whithed

 caps bages

or the Ri

In the Land

WHY WOULDN'T WE HAVE A PRICE ON THE PLACE OF FOOD?

WHAT WOULD HAPPEN IF THE MARKET WAS THE PRICE OF FOOD?
We have been providing quality window treatments for over 30 years.

Our team of experienced professionals

- Design
- Install
- Maintain

We offer a wide range of products to suit any budget and style.

Contact us today for a free consultation. 

Estimate Agency

Public Tender

Details of the tender

- Object of tender: Replacement
- Location: Town A
- Submission deadline: 2 weeks from today

If you are interested, please submit your tender by the deadline.

- Tender documents available at the Town Hall
- For further information, contact Mr. Smith at 123-456-7890

We look forward to hearing from you.

Signed,

[Signature]

A member of the International Window Shading Association

[Date]
Price increase 'will hit feeding schemes

THE poorest people would feel the maize price rise first and most acutely, the director of the Carnegie Inquiry into Poverty and Development, Professor Francis Wilson, said this week.

His statement comes amid widespread and angry criticism by consumer bodies of this week's massive 19% maize price increase.

"Papers submitted to the Carnegie inquiry show that the number of people in the homelands with no visible means of support—no land, no cattle, no pensions, no remittances—has increased five-and-a-half times in the past 20 years," Prof Wilson told Sapa.

"If you are scraping by with no money at all, what do you do when the price of your staple food is increased by almost 20%?"

Supermarket chains and consumer bodies have called on the government to take urgent action to subsidise drought relief organisations so that they can continue their feeding commitments.

Mr Gordon Ullan, managing director of Checkers, said "It is a major disaster for the emergency relief feeding schemes which keep hundreds of thousands of drought-stricken people from starving."

Other supermarket chains have called for the quick withdrawal of general sales tax on basic foodstuffs.

Black consumer bodies said the increase would make black poverty unbearable.

The Minister of Agriculture, Mr Tos Weetle, has given his approval to the increase, which he described as "unavoidable."
Row flares on size of maize price increase

By Barry Sergeant

A row has broken out on how much the maize price has been increased.

The official increases, according to the Maize Board, are 25% for farmers and 18.5% for consumers. The consumer receives a subsidy on maize meal.

The Housewives' League says the increase for farmers is from R170 to R215 a ton. Its statement says: “A maize board official says R215 is the grade 1 maize price. He says farmers producing grade 1 white maize will get R215 a ton.” The league says the increase for grade 1 white maize is thus 32%.

Millers

The league also questions the maize board's claim that the maize millers pay has been raised by 18% to R220. The league says this figure is based on the inclusion of a 10% levy which was added to the producer price last year to cover the cost of 1988 imports.

The minister of agriculture, Greyling Wenzel, assured the league that the 10% would not be used in the latest price increases.

Flexibility

But it appears to have been as the increase without including the levy is 29% from R170 to R220 a ton and not 19% from R170 to R220 a ton as claimed.

The price row extends to imports. A farming spokesman says the public's money is being used to buy imported maize, but the public is not being told what price the maize board is paying for it.

The board says secrecy on SA stock levels and contract prices assures it of flexibility in negotiations.

The farmers report: “This is hardly justifiable because in spite of record imports, SA is importing only 1% of grain traded on world markets this year. Open price strategies are highly unlikely to influence prices.”

The league says the maize board's statement quotes R204.67 as the price for imported grade two yellow maize — the best grade available. “But we understand that not all orders have been placed — so how can they give us an exact figure?”

Adding to the furor is a commodities trader who says he offered the maize board without receiving a reply. US No 2 maize for under R200 a ton landed in Durban.

More bread

The size of the maize meal subsidy has not been disclosed officially, but preliminary estimates put the figure at about R175 million this year.

The bread subsidy to R135 million a year. The wheat board expects bread consumption to increase as a result of the increase in maize meal prices. After growing steadily by 2.5% a year for 20 years, bread sales fell in 1983 after a reduction in the subsidy.
Randburg, Sandton plan cemetery

Jo'burg burial costs soar for non-residents

By Jackie Unwin and Shirley Woodgate

The cost of burial in Johannesburg cemeteries for non-residents of the city has been increased by 1,200 percent.

Those affected by the increase are mostly from Sandton and Randburg, towns which do not have cemeteries of their own but have to use those in Johannesburg.

Randburg's town clerk, Mr Christo Geyer, said that negotiations to establish a cemetery on land in Maroelaad, to the north of Randburg and Sandton, had been taking place between the two towns and the matter was expected to be finalised at the Randburg budget meeting in May.

Mr Geyer was shocked this morning when told of the week's Johannesburg City Council announcement of enormous increases in the cost of burials and cremations for non-Johannesburg residents at West Park Cemetery.

Burial charges are to be increased from R66 to R800 for 'non-resident' adults, and from R40 to R50 for children.

Cremation charges have been increased from R60 to R150 for non-resident adults.

Urgency

Mr Geyer said Randburg acquired the Maroelaad land some years ago specifically for a cemetery and this was now being treated as a matter of urgency by both councils.

If the cemetery were sanctioned, the necessary infrastructure would have to be provided.

Mr Geyer said records for the past four years showed that an average of nine people a month died in Randburg.

Mr Ricky Valentic, chairman of Sandton's management committee, said that, at the moment, residents of Sandton who died were usually buried in Johannesburg's West Park Cemetery.

He thought the joint Randton/Randburg cemetery would be operational within a few months.

Mr Pieter de Jager, Sandton town clerk, estimated that burial costs at the Maroelaad Cemetery would be definitely lower than the R800 charge planned by Johannesburg.

Sandton deaths were between 10 and 20 daily in summer, rising to between 27 and 30 in winter, Mr de Jager said.
The Minister of Defence

The Minister of Defence is responsible for the administration of the Department of Defence and the Canadian Forces. The minister is accountable to Parliament and the Prime Minister for the overall direction and management of defence policy, including the development of defence strategy, the allocation of resources, and the maintenance of military capability. The minister is also responsible for ensuring that the Department of Defence is prepared to respond to any emergency or crisis that may arise. The minister oversees the operations of the Canadian Armed Forces, including the management of military personnel, the acquisition of military equipment, and the training of service members. The minister is supported by the Minister of Defence, who is appointed on the advice of the Prime Minister, and who serves as the government's chief defence advisor. The minister and the minister of defence work closely with the Department of National Defence and the Canadian Forces to ensure that the country is protected and that the military is equipped to meet the challenges of the future.
Consumers cut back on food spending

By Eugene Saldanha

South Africans are spending less on food than six months ago under the impact of the recession and drought.

Two major chain stores — OK Bazaars and Checkers — today supported this finding by an independent research company, Research Surveys (RS).

The report on eating and drinking patterns also reveals that there has been a noticeable decline in the consumption of maize products by black urban households.

The company conducts face–to–face interviews with 5500 white and black urban householders every six months to find out what they eat and drink. The latest survey was from November to February.

"These reveal that all South Africans are feeling the pinch and have been reducing expenditure on even staple foodstuffs. But black people are by far being hardest hit by the effect of lower disposable incomes and rising prices for basic foodstuffs," the report said.

Spokesmen for OK Bazaars and Checkers confirmed that sales for basic foodstuffs had dropped in the past six months.

"Our figures show there has been a drop in customer expenditure on basic foodstuffs and clothing. But there is little the stores can do about this because of the general economic climate," said OK Bazaars' company secretary Mr J Parnell.

Maize drop

The report shows that black households have reduced their consumption of yellow maize dramatically, and says a possible reason for this is resistance to the mixing of yellow maize with white.

Mr Parnell agreed that there had been a noticeable decline in maize sales.

Soup meals

In contrast, consumption of low-convenience packet soups as a summer meal had increased dramatically.

The survey also found that beer consumed at meal times had dropped from 13 to 9 percent for all races. But soft drinks maintained their record of last summer, despite higher prices.

These trends suggest that the authorities must give serious consideration to the lifting of GST on basic foodstuffs. To some extent, the drop in certain foodstuff consumption can be ascribed to the health kick of sensible eating," Mr Rice added.
THE MAIZE PRICE
Lost opportunity

No matter what he did about the maize price this year, Minister of Agriculture Greyling Wentzel was bound to be blamed by somebody for getting it wrong. With imported maize costing R246/t to land and a local crop barely sufficient to match half our domestic requirements, he could have increased the domestic selling price well above the R220 he eventually chose without feeling guilty.

But the consumers and livestock farmers would have screamed blue murder. So he funk ed it. At the other extreme, he could just as easily have refused to give the growers any more than the 12% to 15% increase they needed to keep pace with input cost inflation. That would have taken the net producer price to perhaps R193/t instead of the R214,05 they are now going to get.

It would not have made much difference to the drought-stricken farmers because they have hardly any maize to sell to the Board anyway. But Nampo (National Maize Producers' Organisation) would then have blown its orchestrated top. So Wentzel funk ed that too. The compromise he reached will add to everybody's problems while satisfying no one. The 18,5% increase in the Board's selling price will ripple through to eggs, pig-meat and black farm labour costs fairly quickly, and to dairy produce, beef and poultry meat (all of which are currently oversupplied) within the year. Thus the elusive goal of a single digit rate of increase in the consumer price index (CPI) has been nudged still further over the hill.

From that point of view it would have made more sense for government to buy off the farmers' ire by dishing out lump-sum subsidies. Direct cash handouts could have been directed with more precision at the target market of struggling family farmers in the worst hit areas. The benefits of the price increase, by contrast, will accrue mainly to the biggest landowners in the least afflicted regions.

A better plan by far, however, would have been to seize the opportunity of a shortage to ditch the annual price fixing altogether. Had the Minister had the guts to declare a free market in maize forthwith the farmers would have got an even bigger rise this year since the domestic price would have aligned itself immediately with the prevailing import cost (the world price plus shipping costs). Although this would have given an even worse jolt to the CPI in the short term, it would have suppressed consumption too, so saving the country a great deal of foreign exchange.

Furthermore, the consumers would have accepted the shock without demur. They know the farmers are having a tough time. And they know that a return to free markets would presage a fair deal in normal years when the price would naturally drop to parallel the fob export price (the world price minus shipping costs). The Minister, the Jacobs Committee, the Maize Board and Nampo have all supposedly been looking for a transitional scheme to ease the changeover to a market related system. Why did they duck this issue when it could in fact have been achieved in one fell swoop?

Financial Mail May 4 1984
LIVING COSTS

Modest increases

Black and coloured households in the PWV area have suffered more from price increases over the last six months than those in other areas, according to the latest household subsistence level (HSL) statistics. Despite price increases for a variety of basic commodities, however, the HSL for blacks and coloureds in most of SA’s major centres rose fairly slowly.

The HSL is the theoretical monthly minimum income needed by a black family of six and a coloured family of five to live at a set minimum level. The figures are calculated by the University of Port Elizabeth’s Institute for Planning Research. They include provision for the purchase of basic items like food, clothing, fuel, washing and cleansing materials, rent, and transport to and from work for one breadwinner in each family. Factors such as tax and medical payments are excluded.

The average HSL increase countrywide over the past six months was 3.7%. Over the last year, the HSL rose by 9.2% — 0.9% lower than the 10.1% Consumer Price Index increase for the period.

The institute found that the most important factor influencing the HSL increase in Johannesburg — 9.4% up over the last six months against the countrywide average of 3.7% — was a sharp increase in the service charge component of township house rentals.

UNIONS

Slanging at Saawu

Precisely who controls the SA Allied Workers’ Union (Saawu) is now an open question. One factor led by General Secretary Sam Kikine was expelled from the union at an “annual conference” held in Soweto. Kikine has now held his own conference, in Durban, which declared the Soweto meeting null and void and rejected the executive installed there by the then-secretary general, Hlokomela Gweta.

There have also been allegations of violence between the confounding factions and Kikine is setting up his own bodyguard composed of union members loyal to him.

None of this would matter much (except to the Sowetans) were it not for the fact that Saawu has some claim to be a large and significant trade union. As it does, factionalism and violence within its ranks is obviously of concern to businessmen within whose plants the union operates.

The split between the two factions seems
THE increase in GST to 10 percent could start a shopping spree, especially for high-priced goods, as consumers, conscious of savings, rush to beat the July 1 deadline, retailers predicted today.

"Some people are already doing it. It’s incredible," said Mr Colin Abel, managing director of a city furniture store.

"There is no doubt about it. People are going to rush to save every cent they can.

"The news spread so fast yesterday that many people, obviously not aware that D-Day was only July 1, rushed in to make small savings."

Decision widely criticised

Yesterday’s announcement by the Minister of Finance, Mr Owen Horwood, of the GST increase has been widely criticised as consumers do not regard the exemptions on basic foods as sufficiently far-reaching.

While pre-tax increase "savings" on household commodities would not be significant unless bought in bulk, the greatest rush was expected to be for higher-priced items.

Retailers said that even though savings on certain items would be insignificant, many people thinking of buying goods would now do so before July 1.

GST on an article costing R1 000 will increase by R3.10 to R103.10 from July 1.

Retailers expect an "unprecedented rush" now because of the increase and because consumers are more money-conscious.

Mr Faried Hali, regional manager of an electronics store, said: "We were very busy at all our branches this morning."

He said a usually quiet Saturday had turned into one of their busiest days, with customers rushing to buy video and television sets.

Mr Stratis Ztianellas, the owner of an Observatory supermarket, saw "big problems."

"We will be forced to re-label items differently. More time will be spent in queues as cashiers will have to sort all goods into different tax groups."

Sluggish economy blamed

The sluggish economy and the inability of tax rates to produce sufficient revenue to cover Government expenditure are blamed for the increase.

Professor John Simpson, head of the Graduate School of Business, said the GST increase marked a realisation by the Government that its expenditure this year would be greater than expected.

However, the economy was unlikely to grow more than one percent and tax revenue from gold was falling.

The new constitution was also likely to require unexpected Government spending.

Professor Simpson said the selectivity of the GST increase reflected a need to woo the coloured and Indian electorates ahead of the elections this year.
Increase gives city retailer 'cold shivers'

THERE HAS been mixed reaction to the news of the general sales tax increase and exemption from GST of certain basic foods.

"It gives me cold shivers," Mr Colin Abel, managing director of Victrix, a leading retailer of domestic appliances, said.

"I think it will knock the bottom out of an already falling market."

The increase in GST last year from six percent to seven percent did not have much effect on sales. But the new increase is almost 50 percent and this must affect consumer spending.

DIFFICULT TO CHECK

Mr Chris Hurst, finance director of Pick 'n Pay, welcomed the decision to exempt certain basic foods from the system.

It means cashiers would have to differentiate between taxable and non-taxable articles.

But he thought the Government might have difficulty in policing the new system. The different tax rates would make it difficult to check up on small traders.

OVERSEAS PRACTICE

Mr Marius van Blerk, a Cape Town tax consultant, said the Government was merely following the practice overseas. He would not be surprised if GST eventually climbed to 15 percent and luxury goods were subject to a super-sales tax.

Dr O.D.J. Stuart, deputy director of the Bureau for Economic Research at the University of Stellenbosch, said the increase to 10 percent was a surprise. An increase had been expected, but only up to eight percent.

(Turn to Page 2, col 5)
Mixed reaction toIgnore's latest tax changes.

No sooner had the latest tax changes been announced than the trade unions and the National Association of Automobile Makers and Dealers (NAMAD) were expressing their disapproval.

"It means we have to increase our prices," said a spokesman for the National Association of Automobile Makers and Dealers. "We are already operating on the edge of profitability and any increase in tax will make it impossible for us to continue."}

On the other hand, some economists welcomed the changes, arguing that they were necessary to boost government revenue and reduce the budget deficit.

"The tax hikes are long overdue," said Professor John Smith, an economist at Oxford University. "They will help to fund necessary public services and reduce the burden on future generations."
reaction to Govt's latest tax changes

to counter the effects of inflationary increase, but with this tax increase I don't know how we can.

"RUSH OF BUYING"

"The effects of this increase could be severe. At this time I have no indication how it will affect parts of the industry but there is sure to be a rush of buying up to the end of June."

He added "But it is amazing how the South African public just keeps on buying - even in the face of massive interest rates. I think people are price punch-drunk."

The GST increase will trigger off wage demands which will lead to an upward spiral in costs, Mr C.E. McCarthy, deputy director of the Cape Chamber of Industries, said.

If the Government's aim was to curb inflation by bringing down spending, higher interest rates would have been more effective.

"A SHOCK"

The director of the Cape Town Chamber of Commerce, Mr Brian MacLeod, said the size of the increase came as a shock.

If this were the case, the Government was "taking money from the pockets of the poor old taxpayer in order to spend it itself."

On the other hand, the reason for the increase might be a wish to take urgent action to curb inflation by cutting spending.

"FIRST PRIORITY"

Pointing out that Assocom forecast a rise in the inflation rate to 15 per cent this year, from the present 10.5 per cent, he said fighting this "should be our first priority."

If the Government was planning to "sterilise" money by taking it from the public in the form of GST, and use it later to aid the recovery when the time was ripe, "we should go along with it."

Mr McCarthy said the rise was "very disagreeable news. Any rise in GST would trigger off wage demands and start a cost spiral which would drive up the rate of inflation."

It would also further delay economic recovery.

HIT OUT

The Council of Unions of South Africa has hit out at the GST increase.

In a statement, CUSA cites the economic "that instead of increasing company tax, the Minister has now taxed the workers of South Africa."

"It appears however that the Minister has taken cognisance of a joint letter sent to him by the black trade union movement in March this year," Cusa adds.

The letter contained an appeal from union groupings within the emergent trade union movement which represents mostly black workers for a lifting of GST on basic foods.

LESS-PRIVILEGED

"The Minister replied that he wished to shield the less-privileged citizen. Thus he does not appear to have done" added the CUSA statement.

"We will be forced to negotiate for higher wages because of the spiralling GST and food prices."

The Federation of South African Trade Unions, one of the union groupings involved in addressing the appeal to the Minister of Finance, said they had not had a chance to look at the GST increases but would issue a comment later.

The president of the Associated Chambers of Commerce (Assocom), Mr Bill Yeovart, attacked the financial management of the Government.

"DEEPLY REGRETS"

In a statement he said Assocom "deeply regrets that State finances have been permitted to deteriorate to the point such drastic action has become necessary."

"It is clear that not more than six weeks after the main Budget, spending targets in that Budget cannot be met without further increases in taxation."

"Yet it appears to Assocom that the economic factors operating in the economy have not changed from what they were prior to the Budget."

"Assocom notes that basic food items are to be exempted and that the add-on system will become compulsory but also regrets that these decisions have been taken without adequate prior consultation with the private sector."

RESEARCH

"The authorities were aware that Assocom was engaged in extensive research to formulate recommendations to the standing Advisory Council on taxation to which these matters had been referred in the main Budget on March 28."

"The latest decision regarding GST will require an extensive revision of the forecasts for the South African economic outlook in the year ahead."

In Johannesburg, Bar- 
clays economist Dr Johan Cloete warned that general sales tax on basic foods was being removed, saying it had weighed heavily on lower-income groups.

"It's a step in the right direction."

"OTHER RISES"

Professor Roger Gidlow, of the University of the Witwatersrand said, however, that the Government's decision to raise GST beyond those months after the budget suggested that other rises might not be far away.

"In future there could be an even greater emphasis on indirect taxation as a method of raising revenue."

"Now that basic foods are being exempted it will be easier politically to raise GST again."

MORE MONEY

Both Dr Cloete and Professor Gidlow thought the increase would tend to lower long-term interest rates, by putting more money in Government coffers and therefore lessening the Government's need to borrow.

Dr Cloete thought one unfavourable implication was that taking the extra tax earnings - Mr Horwood estimates them at around R800-million this fiscal year - out of the economy would make the country's already poor growth prospects even worse.

Professor Gidlow said the move "gives one the impression the Government won't be able to control the growth in its expenditure."

If the Government had to raise money, he added, increasing GST was about the best way to do it.

"It's easy to collect and, unlike income tax, does not harm the productive base of the economy."
Opposition reacts with sense of shock and disbelief

Parliamentary Staff

CHIEF Opposition spokesman on finance Mr Harry Schwarz said today Mr Owen Horwood's announcement of an increase in general sales tax (GST) had induced "a sense of shock and disbelief".

Speaking after the Minister of Finance, Mr Schwarz said the question that would be raised in the public mind was: "Does this Government know what it is doing?"

Mr Schwarz (PPF Yeoville) said that only six weeks ago, when the Minister introduced the Budget, he had said it would come as a relief that there was no increase in GST.

The Budget had been taken through a long process of debating. Now the Minister was saying, in effect, that what he had told the Assembly six weeks ago was not correct.

Mr Schwarz said the reasons given by the Minister for increasing GST were not acceptable. Nothing dramatic had happened to the gold price and it was generally known that this price and the value of the rand had dropped.

The Minister's reasons demonstrated that criticism of the credibility of his Budget— its which the Minister took exception — was absolutely right.

Mr Schwarz asked what would happen between now and July 1 when the higher GST was due to come into effect.

Would people get themselves into debt in order to buy goods before the increase?

Referring to the announcement that certain basic foods would be exempted from GST, Mr Schwarz said the Opposition had appealed to the Government to do this when GST was first introduced.

"Why didn't you do it years ago when the Opposition asked you to do it?"

Mr Schwarz said he had "a horrible suspicion" that the Government was giving with one hand but would take from the public with the other hand.

"We will watch what happens to the bread price," he said.

Mr George Bartlett (NRP Amanzimtoti) said the Minister had to be condemned for allowing the economy to deteriorate to such an extent that the big increase in GST was necessary.

The shock announcement only six weeks after the budget, resulted in a lack of certainty, stability and continuity about tax.

He welcomed the removal of GST from basic foods which, he said, would go a long way to assist the low-income groups to survive.

Mr Jan van Zyl (CP Sunnyside) described the announcement as "a disaster".

Since the end of January, GST had increased by 66 percent, which was "unheard of in world history".
GENERAL sales tax will go up to 10 percent on July 1, but GST will fall away for certain basic foods.

The jump in GST from 7 to 10 percent will provide the Treasury with an estimated extra $900-million during this fiscal year.

Announcing the increase today, the Minister of Finance, Mr Owen Horwood, said that even at 10 percent, the tax would be one of the lowest in the world.

Mr Horwood's announcement made in the Senate chamber of Parliament when the finance vote of the Budget came up for debate appeared to catch all MPs by surprise.

Add-on system

The Government had decided, he said, that the add-on system would be compulsory from July 1 except for certain unavoidable cases.

This was not only for efficient administration of the tax but also to prevent unscrupulous exploitation of the public.

When GST was originally introduced there was a debate on which system to use, and the Government then decided to allow traders to use either the add-on or inclusive systems.

Food list

The foods which would be exempted were those necessary for nutrition, said Mr Horwood. He listed bread, maize meal, unsifted wheat meal, raw meat, raw fish, fresh vegetables and fruits, fresh milk, butter, margarine and eggs.

He said he had warned that if expenditure estimates turned out to be too conservative or the revenue estimates less buoyant than expected, he would be unable to avoid further tax increases in the year ahead.

"To the more than six weeks since my Budget speech, the far-reaching changes in the underlying economic situation with certain other new developments, have led me to the conclusion that further radical fiscal action is called for."

Burden

Mr Horwood said the increase and the proposed exemptions would place an additional burden on Inland Revenue staff. Special steps had already been taken to augment staff and inspectors.

Among those foods exempted from general sales tax from July 1:

- Bread, maize meal,
- Unsifted wheat meal,
- Raw meat, raw fish,
- Fresh vegetables and
- Fruits, fresh milk, butter,
- Margarine and eggs.

He anticipated there would be allegations that the increase was inflationary. But, there would be the downward impact of the exemptions and the net effect would be to raise the overall consumer price index by less than 1 percent.

For the lower income groups, the net price effect would almost certainly be downwards because of the larger proportion of their spending on basic foods.

Pledge

The Minister pledged that he would cut tax "should we benefit from an unexpected substantial rise in the gold price."

It had been impossible at the time of the Budget to predict that the producer price of maize would go as high as it had and detailed financial implications of droughts and other disaster relief had only recently become available.

He also blamed uncertainty on the wheat price, transport subsidies for commuters, and other tax concessions for the increase.
GST HIKE
The union response

Finance Minister Owen Horwood's announcement last week that, barring a few basic products, gst is to be raised to 10% from July 1 has provoked a cry of outrage from trade unions.

A strongly worded statement released by the feasibility committee currently involved in unity talks - aimed at forming a powerful federation which will represent 300,000 workers - makes this clear. The committee charges that the Minister's decision reflects government contempt for working people. It warns that the gst hike will strongly influence union wage demands and intimates that industrial action will be "inevitable" if significant increases are not won.

The statement comes at a time when uncertainty is rife about which foodstuffs will be exempt from the tax. Government has indicated that raw fish and meat, vegetables and fruit, unsifted flour, milk, bread, butter, margarine and eggs will be exempt. But some are arguing that certain processed foods, such as canned sardines, should also be free of gst.

The feasibility committee condemns the list of foodstuffs from which gst will be exempt as "totally inadequate" and says most workers will be obliged to pay more for most foodstuffs they consume. "At the very least, it should also be eliminated from canned and certain processed foodstuffs and other basics such as rice, tea, coffee, sugar and powdered milk," it says.

Gst increases on a range of household necessities - paraffin, candles, soap and household utensils, as well as clothing - are termed "unacceptable"
Tramways seeks 12pc fare rise

By NOEL BRUYNSS

The following are examples of fare increases sought by City Tramways:

- Belville Station to Kuilsriver: 45c to 50c
- Cape Town to Camps Bay: 55c to 62c
- Cape Town to Faureton: 55c to 62c
- Claremont to Manenberg: 58c to 65c
- Claremont to Cross Roads: 58c to 65c
- Fish Hoek Station to Noordhoek: 47c to 52c
- Mowbray to Sea Point: 53c to 65c
- Mowbray to Bridgetown: 50c to 55c
- Wynberg Station to Hout Bay: 85c to 95c

Scholars 12 years of age and under: 10 ride slipcards — R3.50 to R4
Scholars 12 years of age and over: R2 to R2.40

Overtime

The increase would also provide for a rise in staff salaries and wages (City Tramways bus drivers have been refusing since mid-April to work overtime in support of a demand for higher wages).

"Apart from an increase in bus fares in May 1983 which was related to an increase in wages and salaries, the company has absorbed all other increases in operating costs since September 1983 — including a further 12 percent increase in wages and salaries in November last year," the statement said.

Spokesmen for civic bodies and those representing people from the lower-income groups who would be hardest hit criticized the move.

"City Tramways, which runs a monopoly in bus transport in the Cape Peninsula, always finds excuses to push up bus fares — yet refuses its drivers a justifiable 15 percent wage increase," Miss Lynette Maart, secretary of the Cape Areas Housing Action Committee, said.

"We know that City Tramways makes huge profits and thus reject the proposed increases in the strongest terms."

Miss Maart referred to a report last October which said Tollgate Holdings, the holding company for City Tramways, had increased its after-tax profit from R4.7 million in 1982 to R3.2 million.

Appeal

The chairman of the Cape Western Region of the Black Sash, Mrs Mary Burton, appealed to City Tramways to "seek other ways of obtaining the necessary finance for increasing employees' wages," and appealed to "employers to take into account the high transport costs workers have to pay."

A spokesman for the National Transport Commission in Pretoria said yesterday a period of 21 days was allowed for objections to be lodged after the application was published in the Government Gazette before the NTC would consider the application. Up till now no date had been set.

The United Democratic Front last night warned that City Tramways was "playing with fire" in pressing for another fare increase.

Recipe for conflict

In a statement the UDF said: "The situation in the Western Cape — where the public bus service is monopolized by a board of management whose sole interest is profit and not efficient transport — is and has been a recipe for conflict."

The UDF said a "basic requisite" for the solution of Cape Town's transport problems was greater State responsibility for transport "so that this service becomes one for people and not for profit."

BUSINESS BRIEF

| Gold (close) | R 372,50 |
| RDM 100    | R 1,078,50 |
| Dow Jones  | 1,157,14  |
Meat firm drops price

Staff Reporter

A NATIONAL meat producer yesterday announced that it will drop the price of a popular meat line by seven percent following the government's decision last week to exempt basic foodstuffs from general sales tax as from July 1.

The company, Kanyram-Karoo, which has 12 Peninsula outlets, will sell its Karoo boerewors at the reduced rate from today.

Both the SA Federated Chamber of Industries Executive Director, Dr J C van Zyl, and the president of the Afrikaanse Handelsinstituut, Mr Hennie de Klerk, have cautiously welcomed the exemption of basic foodstuffs but have expressed concern that by increasing GST to 10 percent, the government would postpone the country's economic recovery.

Excess demand

Dr Van Zyl said the estimated further R600 million which would be generated was necessary to curb excess demand and to finance rapidly-growing government expenditure.

Mr De Klerk expressed disappointment at the increase and said the control of inflation would be hampered by the fact that most goods would still carry GST.
Increased GST on medicines extra burden for sick — PFP

Parliamentary Staff

The increase in general sales tax (GST) would be an extra burden for sick people in the form of higher medicine prices, the Assembly has been told.

Dr Marius Barnard (PFP Parktown) said he did not think it was right that sick people should be a source of tax revenue for the Government.

COMPETITION

The high cost of medicines and health services was a major theme in yesterday's debate on the Health and Welfare budget vote.

Dr Barnard said there was a need for a new health care system in South Africa similar to that in Japan, where competition among doctors and group practices was allowed.

Japan had achieved better results in health care than the United States, for example, which spent three times as much a person on medical services.

This showed that modern medicine could produce cheap health, but modern politics did not allow it to do so.

Dr J J Viloneel (NP) nominated said the cost of medicines was only one item in total medical costs. This aspect of cost should not be over-emphasised, but should be considered as part of a larger problem.

Medical costs also included hospital treatment, the training of doctors and the prevention of disease.

The Minister of Health and Welfare, Dr Nak van der Merwe, said it was the Government's intention to work towards a system under which medicines could become cheaper through a system of free competition. This could save patients millions of rands.

FAMILY PLANNING

Speakers in yesterday's debate also called for additional State action to encourage family planning.

Mr Aubrey Thompson (NRP South Coast) said ways had to be found to curb South Africa's population growth, which was one of the highest in the world.

Family planning should be made available at every level, he said.

Mr Horace van Rensburg (PFP Bryanston) said Africa's population had almost doubled in the past 25 years. Meanwhile, food production was not increasing and vast areas of grazing were being destroyed every year.

More money should be spent on publicity about family planning.

Mr van Rensburg also suggested that more people, especially men, should be encouraged to undergo sterilisation.
By BRIAN STUART
Provincial Reporter

THE dramatic increase in GST is expected to cost the Cape Provincial Administration millions of rands in the year ahead, creating a new strain on the province's finances.

The Administrator, Mr Gene Louw, obviously drew up his Cape budget of R1.771-million for 1984-85 before the shock announcement last Friday that GST will increase to 10 percent from July 1.

The Provincial Administration also pays GST and the increase will cost the province millions more for stores, new hospital equipment and vehicles.

Subsidies

While there could be a saving to hospital services with the exemption of GST on some foodstuffs such as raw meat, eggs, margarine and grains, this will be small compared with the additional costs on other items of hospital expenditure.

Dramatic cuts in State subsidies to the Cape are also expected to be announced by Mr Louw when he makes his budget speech in the Cape Provincial Council tomorrow afternoon.

At the recent Cape Province Municipal Association conference Mr Louw said State subsidies to the Cape could be cut "on a scale far bigger than ever before".

The exact amount of these cuts will be announced by Mr Louw tomorrow, but they could be as much as twice the size of previous cuts.

New term for Louw

Political Correspondent

MR Gene Louw, Administrator of the Cape Province, has been appointed for a further term of office, the Minister of Constitutional Development and Planning, Mr J C Heuws, announced today.

Mr Louw's present term expires on August 31.
Solly Morris dies aged 71

The ex-actress and former Cape Town City Council member died on Friday, 21st of July, 2023.

Political Correspondent

The political landscape in Cape Town was set to change with the announcement of Solly Morris's death. He was a long-time member of the City Council and had served for over 30 years. His influence and influence were felt across the political spectrum.

The news of his passing was met with an outpouring of tributes from colleagues and friends. Mayor Patrick de Villiers described him as a "valued member of our council" and said that he would be missed.

Morris was born in Cape Town in 1952 and started his political career in the late 1970s. He was known for his fiery speeches and his dedication to the city. He was a staunch supporter of the Cape Town football club and was a regular feature on the city's radio and television screens.

Morris's contributions to the city were numerous. He was a key figure in the city's efforts to combat crime, and his work on the city's parks and gardens was widely praised. He was also a strong advocate for the arts and culture in the city.

His death is a loss for Cape Town, and his legacy will be remembered for many years to come.

More GST exemption

The South African government has announced plans to expand the list of goods and services that qualify for GST exemption. The move is expected to benefit low-income households and small businesses.

The exemption list, which currently includes items such as food, clothing, and medicine, will be expanded to include services such as transportation, education, and health care.

The government has also announced plans to simplify the GST system, making it easier for businesses to comply. The aim is to boost economic growth and create jobs.

The expansion of the exemption list is part of the government's broader efforts to support the economy. The country is experiencing a difficult period, with inflation running high and economic growth slowing down.

The announcement was well-received by the business community, which welcomed the move as a step towards creating a more equitable and efficient tax system.

More on page 3.
SA’s purses hit by staggering price hikes

By DAVID CAPEL

SOUTH AFRICANS have been bound with a staggering series of price increases across a wide range of products and services including food, petrol, general sales tax, and transport over the past four months.

Research by the Mail shows a startling series of steep hikes that forced South Africans to dig deeper into their purses for almost all essential foods and services — causing living standards to plummet.

A Consumer Council spokesman said in the first months of 1984, consumer had to face increases in electricity tariffs, milk and fertiliser, while in February they had to fork out more for mortgage rates, canned foods, eggs, GST, sugar, beer, and bread — both white and brown.

The Mail also listed other price hikes to hit consumers in January:

- A 4% rise in the price of petrol,
- A 6.6% hike in electricity tariffs,
- A 1% rise in sugar,
- A 6.3% increase in the price of white bread,
- A 25% rise in postage, and
- A 10% increase in the cost of home insurance.

In February the situation got worse as consumers had to pay:

- A 5.5% more for petrol,
- A 1.2% more in mortgage rates,
- A 1.7% rise for milk,
- A 1.2% more for a dozen eggs,
- A 3.5% increase for milk and other dairy products,
- A 1.1% more for white bread,
- A 8.7% rise for brown bread,
- A 9% hike as the government introduced a tax on sugar,
- A 3.7% hike in transport costs, and
- An increase of 1% in the price of petrol.

The situation is particularly bad for lower-income families. Mrs. Harold Rees, a single mother of four children, said she had cut down on luxury goods as her budget was tight.

The Rand Daily Mail put together a list of items and services that were affected:

- Water (30% in the Rand Water Board area),
- Transvaal hospital fees (100%),
- Petrol (50%)
- Milk (30%)
- Eggs (30%)
- Sugar (50%)
- Beer (30%)
- Milk (30%)
- Eggs (30%)
- Milk (30%)
- Beer (30%)
- Milk (30%)
- Eggs (30%)
- Milk (30%)

The executive of the Consumers’ Association, Mr. Henry Botha, said the following items should also be exempted:

- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
- Sugar,
- Beer,
- Eggs,
- Milk,
SOUTH African shoppers face mark-ups of up to 520 percent when buying fresh fruit and vegetables at supermarkets.

A Sunday Times investigation this week found that prices in Johannesburg stores can be four to five times more than the cost at the municipal market, where the supermarkets mainly buy their produce.

Supermarket spokesmen insist that the mark-ups are necessary to cover high overhead and distribution costs and to ensure continuity of supply to the public.

Astonishing

The Housewives League insists that they are too high.

I visited the Johannesburg municipal market at Kassie and checked bulk prices of 13 varieties of popular fruits and vegetables. The bulk prices were then broken down for easy comparison with the units sold in local stores.

These are some of the astonishing cost differences that emerged:

- Cucumbers bought in bulk at the Kassie market this week cost 7 cents each. Checkers was selling them at 44 cents — a mark-up of 522 percent.
- Customers who wanted beans were being overcharged everywhere.

The market price was 44 cents; OK Bazaars was charging R2.26 a kg (488 percent mark-up); Checkers R2.19 a kg (393 percent) and Pick 'n Pay R1.59 (346 percent).

Gem squashes could be obtained for 75 cents each at the market. South African consumers, who last week were up in arms about a mere three percent GST increase, could buy them at each 36 cents cheaper.

But defer

The report was ignored, the prices at the stores remained, and the market continued to sell as usual.
**WHAT THEY PAY ... AND WHAT YOU PAY**

<table>
<thead>
<tr>
<th>TYPE OF PRODUCE</th>
<th>PRICE AT MARKET</th>
<th>PICK 'N PAY PRICE</th>
<th>PICK 'N PAY MARK UP</th>
<th>OK PRICE</th>
<th>OK MARK UP</th>
<th>CHECKERS PRICE</th>
<th>CHECKERS MARK UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVOCADOS</td>
<td>18,75c each</td>
<td>44c each</td>
<td>135%</td>
<td>39c each</td>
<td>108%</td>
<td>63c each</td>
<td>236%</td>
</tr>
<tr>
<td>BEANS</td>
<td>44,4c per kg</td>
<td>R1,99 per kg</td>
<td>248%</td>
<td>R2,26 per kg</td>
<td>408%</td>
<td>R2,19 per kg</td>
<td>393%</td>
</tr>
<tr>
<td>BUTTERNUTS</td>
<td>16,66c each</td>
<td>39,5c each</td>
<td>137%</td>
<td>80c each</td>
<td>380%</td>
<td>65c each</td>
<td>290%</td>
</tr>
<tr>
<td>CABBAGES</td>
<td>22c each</td>
<td>49c each</td>
<td>122%</td>
<td>19c each</td>
<td>186%</td>
<td>59c each</td>
<td>168%</td>
</tr>
<tr>
<td>CUCUMBERS</td>
<td>7c each</td>
<td>18c each</td>
<td>157%</td>
<td>20c each</td>
<td>180%</td>
<td>44c each</td>
<td>526%</td>
</tr>
<tr>
<td>GEM SQUASH</td>
<td>3,75c each</td>
<td>14,75c each</td>
<td>293%</td>
<td>14,75c each</td>
<td>293%</td>
<td>23c each</td>
<td>513%</td>
</tr>
<tr>
<td>LEMONS</td>
<td>6c each</td>
<td>14,5c each</td>
<td>141%</td>
<td>20c each</td>
<td>233%</td>
<td>18c each</td>
<td>200%</td>
</tr>
<tr>
<td>LETTUCES</td>
<td>16,66c each</td>
<td>59c each</td>
<td>254%</td>
<td>69c each</td>
<td>314%</td>
<td>49c each</td>
<td>194%</td>
</tr>
<tr>
<td>ONIONS</td>
<td>40c per kg</td>
<td>79,5c per kg</td>
<td>99%</td>
<td>70c per kg</td>
<td>75%</td>
<td>R1,05 per kg</td>
<td>170%</td>
</tr>
<tr>
<td>ORANGES</td>
<td>3,1c each</td>
<td>10,5c each</td>
<td>238%</td>
<td>14,83c each</td>
<td>378%</td>
<td>14,16c each</td>
<td>356%</td>
</tr>
<tr>
<td>PAWPAWS</td>
<td>50c each</td>
<td>99c each</td>
<td>98%</td>
<td>R1,39 each</td>
<td>178%</td>
<td>R1,88 each</td>
<td>278%</td>
</tr>
<tr>
<td>POTATOES</td>
<td>20c per kg</td>
<td>43c per kg</td>
<td>115%</td>
<td>45c per kg</td>
<td>125%</td>
<td>69,5c per kg</td>
<td>248%</td>
</tr>
<tr>
<td>TOMATOES</td>
<td>41,66c per kg</td>
<td>R1,59 per kg</td>
<td>282%</td>
<td>99c per kg</td>
<td>138%</td>
<td>R1,95 per kg</td>
<td>377%</td>
</tr>
</tbody>
</table>

**ut supermarket men fend amazing mark-ups**

them at Checkers for 53c each — 53% percent up on the cost price
- Butternut squashes were selling for 16,66c each at the market. OK was selling them for 80c each, a mark-up of 320 percent.
- Oranges, one of the most popular fruits in South Africa, were going at 2,1c each at Kassen, Orange-lovers buying at supermarkkets had to cough up 14,32c each at the market (378 percent). At Checkers (252 percent) and 16,66c at Pick 'n Pay (236 percent).

Rarely was produce in supermarkkets marked up less than 100 percent above market prices, and mark-ups of 300 percent and over were frequent.

Mrs. Joy Hurwitz, chairman of the Housewives' League, described the mark-ups as "absolutely shocking." "We look to supermarkkets for a fair deal. But they still want high markups even in this recession. These mark-ups are far too high.

"asked to comment on these figures, Checkers, whose mark-ups were found to be generally higher than OK and Pick 'n Pay, said it did not think it was making an unfair profit when the cost of buying, packing, transport, wastage and store overheads were taken into consideration.

"Also, to ensure continuity and quality, we often buy direct from the farmer, which is sometimes a more expensivve source.

"Our pricing is formulated every Wednesday for our stores throughout the country for the next week.

"If market prices go down afterwards, that can make our mark-ups look expensive." Mr. Alan Fabig, marketing director of OK. Bazaars said, "Our margins after costs are small — way under 20 percent."

Mr. Cohen said that his company also bought a percentage of its produce from direct sources.

"We do that to get better quality at better prices."

"The difference between the market price and the prices people buy at the supermarkkets is accounted for by two factors — our margin and our distribution costs, which are enormous."

Mr. Richard Cohen, director of Pick 'n Pay, said, "On average in the Southern Transvaal our gross margins are between 22 and 24 percent. In fact, last week they were down to 20 percent."

Mr. Cohen said that his company also bought a percentage of its produce from direct sources.

"We do that to get better quality at better prices."

How to stretch a R10 note

**By BARRY SERGANT**

**CONSUMERS who "shopped" at the Kassen market on Tuesday would have had a lot to show for a R10 note.**

Unlike a shop or supermarkket, prices at Kassen are negotiable and often change hourly. So many people would have bought a pocket of each of potatoes, onions and oranges

Although most of the market's S 500 daily transactions are conducted by shop-owners and chain-store buyers, individual consumers are welcome.

Bulk buying is restricted to pockets and boxes.

The market is one of the few free markets in South Africa. There are no floor prices, supports or controls.
Taxing the poor on basic foods ‘ridiculous’

Provincial Staff

To make the poor pay tax on pilchards while the rich paid no GST "living on a diet of fillet steak and crayfish" was ridiculous, Mr Geoff Everingham (PFP, Pinelands) told the Cape Provincial Council.

He said the Minister of Finance, Mr Owen Horwood, intended to "soak the man in the street of R$800-million in GST" because every time he found himself short of money this was the simplest way to raise it.

Yet the ordinary man was facing a proliferation of taxes — income tax, GST, excise duty on liquor and tobacco, taxes on fuel, car licence fees and rates on his home.

"Now he has not only to content himself with the GST blow, but also faces suggested road toll taxes, taxes to finance his children's education and taxes to finance the Government's new dispensation."

Eroded spending money

"We also has a donations tax if he gives any significant amounts away and faces estate duty at the end of his life."

Mr Everingham said a recent study had shown that tax had eroded spending money far more effectively than inflation.

To use the gold price or the drought as an excuse was unacceptable. The drought was a known fact before Mr Horwood presented his budget in Parliament on March 25 and, therefore, before the GST increase was announced on May 11.

Similarly, the gold price could not be blamed in the interval between March and May.

Against this background, the cut of R$74.6-million in State subsidies to the Cape could not be condoned.

Mr Everingham moved a motion declining the approval of the second reading of the Cape's 1984-85 budget until the Administrator, Mr Gene Louw, had made representations to the Government to act against pov-

Better deal

Mr Jan Moolman (NP, Tyger Valley), his party's spokesman on finance, said it was agreed that the Cape warranted a better financial deal from the Government.

At the same time, MPs should not join a "complaints brigade" because there were positive aspects to the budget.

Financial discipline was important and the Government was being realistic in its priorities. Its aims were stable economic growth and a stable level of employment.

Think twice

In view of the difficult financial circumstances, everyone should think twice before spending money.

"Let us for the present put luxury aside and concentrate on what is necessary to maintain a good, sound and balanced standard, without trying to fly too high financially," Mr Moolman said.

He rejected claims that expenditure was high because of political ideology.

The debate continues today.
CPI for middle and upper incomes rose for the above-average rise in the first quarter of the year. However, everyone's costs of living will remain about the same. The cost of living has increased, but not as much as expected. The consumer price index (CPI) for food, housing, and energy has increased by 1.5% for the first quarter of the year. The CPI shows that inflation is still high, but there has been a slight decrease in prices. The government has implemented measures to control inflation, but the effects are still not fully visible. The government is working on a new policy to control inflation and stabilize the economy.
Food prices push up CPI

By HOWARD PREECE

A big jump in food prices in April helped push the Consumer Price Index up by 1.8% and sent the annual rate of increase in the CPI back up to 11%.

The year-on-year rate has increased from 10% at the end of February and 10.2% at the end of March.

Factors such as the large increase in price at the end of April and the net effect of increasing general sales tax to 10% but exempting food from July 1 could well push the annual CPI rate up to 12% over the next few months.

From then on the deflationary impact of the R24-billion in new taxes imposed so far this year and the painfully high level of real interest rates should produce a downturn in the CPI.

Even so, however, it will be difficult now to get the rate below 10% for calendar 1984.

* See Business Day
Concern over abuse of medical aid

The exploitation of medical schemes by a small group of doctors was a "very thorny" problem, said Dr Rene le Roex, president of the Medical Association of South Africa (Masa).

Dr le Roex was delivering his inaugural address as chairman of the Federal Council and president of Masa in Pretoria last night.

There was a tendency for doctors and patients to disregard the costs of medical services and to forget there was a limit to funds available when a third party, namely medical aid, covered those costs, he said.

"Educating doctors in the pharmaceutical field and in laboratory services would contribute to cutting these costs," Dr le Roex said.

He also said Masa's first aim was to maintain and protect the honour and interests of the medical profession, which was not something apart from the society in which it existed.

"Unfortunately, we are new faced with a situation where there are voices clamouring for us to become a political force, or mam-political party," Dr le Roex said.

By the very nature of doctors' working circumstances, they became aware of bottlenecks in the provision of health services.

Doctors were not politicians, but it was their duty to express their opinions on these problems, he said.

Doctors told: help to keep fees down

Pretoria Correspondent

Doctors must accept responsibility towards the costs of patients' medical care and eliminate cases of "blatant exploitation", says the Minister of Health and Welfare, Dr Nk'van der Merwe.

"One of the many objectives of introducing the new method of determining medical fees was to make doctors more cost-conscious," he told the annual meeting of the Medical Association of South Africa in Pretoria last night.

"Doctors are the ones who decide to which hospital a patient should be admitted, how long he should stay, and what treatment should be given. So it is essential for doctors to be aware of how they contribute to the total costs of a service.

"See the patient as a person who must also make ends meet."

HEALTH TEAMS

The costs of health services were rising out of all proportion, he said. Of these, hospital costs were the most serious.

The emphasis should be shifted from curative services to preventive services. Experience had shown that more than 80 percent of patients could be treated by nurses outside institutions.

Doctors and pharmacists, such as those operating in areas like the Cape Flats, completed the health teams.

"The medical profession is conservative and sees any change or anything new as a threat to its practices. I must, however, say there is too much work for all of us," said Dr van der Merwe.

Decentralisation of medical services by means of health teams and health centres, where doctors were the leaders of teams of experts, evoked wide reaction and was one of the reasons for the poor distribution of doctors, he said.
8-25pc rise in medical, dental fees

Political Correspondent

Medical and dental fees for members of medical schemes are to be increased by between 8.8 percent and 25 percent from July 1, the Minister of Health, Dr C V van der Merwe, has announced.

Medical fees will rise by 8.8 percent and dental fees by 10 percent, with an additional increase of 15 percent for general practitioners within the dental profession.

The minister said the Medical and Dental Council had proposed a general increase of 33 percent in dental fees, but he was not prepared to accept this.

This will be the last time the minister will have to determine a fee on the recommendation of the council.

In terms of the Medical Schemes Amendment Act, passed this year, but not yet implemented, fees will in the future be determined by the Representative Association of Medical Schemes after consultation with medical associations.
Medical, dental fees up on July 1

By PETER DENNEHY

CONSUMERS reeling from a barrage of cost-of-living increases are to suffer yet another blow when medical and dental fees rise from July 1.

The Minister of Health and Welfare, Dr Nak van der Merwe, announced in Cape Town yesterday that medical fees would increase from July 1 by 8.8 percent and dental fees by as much as 25 percent in the case of general practitioners and by 10 percent for others.

July 1 also marks the rise in general sales tax to 10 percent.

Dr Van der Merwe said in a statement that it was on the recommendation of the SA Medical and Dental Council (SAMDC) that general practitioners would get an average 8.8 percent increase.

Dr Van der Merwe said in a statement that it was on the recommendation of the SA Medical and Dental Council (SAMDC) that general practitioners would get an average 8.8 percent increase.

A report before the Representative Association of Medical Schemes (RAMS) when the increase was mooted in October last year after a 15 percent rise in medical and dental fees on September 1—estimated the proposed medical increase would cost aid schemes R32 million a year.

RAMS president Mr John Ernstzen said at the time that aid schemes would have to raise subscriptions "substantially." The SAMDC had proposed a 33 percent rise in dental fees, which Dr Van der Merwe said he was "not prepared to accept."

Instead, he approved a general rise of 10 percent with "an additional increase of 15 percent only to general practitioners within the dental profession."

The increases would be the last to be approved by the minister, as tariffs would in future be determined by RAMS, in terms of the Medical Schemes Act passed by Parliament this session, the statement said.

The latest increase comes in the wake of a wave of others:

- GST will rise to 10 percent on most items on the same day.
- Capiptleans will pay 8 percent more in rates from July 1, electricity fees are to rise by an unspecified amount and water tariffs rose by 7 percent from April 1 this year.
- Suburban rail fares jumped 12.5 percent on average for third-class tickets on April 1, and domestic air fares rose 6 percent.
- A massive national maize price increase of 18.5 percent was announced on April 26.
- The budget seven weeks ago increased tax and duties on cigarettes and beer.
- Company tax was also raised in the budget to 80 percent of profits.
- Provincial hospital tariffs rose 50 percent from April 1.
- Postal tariffs, including the cost of telephone calls, rose 9 percent on April 1.
- Milk rose by 4c a litre from April 1 and the bread price rose 6c a loaf from February 20.
- The wholesale price of beer rose 5.5 percent in mid-February.
- Mortgage bond instalments rose in mid-February. At the beginning of the same month, GST rose from six to seven percent.
Fees increase: medical aid will also go up

The rise in medical and dental fees on July 1 will result in an increase in medical aid rates, the chairman of the Representative Association of Medical Aid Societies, Mr John Ernstzen, said today.

The Minister of Health, Dr Nak van der Merwe, approved rate increases of 8.8 percent for doctors and 10 percent for dentists yesterday. An increase of 15 percent will come into effect on July 1 for general practitioners within the dental profession.

"We think the increase is high under present economic conditions and medical rates will rise by about 6 percent," said Mr Ernstzen.

"We are so used to increases that we have become anaesthetised against this sort of shock." Mr Ernstzen said medical aid societies had also been affected by increasing medicine costs.

A medical plan representative said medical aid societies expected an increase in fees every six months.
FORCED REMOVAL POLICY CREATING POVERTY - PFP

Instead of fighting poverty by providing homes and jobs for South Africans, the Government was "resettling" millions of people at enormous cost, Mr Frank van der Velde (PFP Wynberg) said in the Provincial Council.

'Resettled blacks better off'

Provincial Staff

BLACK citizens of independent homelands could not "come and do as they like in this country", Mr S M Greeff (NP Outshoorn) said in the provincial council.

Defending National Party removals of blacks to resettlement areas, Mr Greeff denied that these were "forced removals".

He added "We concede that sometimes action had to be taken against minorities who did not wish to co-operate with the majorities."

"DEVELOPMENT"

The Government was giving blacks their own homes in properly planned towns and cities where it was easier to "provide the development potential for agriculture, irrigation and mining areas."

Mr Greeff said blacks were better off after being "resettled" by the Government.

"People who were formerly squatters now have their own homes and properties in properly planned towns and cities."

The Government was not winning the hearts and minds of people by supplying much-needed housing for those who had none. Instead, it was creating increasing poverty and deep-seated bitterness by continuing a policy of forced removals.

Mr van der Velde was introducing a motion "that this council abhors the continued forced removals of people for ideological reasons."

A "sick indictment" of the ideological policies was that in debates on the subject the National Party quibbled about the numbers involved and not the justification or morality of forced removals.

"OBEY THE LAW"

Mr C J Veldtman (NP Durbanville) moved an amendment to the PFP motion in which a call was made "on all population groups to obey the laws of the country in order to ensure an orderly society, and, where relocations are still to be made, to give their cooperation so that this may be done in an orderly manner and with the least possible disruption to all involved."

In a division, the PFP motion was rejected and the NP motion approved by 36 votes to 10.
And big savings for the buyers

Dropped

- Beans, which dropped at all three supermarkets, particularly at Checkers and Pick 'n Pay, where they fell by more than 50c a kg, from R1.10 and R2.10 respectively. At OK they dropped 25c a kg

- Prepacked tomatoes, which fell by 50c a kg at Checkers and 25c at Pick 'n Pay

- Lemons, which dropped 20 percent in price at OK and Checkers

- Lettuces (down about 10c at Checkers and Pick 'n Pay)

- Cabbage, which fell to 30c from 50c at Checkers

But, said a spokesman for Checkers — which buys the "vast majority" of its produce direct from farmers, but takes market prices into consideration when pricing — the investigation had nothing to do with this week's falling prices.

"We price our goods for the following week on a Wednesday. This means that prices for this week were fixed before the Sunday Times story," Mr Peter Venter, director of marketing at the Johannesburg market, said prices had been static for the last three weeks, apart from some short-term fluctuations during warm weather.

This would appear to indicate that, as far as market prices go, there is no justification for falling produce costs during the past three weeks.

Fluctuations

Checkers, however, said that there had been fluctuations which had caused its prices to come down.

Mr Alan Fabig, OK marketing director, also denied that price falls were due to anything but market fluctuations.

The Sunday Times reported last week that mark-ups on some fruit and vegetables can be as high as 500 percent on cost prices.

Supermarkets claimed that mark-ups overall were much lower.

Pick 'n Pay this week said its mark-up on selling prices overall was just over 20 percent, with staff, rent and transport charges still to be taken off that — and produced proof of this to the Sunday Times.

"We're not denying your figures, but it's a swing-and-roundabout situation. We balance out all the products," a spokesman said.

A visit to the municipal market with Mr Richard Cohen, director of Pick 'n Pay, revealed that generally his company was buying at approximately the same price as the Sunday Times quoted.

However, on certain items, such as tomatoes and paw paws, there was a more marked difference in the quality and price of produce.

"We should have more competitive prices on fresh products. We are aware of this and are dealing with it," Mr Cohen said.

Fairer

"It could be fairer to even them out. But small packs are always more expensive. You pay for the packing and the convenience," said a spokesperson from Checkers.

A spokesperson from OK said it believed that, in some cases, it had bought at higher prices from the market than the Sunday Times quoted as the going market price, and that its mark-ups were therefore not as high as revealed last week.

"An extreme case is lettuce. On May 15 (the day the Sunday Times checked market prices) the average price was R9.01 for a case of 15. But the highest price was R20.

"The price we pay depends on time of purchase.

"Wastage is also an important factor. It can be as high as 15 percent in a 10kg packet of beans, and the same for lemons. That also cuts down our mark-up."
Milk price increase expected in July

By Hannes Ferguson, Farming Correspondent

The price of fresh milk may go up instead of down from July 1.

An increase in the Transvaal producer price of about 3 c a litre is expected to be announced on Wednesday, cancelling out most of the 4 c a litre benefit consumers expected from the removal of the GST on milk.

Cape producer prices were already raised by 4 c a litre in February.

The increase has been made inevitable by the rise in costs as a result of the maize price increase.

The Dairy Board claims that, even with the expected increase in producer prices, dairy farmers will be producing at a loss.

Milk distributors claim that they are making a loss of 4 c a litre on delivered milk and only a negligible profit on milk sold in cartons.

SURPLUSES

To work away the accumulating surplus of milk powder, a levy of about 12 c a litre may be introduced on all industrial milk in excess of present demands.

This will finance expected export losses on whole and skimmed milk powder.

At the same time milk powder products are still being dumped in large quantities on the South African market from Europe, where huge export subsidies are being paid to get rid of milk surpluses caused by the agricultural policy of the European Common Market.

The South African dairy industry has long tried in vain to convince the Department of Industries and Commerce that dumping of milk powder from Europe should be stopped.
Milk prices to go up this week

EAST LONDON — The local wholesale and home-delivery prices of fresh milk are to be increased by as much as 15 per cent from June 1.

This was disclosed yesterday by the chief executive of Model Dairy, Mr G Stead, who said the move had been forced on his organisation by escalating rises in production and distribution costs.

From June 1 the wholesale price for a litre of milk in a carton will go up from 64c to 67c and milk delivered to homes will increase from 63.5c to 66c.

This represents increases of 4.6 per cent and 7.5 per cent respectively.

At the same time the dairy, which handles about 90 per cent of the milk trade in East London, will also increase the wholesale and home-delivery costs of fruit juices.

Mr Stead said the wholesale price of a litre of orange or guava juice in a carton will go up from 55c to 59c while the home-delivery price will increase from 55c to 59c.

The prices of fruit yoghurt and muesli will not be affected.

Mr Stead said the new prices, which come into effect four weeks before the seven per cent GST on milk and other basic foodstuffs is withdrawn, will still put local charges on a par with prices in other major centres.

“We are paying farmers 8c more per litre than we were 18 months ago,” he said “and our last price rise was 15 months back.”

“Mr Stead said retailers could absorb the price increase themselves and sell milk as a loss-leader like many of the supermarkets did or they could add the recommended 12.5 per cent mark-up to the price they pay.

“Actually, there is such a shortage of local supply that we are having to import an average of 20,000 litres a day from the Alexandria area,” he said.

Mr Stead, whose organisation distributes an average of 40,000 litres of milk a day, said the Fort Elizabeth region at present has a surplus in milk production.

DDB. — Mie —
Randburg CoL will rise by 9.3 pc

By Shirley Woodgate Subscription

The cost of living in Randburg will rise by 9.3 percent according to last night's budget — adding about R12 to the average ratepayer's monthly account.

Delivering the town's silver jubilee budget of almost R64 million (up by 25 percent on last year's R51 million), management committee chairman Mr Olaus van Zyl announced increases of 18 percent for sewerage, nine percent for water, 10 percent for electricity and nearly seven percent for assessment rates.

The 6.65 percent rates increase will leave a deficit of R449,992. The bulk (nearly 62 percent) of the total amount of R11 million brought in by assessment rates will be paid by householders, followed by businesses (15 percent) and flats (12 percent).

With the new valuation, certain ratepayers will pay higher rates than at present — mainly residents to the west of the western by-pass — and others lower.

Mr van Zyl said with the new valuation the rate had been set at 1.755c in the rand for businesses, industries and flats, while a rebate of 40 percent on a sliding scale had been granted for houses and agricultural holdings.

Total income and expenditure for the year 1984/5 is up by 24 percent from last year, to R52 million. The capital budget is up by 30 percent from R8 million to R11 million, with capital expenditure up from R42 million to R52 million.

Mr van Zyl said compared with other local authorities of the same size, Randburg's capital estimates were less than all except one.

The 24 percent increase in expenditure was attributed mainly to tariff increases imposed by Johannesburg (more than 32 percent for sewerage) and the Rand Water Board (24 percent), inflation of more than 10 percent and growth of four percent.
more than one read

Christmas has been

meet minds over love

stopped this year with

courageous figure from a

his household and the

Award of the

Press up meat issue

Parliament and Politics
Public storm over Meat Board plan started by ‘leak’

Parliamentary Staff

INFORMATION "leaked" by a member of the Meat Board had resulted in the public storm about the board's plan to expand its controlled area in the Western Cape, the Assembly has been told.

The Minister of Agriculture, Mr J J Wentzel, said the matter was "sub judice", but after the disclosure by the Meat Board member, the Press had turned it into "a terrible affair".

He said he did not know why the Meat Board member — whom he did not name — had disclosed the information.

Mr Wentzel was replying to Opposition criticism of "autocratic" attitudes in the meat industry during yesterday's third-reading debate on the Marketing Amendment Bill.

Prohibit

He said existing legislation was being amended to prevent this happening again. The amendment would prohibit publicity disclosure of the board's discussions about "sensitive matters" before facts had been submitted to the Minister.

The Meat Board had been investigating the proposed expansion of the Western Cape controlled area. The board's recommendations would eventually be submitted to the National Marketing Council, which would then make a submission to the Minister to enable him to take a decision.

"I am not defending the Meat Board, but I do not want to say for one moment that the board did not have good reasons for seeking to expand the controlled area," the Minister said.

Of 46 butcher shops involved in the proposed scheme, only three bought their meat outside the controlled area. The rest all bought their meat at the controlled Maitland abattoir.

The question of whether the price of meat would be increased in the process was "another matter".

Mr Wentzel said he was awaiting a submission from the Meat Board.

He gave an assurance that the matter of expanding the controlled area would be investigated and would be settled "in a democratic manner."

Mr Wentzel said he hoped the Press would not "stop writing about this because they don't know exactly what is going on here."

Earlier Mr Ralph Hardingham (NP, Mooi River) said there were signs of "a certain autocratic attitude rearing its head within the meat industry."

He said he had noted with concern a report in a Johannesburg journal about the Meat Board's wish to extend control in the Western Cape.

Mr Hardingham quoted figures from the journal's report which showed that various meat prices over last Christmas had been over one rand a kilogram cheaper in areas not under Meat Board control.

Mr Hardingham added that the figures reflected the general tendency.

Mr Hardingham said he believed such legislation would upset opposition fears about control of and accountability for public money in the oil funds.

The price of lamb chops, for example, was reportedly to have been R1,90 a kg cheaper in the uncontrolled areas than in the controlled areas.

With one exception, the figures reflected the general tendency.

Mr Hardingham added. "This is a matter which concerns all of us. I know of a number of meat producers in this country who are directly affected by a state of affairs of this nature."

The Bill, which amends the Marketing Act of 1968 largely in technical respects, was read a third time.

State audit control of oil funds to be investigated

Parliamentary Staff

THE whole question of bringing South Africa's oil funds under the audit control of the State Board was now being investigated, and legislation for this might be introduced next year, the Assembly was told.

The Minister of Mineral Energy Affairs, Mr Danie Steyn, said he believed such legislation would drape opposition fears about control of and accountability for public money in the oil funds.

Replying to the second-reading debate on the State Oil Fund Amendment Bill, Mr Steyn rejected opposition charges of mismanagement of oil funds.

He said the Bill before the Assembly was regarded by the Government as only an interim measure for proper financial arrangements according to law until the introduction of a consolidated measure in Parliament next year.

The legislation envisaged for next year would provide for sound audit control by Parliament.

TO BE TABLED

This would make it possible for reports or funds where no clandestine procedures were involved to be tabled in Parliament and for the funds to be audited.

Mr Steyn said that so far no distinction had been made between public and private funds for audit purposes because all funds handled by private contractors had been audited by private auditors in terms of the Companies Act.

The Auditor-General, with whom discussions had been held about this matter, could therefore not have been involved in the financial control.

The rationalization of South Africa's oil procurement organization with a view to the best possible financial control over the various kinds of funds was not being considered by the department.
**Council approves higher bus fares**

<table>
<thead>
<tr>
<th>Council approves higher bus fares</th>
<th>29/5/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>External scholars' fares will increase from 45c for a coupon or full cash fare to 55c for a coupon or full cash fare.</td>
<td>29/5/24</td>
</tr>
<tr>
<td>Adults' fares will be R50 (3-stage routes), R45 (2-stage routes) and R40 (1-stage routes) with internal monthly season tickets R25.</td>
<td>29/5/24</td>
</tr>
<tr>
<td>Cash fares over the Sandton border will be R1.50 a trip (3 stages), R1.40 (2 stages) and R1.35 (1 stage).</td>
<td>29/5/24</td>
</tr>
<tr>
<td>The internal fare for adults will be 80c.</td>
<td>29/5/24</td>
</tr>
<tr>
<td>The R5.75 student trip card charge is not increased at this stage but will be reviewed in January 1985.</td>
<td>29/5/24</td>
</tr>
</tbody>
</table>

A recommendation to increase Sandton's bus fares from July 1 was agreed at last night's council meeting.

This was an effort to reduce the bus service subsidy, which is R560 000 for the current financial year and expected to increase to R630 000 for the next financial year.

The internal scholars' 30c coupon or 45c cash fare will increase to 35c for a coupon and 55c cash on all routes.
Watchdog

Unit pricing — and what it means to you

MRS JEAN TATHAM, vice president of the Housewives League, welcomes Unit Pricing and gave WATCHDOG this explanation: “Which works out cheaper? The big tin of peas or the smaller, big bottle of tomato sauce or the smaller?”

It should be the bigger, but it often isn’t. We all know that it depends on which one the manufacturer is trying to push, which is old stock and which is new. The result is that you stand in front of the tunned fruits dividing the price of tin A to so many grams per cent, an then multiplying it up to the size of the tin B. But then you can’t remember whether you started with A or B, and there’s a hideous possibility that you’ve ended with cents per cent instead of cents per gram.

While you’re struggling laboriously over calculations that you could have done in a flash 20 years ago, you try to ignore the glares of passing trolley pushers.

Everything would be much simpler if tins and bottles had been properly standardized when we went metric in 1970. But all that happened was that existing sizes were standardized to the nearest 5 grams. The reason? It would have been necessary to reconstruct all assembly lines and marketing policies if sizes were standardized to logical units. The result? One big tin of corned meat — 300 g, 1 small tin — 190 g, hot 150 g.

The result in the shopper’s mind? Complete wooliness.

She usually thinks of each size as being double the smaller one. But when she really wants to know which is cheaper, it’s back to school with multiplication and proportions.

Bottled/tinned cucumbers and gherkins come in the following sizes: 345 g, 440 g, 500 g, 510 g, 740 g, 795 g, and that is just in one store. Try to work out the cheapest without a calculator.

Compare the sizes and brands of mayonnaise and viennas in the following table. And see if you guessed the cheapest.

Toilet paper comes in one, 125, 180, 280, and 125 -- that’s easy, but also in 150s and 160s — not so easy.

Goods that are similar but not identical do not always have the same mass. Most tinned fruits, medium size are 410 g, but pears in the same tin are only 338 g.

To solve this dilemma, comparative unit pricing was introduced in the United States in the early 1970s. This tells you exactly how much an item costs per convenient unit of mass or volume, and can be compared with all similar items in the store. It is now accepted as a very useful aid to shoppers wanting value for money, once quality has been taken into account.

When the Housewives League asked for it to be introduced here, we were told that it would be too expensive. Staff in branch stores wouldn’t or couldn’t find time to cope with it.

(Every time a price changes, the unit price shelf label has to be altered.) Inaccurate unit pricing would be almost as bad as incorrect pricing of goods, and more difficult to detect.

But with the introduction of some tinned, frozen foods and computerized records, unit pricing is now feasible.

Take care with frozen foods

MICRO-ORGANISMS in frozen foods start multiplying as soon as the temperature starts to rise. Once the food has thawed, they multiply at a greatly increased rate. Not all are harmful, but the result in discolouration, deterioration of taste and loss of vitamins.

We pay a lot for frozen food, so make sure you eat it at its best.

- Buy your frozen and chilled foods last.
- Pack them in a cold box (Cheaply sells an insulated foil bag).
- Get them home as soon as possible and into the freezer or fridge.
- Read WATCHDOG in today’s Classified.

Unit Pricing

The brands of Vienna sausages and mayonnaise given below are similar but not identical and include local and imported prices at a supermarket in March

<table>
<thead>
<tr>
<th></th>
<th>Mass</th>
<th>Price</th>
<th>Unit price per 100 g</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VIENNA SAUSAGES.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prima, cocktail, tunned</td>
<td>100 g</td>
<td>69 g</td>
<td>69c</td>
</tr>
<tr>
<td>Prima, chilled</td>
<td>250 g</td>
<td>1,28</td>
<td>51,2c</td>
</tr>
<tr>
<td>Prima, tunned</td>
<td>380 g</td>
<td>1,57</td>
<td>44,7c</td>
</tr>
<tr>
<td>Garts, tunned</td>
<td>375 g</td>
<td>1,15</td>
<td>35,1c</td>
</tr>
<tr>
<td>Ball Brand, tunned</td>
<td>425 g</td>
<td>1,08</td>
<td>25,4c</td>
</tr>
<tr>
<td>Plumrose, tunned</td>
<td>500 g</td>
<td>1,65</td>
<td>31c</td>
</tr>
<tr>
<td>Eskirt, chilled</td>
<td>510 g</td>
<td>1,49</td>
<td>27,2c</td>
</tr>
<tr>
<td>Renown, chilled</td>
<td>1 kg</td>
<td>3,60</td>
<td>36,0c</td>
</tr>
<tr>
<td><strong>MAYONNAISE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hellmann’s Real Mayonnaise</td>
<td>350 g</td>
<td>1,75</td>
<td>53,6c</td>
</tr>
<tr>
<td>Jenny Post French Mayonnaise</td>
<td>375 g</td>
<td>1,75</td>
<td>51,0c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Mayonnaise</td>
<td>445 g</td>
<td>1,95</td>
<td>44,7c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Classic</td>
<td>295 g</td>
<td>2,99</td>
<td>48,3c</td>
</tr>
<tr>
<td>Heinz Mayonnaise</td>
<td>500 g</td>
<td>1,78</td>
<td>35,6c</td>
</tr>
<tr>
<td>Carmel Mayonnaise</td>
<td>500 g</td>
<td>1,78</td>
<td>35,6c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Mayonnaise</td>
<td>750 g</td>
<td>2,09</td>
<td>27,9c</td>
</tr>
<tr>
<td>No Name Salad Cream</td>
<td>750 g</td>
<td>1,69</td>
<td>22,5c</td>
</tr>
<tr>
<td>Nola Salannese</td>
<td>780 g</td>
<td>1,90</td>
<td>26,2c</td>
</tr>
<tr>
<td>Kao Mayonnaise</td>
<td>780 g</td>
<td>1,90</td>
<td>26,2c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Salad Cream</td>
<td>790 g</td>
<td>2,00</td>
<td>26,4c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Mayonnaise</td>
<td>810 g</td>
<td>2,04</td>
<td>26,4c</td>
</tr>
<tr>
<td>Crosse &amp; Blackwell Chef Dressing</td>
<td>3,1 kg</td>
<td>7,70</td>
<td>25,1c</td>
</tr>
</tbody>
</table>
It’s all over bar the coding...

MRS JEAN TATHAM, vice-president of the Housewives’ League, has this to say on the advent of bar coding:

“What are the advantages and disadvantages of bar coding for the consumer and how will she react to it? That is like asking ‘How long is a piece of string’? Perhaps the only certain conclusion is that the consumer is unpredictable.

She will meet bar coding head-on at the shelves no prices on tins. This is an enormous disadvantage for those who want to compare prices up and down the shelves, those who want to do a quick addition of how much they have in their trolleys and those who are short sighted.

Prices will only be seen on shelf stickers so it is essential they be legible. There must be no confusion as to pictorial with or without tomato sauce, 285g or 410g.

Bottom shelves will present a particular problem. Because there is no price label there will be no store identification. When you return a weesly bag of flour the store will not have to take it back as there is no proof that you bought it. It is not feasible to ask customers to keep till slips for six weeks.

An advantage would be the possible addition of unit pricing on the shelf marker so that you can compare the price of frozen, canned and fresh peas. The pricing of old stock on the shelves just by changing the shelf marker is an area of great disagreement to us.

At the tills, the customer will like the descriptive till slips, the legible display and the visible bar code. There is no rip-off between the shelf and the till. That is easy. It is less easy to ensure programming mistakes are picked up and rectified.

A very simple, explicit code of practice will have to reassure the consumer that there is no rip-off between the shelf and tills. That is easy. It is less easy to ensure programming mistakes are picked up and rectified.
Dismay at increase in milk price

By DIANE CASSERE

CONSUMER organizations and heads of supermarket chains yesterday expressed shock and dismay at what one called the “total insensitivity” of an announcement that the price of milk and other dairy products would be increased on July 1, the day that GST rises and basic foodstuffs become exempt from the tax.

The chairman of the Dairy Board, Mr Jan van Vuuren, announced yesterday that the price of milk and other dairy products would be increased by between six and eight percent.

Despite the abolition of GST on these products, their prices will in effect remain unchanged.

Mr Van Vuuren announced at a press conference in Pretoria that the price of milk would increase on average by 6.5 percent (four cents a litre), but could vary from region to region and by packaging size due to distribution and packing costs.

Referring to the implementation of marketing quotas for milk, Mr Van Vuuren said the Dairy Board did not want to encourage the production of milk when there was no demand for the product.

“As a result, each milk producer who supplies a factory will receive a marketing quota based on his own supply over the past 12 months, as well as a market for dairy products for the coming year.”

A levy will be collected from the producer exceeding his marketing quota to enable the board to find a market for the surplus milk.

Mr Raymond Ackerman, chairman of Pick ‘n Pay, said yesterday that it was “absolutely diabolical” that the milk price should rise at the same time that GST was removed from basic foodstuffs, of which milk is one.

“This will negate the benefits we have been fighting for on basic foodstuffs and the timing is so anti-consumerism.”

Mr Jan Cronje, director of the Consumer Council, said the announced increase of 4c a litre meant the consumer would have to pay the same price after July 1, despite the fact that GST on milk was to be abolished, as from this date the increase in the maize price caused an increase in the input costs of the dairy farmer.

Mrs Joyce Seroke, vice-president of the Black Consumer Union, said she was appalled that the price of a basic foodstuff had been increased.

“Milk is one of the main proteins sustaining the disadvantaged groups. The removal of GST will make no difference now.”

Mr Gordon Uiten, managing director of Checkers, urged the government to put a brake on food suppliers increasing prices “and taking for themselves under the veil of the removal of GST from basics, the savings that should be the consumers’”.

Mrs Joy Hurwitz, chairman of the Housewives League of South Africa, urged those people who would now be forced to use milk powder not to confuse these with creamers and substitutes that had no nutritional value.

She said that while the producers deserved an increase “after two years without one” — the distributors were at liberty to charge what they liked.

The Prime Minister

Soar

From ORMANDE

LISBON — Portugal’s President Dr Mario Soares accepted an invitation to make a historic visit to Africa.

It would be the first visit by a European leader in many years, and he would like to confirm his earlier statement that he would like to make “a more pertinent” visit to Africa than in the past.

His acceptance appears to confirm that international community.

Girl mauled by neighbour’s dog

Own Correspondent

JOHANNESBURG — A seven-year-old Boksburg schoolgirl is in a serious condition in hospital after being savagely attacked by a Rottweiler dog yesterday.

The victim, Stephanie Webb, of Packer Road, Parkrand, is in the intensive care unit of the Johannesburg Hospital.

Stephanie, a pupil of St Dominic Convent, and a six-year-old friend, Pipa Bowler, were on their way home when they were attacked by the Rottweiler, which belonged to a neighbour.

Stephanie was flown to hospital by helicopter with her arm and face seriously injured.

The dog was seized by police and will be destroyed.

“Bless our dear reg, less 10% GST.”

crack of dawn

hearthwarming
winter specials

we are open on sat. 2nd june!
Milk price rise was overdue

While an increase in the producer price of dairy products was overdue, the semi-controlled rise in the distributors’ prices was not, the president of the Housewives’ League, Mrs Joy Hurwitz, said last night.

A price was either controlled or it was not, and it was high time that producers were allowed to distribute their milk themselves, she said.

She warned consumers not to buy low-quality milk powders and blends because they might contain imported ingredients which are harmful to children.

Mrs Hurwitz stressed the necessity of introducing a registered South African dairy mark modelled on the Woolmark and the Citrus Seal, as proof of a product being of high quality South African pure milk origin.
The expected drop in the price of milk by four cents a litre from July 1, after the removal of the 7% GST, has been wiped out by an increase in the price of milk by between 6% and 8% a litre.

This was announced by the chairman of the Dairy Board, Mr Jan van Vuuren, at a press conference in Pretoria yesterday. This means the price of a litre of milk delivered will remain at 66c after GST has been removed.

Mr Van Vuuren said the producer price had been raised by three cents a litre - a far bigger increase could have been justified - and distributors had raised their margin by a cent a litre.

The FFP's consumer spokesman, Mr Harry Schwartz, said: "This is what we feared that GST concessions would be overtaken by price rises. Consumers will be appalled. There is a feeling in some places that the consumer is a cow that can be milked for ever," he said.

The president of the Housewives League, Ms Joy Hurwitz, said: "It is unfair that producers merited an increase - the first for two years. We thought the consumer was at last getting a break with the removal of GST, but inflation seems to have negated this.

"It was unfair, she said, always to pass on increased costs to consumers, especially in a time of recession and on basic foods. It meant that among the lower-income groups consumption of milk would continue to decline because they simply could not afford to buy all they needed.

Mr Van Vuuren said the butter price would rise by 7,2c a kg to 65c. The general manager of the board, Mr Eddy Roux, said the butter price had actually been raised by 14.7%. The removal of GST had reduced the increase to 7.2%.

Mr Van Vuuren said industrial milk prices are to rise by about two cents a litre. This would result in a 7.4% or 35c per kg increase in the cheese price. Mr Van Vuuren emphasised the higher maize price alone had resulted in a two cents hike in the milk price.

Details on which products would be freed from GST still had to be announced by the Director of the Inland Revenue. He stressed in an economy with an inflation rate of around 30% a price increase of less than 8% should be acceptable. This was the absolute minimum to keep milk farmers in the industry.

Mr Van Vuuren also announced quotas for milk production would be introduced from July 1.

The board wanted to discourage milk production for which there was no demand. Where a producer exceeded his marketing quota a levy would be collected to help the board find a market for the surplus. Although the production of fresh milk was now adequate, it was not enough for industrial milk products such as cheese and powdered milk. However, surpluses from previous over-production satisfied the demand.

Increase could cancel gains from dropping of GST.

Milk price is set to rise yet again.

On the big 10 000-ton surplus of powdered milk, Mr Van Vuuren said welfare organisations and other deserving organisations will participate in the board's subsidy scheme, in which powdered milk was subsidised to the extent of R1.50 a kg.

Fun guide
IT'S the first day of the long weekend. Need WEEKEND FUNFINDER

Soares plans SA visit, while UK
**Talking Shop:**

Colleen Shearer does her annual inflation survey.

---

It's greed, not need, that is pushing up prices.
Dairy Board hikes do not affect EL

EAST LONDON — The local wholesale and home-delivery prices of fresh milk would not be affected by the six to eight per cent increases announced by the Dairy Board and due to come into operation on July 1.

This was made clear yesterday by the chief executive of Model Dairy, Mr. Geoff Stead, who said “East London falls outside the jurisdiction of the dairy Board and does not have to plement its general increases”.

Local wholesale and home-delivery prices of milk were increased by as much as 7.5 per cent on June 1, but not be increased further in keep with Dairy Board increases.

The wholesale price of a litre of milk in a carton went up from 64c to 67c and milk delivered to homes was increased from 63.5c to 68c.

The price increase announced by the Dairy Board for other parts of the country would coincide with the removal of the seven per cent GST on fresh milk and other basic foods.

Model Dairy, which handles about 90 per cent of the milk trade in East London, has not increased the prices of yoghurt and man, but it is not yet known if the Dairy Board will push up the prices of these dairy products in other parts of the country.

The Dairy Board has already announced that the prices of cheese and butter will go up countrywide.

DDR
Advocates’ charges are ‘unrealistic’ — attorney

Argus Correspondent

JOHANNESBURG. — An experienced attorney says he is turning away clients daily because he cannot risk exposing them to advocates’ “unrealistic” fees.

According to the attorney, who has had 10 years’ experience, he decided to stop briefing advocates when one of his poorest clients was charged R700 by a junior advocate for a simple civil claim which did not come to court.

The claim, arising out of a collision, was for R3500 and the only issue in question was whether a traffic policeman had given his client the right of way. The claim was set down for hearing in April, but it was withdrawn after it became clear that the policeman would testify against the client.

The attorney said he and the advocate waited one hour at the court to tell the client the matter was withdrawn; drank a cup of tea together and then left.

The advocate refused to discuss his fee, but later sent a bill for R700, which the attorney paid out of his own trust funds.

R60 an hour

The attorney, who has five years’ more experience than the advocate, was entitled to charge R60 for one hour’s routine court-work.

“If I made an appointment for an operation with a cancer-surgeon and I cancelled the appointment, would the surgeon charge me R700 if he just waited in the theatre for a few minutes and enjoyed a cigarette or a little chat with a colleague?” he asked in a letter to the advocate querying the bill.

In a letter to the Johannesburg Bar Council, which is investigating the attorney’s complaint, the advocate replied that the bill included fees for settling and going three days to go to court, familiarisation with the matter, and research into the relevant law.

The amount was the lowest allowed by the taxing master for the first day’s appearance of a junior advocate.

The Bar Council’s ombudsman said the Press would not be allowed to attend the hearing of the complaint as such hearings were private.
IT WAS regrettably that a number of basic foodstuffs were still not to be exempt from General Sales Tax, the Opposition spokesman on Finance, Mr Harry Schwarz said yesterday.

He was reacting to the final list of foodstuffs exempt from GST announced by the Commissioner of Inland Revenue yesterday.

Foods exempt from GST are:

- Bread, but not high protein, special bread, super white, unleavened bread, rolls and buns
- Butter
- Eggs — those laid by domestic hens
- Raw fish-fish, but not non-vertebrates such as rock lobster, crabs, prawns, langoustines, mussels and oysters. Also not exempt are canned or bottled fish, cured fish, fish sold as bait, fish extracts and pastes, caviar, smoked fish, fish biltong and fish sold ready to eat.
- Fresh fruit, but not nuts, dried or glace fruit, canned or bottled fruit, jam made from fruit and fruit juices
- Maize meal with the exception of maize flour
- Margarine
- Raw meat, including sausages, hamburger patties and steak and beef burgers, but excluding canned meat, marinated or pickled meat, polony, Vienna sausages and frankfurters
- Milk, except condensed or concentrated milk, flavoured and sour milk, yoghurt and sweetened milk
- Milk powder
- Vegetables, except canned and dehydrated vegetables
- Whole-wheat meal

The commissioner pointed out that GST was not applicable where exempt foodstuffs were supplied for immediate consumption as in restaurants, or where board and lodging was charged inclusively.

'Excuse for increases'

Mr Schwarz said it was with a degree of satisfaction that he noted that ‘after so many years’ the minister had finally accepted the principle of exempting basic foodstuffs from GST.

However, he said the list of exemptions was not complete and it was also to be regretted that they were accompanied by “a massive hike in the level of GST generally”.

He expressed the hope that the exemption of certain foodstuffs from GST “will not be used as an excuse for price increases of those foods, and regrettably there are already signs of this”.

He warned that the government and consumer should watch out for such exploitation.

Mr Schwarz also pointed out that the time for the business sector to adapt cash registers and other procedures was short and consumers should be on the alert to make sure the tax was correctly charged.

He said the minister “should make it compulsory to furnish every purchaser either with a cash register slip, invoice or some other written document.”
<table>
<thead>
<tr>
<th>TAX-FREE</th>
<th>TAXABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREAD, white, brown wholewheat, compound bread</td>
<td>BREAD, high-protein, French, super super white, rye, rolls buns, unleaven bread, and ruskis</td>
</tr>
<tr>
<td>EGGS: laid by domestic hens</td>
<td>EGGS: any eggs laid by ducks, geese, ostriches, etc., or separate egg yolks and whites</td>
</tr>
<tr>
<td>FISH which has to be cooked</td>
<td>FISH: any invertebrate fish such as rock lobster, crabs, langoustine, shrimps, prawns, oysters, mussels, abalone, canned and bottled fish, marinaded and pickled fish, cured fish, bait, fish extract and pastes, caviar or caviar substitutes, smoked fish, fish biltong, any fish products containing less than 60 percent raw fish and any fish sold which can be eaten immediately.</td>
</tr>
<tr>
<td>FRUIT, Fresh</td>
<td>FRUIT: dried, nuts, glace, canned or bottled, jam or juices</td>
</tr>
<tr>
<td>MAIZE MEAL: super maize meal, sifted and unsifted maize meal, samp and mealie rice</td>
<td>MAIZE MEAL: maize flour or wholewheat meal</td>
</tr>
<tr>
<td>MARGARINE</td>
<td>RAW MEAT: canned meat, marinated or pickled, polony, vienna sausages or frankfurters</td>
</tr>
<tr>
<td>RAW MEAT: poultry, sausages, hamburger patties, steak and beef burgers</td>
<td>MILK: condensed or concentrated, flavoured, sour, sweetened or yoghurt.</td>
</tr>
</tbody>
</table>
| MILK from cattle, sheep or goats, skimmed, cream, buttermilk, sterilized milk and long life milk | *
| MILK POWDER. | VEGGIES, for human consumption — fresh, frozen, blanched or scalded |
| VEGGIES | VEGGIES: canned or dehydrated |
Cheap, nutritious and taxed

Staff Reporter

KUPUGANI, a non-profit national distributor of cheap but nutritious foods, said yesterday that only three of the 84 lines of foodstuffs they stocked were on the list of items exempt from sales tax.

The firm is a major distributor of baby foods, powdered milk, dehydrated vegetables, soup and other high protein foods. The three lines exempted were margarine, milk powder and meale (maize) meal.

A spokesman for the organization said Kupugani supplied creches, old-age homes, nurseries, day-schools and some day-hospitals. Some 40 percent of these institutions were exempted from sales tax, because they were registered as charities.

However, the vast number of unregistered institutions in the Cape Flats area did make their purchases from the firm and would have to pay the increased 10 percent GST effective from July 1.

Kupugani director Mr Gerry Henderson said canned meats, soya products and high protein dehydrated vegetables were the only types of foods the poor had access to in many cases because of distance from markets in rural areas and the absence of facilities such as refrigerators in most cases.

- Leading article, page 10
- Quick guide to the new GST, page 11

eytenbach a friend of M

Correspondent

EKBURG — Afrikaner anti-terrorism forces were placed under strain when a gang of robbers with Heyl — only surviving member of the trio of robbers — has claimed McCall was responsible for the death of the gang leader, former policeman, Andre Stander.

But according to Beytenbach in his recently-published book "True Confessions of an Athlete Terrorist," McCall, a "humorous person not given to violence", had been "put up for death".

McCall was shot by police in the Stander gang's hide-out in Houghton in January. Police also found documents in the house which assisted them in tracing Stander to Fort Lauderdale, Florida.

"At the time of confessing this (December 1982), Mae, who had broken out on several previous occasions, by abscding from the dentist or walking away, was caught by a train window, was on the loose again.

"This is the time he escaped in the company of an ex-police man (presumably Captain Andre Stander)."

"Mae is a gentle, humorous sort of a bloke, not given to violence — but the newspapers (and the police informing them) are creating an atmosphere of terror which would provoke and justify the shooting to death of the escapes if ever they are cornered. As far as I know they are still free."

Aircraft 6 Cinema 9 Crossword 10 Parliament 4 TV
Birds, etc 10 Classified 15-21 Editorials 10 Racing 6 Weather
Bridge 6 Column 5 Focus 8, 9 Radio 6 What's on?
Burger 5 Comicles 16 Horoscope 6 Ships 5 Women's
Business 12-14 Court Roll 6 On Parade 5 Sport 21, 23, 24 World Report 4
Tyre price increase ‘uncalled for’ — AA

Staff Reporter

THE Automobile Association has described the increase in tyre prices as “uncalled for” and says tyre manufacturers are “agreeing among themselves on wholesale tyre prices”.

In a statement, the AA said this week’s announcement by the SA Tyre Manufacturers’ Conference of a price increase on tyres and tubes from June 26 had “come as a shock” to all road-users.

Tyres for passenger cars, light lorries, earthmovers and graders will increase by 8.33 percent, while giant lorries, tractor and agricultural implement equipment tyres will go up 6.66 percent.

“It would appear that the abolition of wholesale price maintenance on tyres by the Government a few years ago has not led to keener competition and that manufacturers are continuing to agree among themselves on increases in wholesale prices,” the statement said.

Would like greater competition

“While the AA accepts that tyre manufacturers have to meet increased production costs, it would like to see greater competition among them.”

The organisation appealed to retailers not to apply the increase to existing stocks.

It said tyre prices for passenger cars had increased by more than 40 percent since 1982, while the tyre production price index had gone up by about 22 percent and the consumer price index by 30 percent.
After the death of a 25-year-old father of two, a hospital plan for its area was conceived. **Serenade**

After greeting the greeters, Mr. Botha and General Viljoen mounted the dais and took the salute, then inspected the troops. Then the bothas (P.W. Pik and wive) moved up to the dais, when the Tygersburg Children’s Choir serenaded them in Afrikaans and English, Dr. E.J. van der Walt of the NGK congregation of Rondebosch offered bilingual thanks.

Then followed a rambling speech of welcome by the acting Prime Minister, Dr. Piet Koosen, to which Mr. Botha replied in his usual forthright way.

**Medical aid to cost more**

From page 1

**First Correspondent**

PRETORIA — The country’s 225 registered medical schemes are to raise their members’ subscriptions from the beginning of July.

The chairman of the Representative Association of Medical Schemes, Mr. John Ernstzen, said yesterday that conditions and benefits varied from scheme to scheme, but most were taking of increases of between 12 and 15 percent.

One scheme had decided to raise subscriptions by 16 percent. Reasons for the increases included:

- The increase in GST from July 1 which would further increase the prices of medicines
- Higher provincial and other hospital fees
- The fact that provincial hospitals were now referring scheme patients to private practitioners

Mr. Ernstzen estimated that the 225 registered schemes would pay out a total of R1,500 million in benefits this year — about 40 percent to doctors and 17 percent to dentists.

**Airport parking fines rise**

Staff Reporter

OWNERS of illegally parked cars which have been towed away at the D.F. Malan Airport after Monday will have to dig deeper into their pockets to bail out their vehicles.

This was announced yesterday by the airport manager, Mr. J.J. Nel, who said the former R40 fine to get back cars which had been towed away from yellow lines and illegal parking bays would be increased to R50.

He called on motorists to co-operate in combating illegal parking, which had caused a lot of inconvenience to the airport in the past.

**Gaye’s father for trial**

LOS ANGELES — The father of slain soul singer Marvin Gaye, a retired clergyman accused of shooting the entertainer 10 weeks ago, has been declared mentally competent to stand trial for the murder.

The entertainer added the “E” to his surname at the start of his music career.

Superior Judge Michael Pirosh ruled that Marvin Gay Snr. who had surgery last month to remove a brain tumour, was fit to stand trial for the murder of his son. Mr Gay said nothing during the brief proceeding.

The 70-year-old defendant was scheduled to appear on June 20 so a preliminary hearing date could be set.

“The court, having read and considered the two-page report, finds that Mr Gay in fact after his surgery is competent to stand trial,” Judge Pirosh ruled.

The judge declared Gay mentally competent based on two psychiatric evaluations conducted by Dr. Ronald Markman. In both evaluations, the doctor found Gay mentally competent.

The defence did not contest the findings.

Gaye is charged with shooting his Grammy Award-winning son through the heart at his family’s south central Los Angeles home on April 1.

The elder Gay pleaded not guilty to the charges, claiming in a published interview that he had fired the gun in self-defence during a heated argument with his son. He said he thought the weapon was loaded with blanks.

In his post-operative period, he continues to be fully oriented, alert and responsive to questions,” Dr. Markman said in his latest report. He was soft-spoken, but continued to provide a consistent story regarding the shooting of his son, which he labels as ‘self-defence.”

“He is fully aware of the nature and purpose of the proceedings against him, can discuss his available options, is aware of the criminal justice process, the role of judge, jury and prosecutor and does know his attorneys.” — UPJ
It's time to take GST out of CPI

By REN SWAIN

Business Day
Little comfort for those close to the breadline

THE Government announcement that certain foods will be exempted from GST has brought little comfort to those already living close to the breadline, since many are unlikely to reap much benefit from the exemptions.

Many Cape Flats households do not have electricity, and fridges are still regarded as a luxury. As a result, lower-income groups buy substantial amounts of canned food — which will still be subject to the 10-percent sales tax from July.

And even the shopping baskets of workers who do own fridges contain a high proportion of taxable goods.

Examining the household budgets of workers interviewed showed that the tax exemptions hold little, if any, relief for the poor.

**Household necessities**

The newly-formed federation of independent black trade unions has listed a “range of household necessities” bought regularly by workers on which tax will increase.

- Tea, coffee, sugar, canned foods, toiletries, candles, paraffin, clothing and household utensils.
- Mr Shadrack Mkisi is a contract worker with a local firm in the building industry. He has worked with the same firm for 13 years and earns R51.75 a week.

He sends about R20 a week to his wife and six children in Transkei — leaving him about R31 a week to live on.

**Six tins of vegetables**

Neither he nor a fellow contract worker, who did not want to be named, have a fridge, so most of the food they eat — apart from the exempted samp, mealie-meal and bread — is tinned, and therefore not exempt from GST.

Mr Mkisi and his colleagues each buy about six tins of vegetables a week and several tins of fish. They also buy one 1-litre tin of paraffin, soap and other toiletries.

Tea, coffee, sugar, jam and rice are bought once a fortnight.

“We buy fresh meat and vegetables once a week before the weekend, never more than that.”

“It would be better if the Government were to reduce GST on meat things. It would make it easier for people all round. We all have to spend money on these things, whether you earn a lot or a little,” said Mr Mkisi’s colleague.

**Typing school fees**

- A municipal worker, who has worked for the City Council for nearly 14 years and who lives in Hanover Park with his family, earns a standard wage of R83.65 a week. His take-home pay, after deductions which include rent, is R64.

Of that, the family spends about R26.50 a week on electricity, hire-purchase repayments, the telephone bill and his daughter’s typing school fees. That leaves R37.50 a week for transport, groceries, clothes and entertainment.

About R15 a week is spent on fresh vegetables, meat, milk and bread. The balance is spent on taxable goods.

- Mr Alfred Jacobs of Guguletu is an electrician with a construction company.

His basic wage is R108 a week, of which he pays R18.67 a month in rent and about R30 a month on electricity.

Mr Jacobs has three school-going children, for whom he provides bus fares, school books and uniforms.

Weekly bus fares for the family amount to R25.60 and hire-purchase repayments to R50. The fortnightly shopping bill comes to R82.

Because the family owns a fridge they can afford to buy fresh foods. Nevertheless, of the R82 shopping bill only about R29 is spent on GST-exempt goods like samp, fresh meat, milk, bread, margarine and vegetables.
THE Government announced certain foods will be exempt; brought little comfort for being close to the breadline, unlikely to reap much from exemptions.

Many Cape Flats households lack electricity, and fridges are luxury. As a result, lower-income members use the cheaper, cheaper.

And even the shopping who own fridges contain a taxable good.

Examination of the household who interviewed showed that some hold little, if any, relief for.

Household necessities.

The newly-formed federation of black trade unions has listed household necessities bought on which tax will increase.

They include tea, coffee, toiletries, candles, paraffin, and other utensils.

Mr Shadrack Mkila is a local farmer in the bucolic Transkei. He earns R50 a week. He sends about R20 a week for six children in Transkei. He lives on six tins of vegetables a week.
SOUTH Africans, already reeling under a long list of price increases, can expect no relief.

New price increases in July, including a 43 percent jump in GST from seven to 10 percent, threaten to keep inflation on the rise for the rest of the year, experts predict.

Two further blows have been announced in the past day. Foreign postal rates are to be increased from July 1 and Barclays Bank is to increase its interest rates on home loans with effect from Monday.

The increase in foreign postal rates will be between 17 percent for airmail letters to Japan and Taiwan, and 40 percent for airmail postcards.

**Bond rates**

The rate on loans up to R40 000 will increase by 0.5 percent to 18.5 percent, said Barclays. On loans above R40 000 the rate is to increase by 0.25 percent to 19.25 percent.

The year began with an increase of six percent in Eskom's electricity tariff — on October 1 there will be a further increase of 7.2 percent in January also brought increases in maize (between six and seven percent), tea and coffee.

In February, 1.25 percent was added to the bond rate, followed by increases in canned foods (14.75 percent), eggs (13c/dz), GST (from six to seven percent), beer (between 5.3 and 9.2 percent), white bread (11.1 percent) and brown bread (11.7 percent).

In March, sugar was increased by 10 percent, petrol by 1.5c a litre inland, transport tariffs (railway, air and harbour) by 9.4 percent and postal tariffs by 9 percent.

Provincial hospital tariffs rose by about 20 percent on April 1, and are expected to rise again before the end of July. At the end of April maize went up by 18.6 percent. Cape egg producers also put their price up by six cents a dozen.

In May, third party insurance jumped between 8.9 percent and 11.6 percent, while bricks went up by 9.6 percent.

Earlier this month the bond rate went up again, by 0.75 percent. This week eggs went up by an extra three cents a dozen. Next week tyres go up by an average of 7.5 percent.

Next month brings another wave of price increases which have already been announced.

**Doctors' tariffs**

Doctors' tariffs rise by 8.8 percent, dentists' tariffs by 10 percent, milk by six percent, butter by seven percent, spirits by one percent and mails by four percent.

And certain Cape divisional council ratepayers will pay up to 46 percent more in local area rates from July 1.

Mrs Joy Hurwitz, national president of the Housewives' League, said the largest and most important increases had been those in the price of maize, bread and GST, notwithstanding the removal of GST from basic foods.

"The removal of GST is, of course, to be welcomed but the increases in administered rail and air transport tariffs are highly inflationary and will continue to push up the cost of living," she said.

South Africa's economy is facing troubled times. The main economic problems facing the country and possible solutions are analysed in three articles by the Financial Editor, Derek Temmey, in The Argus starting on Monday.
Inflation creeps up to 11.01%

By Harold Fridjhon

SOUTH Africa’s inflation rate as measured by the Consumer Price Index (CPI) rose from a 10.68% increase in April on a year-on-year basis to 11.01% in May. But the encouraging feature is that the rate of increase slowed down to 0.77% compared with 1.49% the previous month.

The index, base April 1975, rose to 228.3 in May from 226.1 in April and 229.7 in May 1982.

Figures produced by the Central Statistical Office show that the main contributor to the all-items index was a marked drop in the food-only index. This fell to 0.52% in May from April’s 1.72% rise. On a year-on-year basis, the food index rose slightly to 10.56% from April’s 11.13%.

The higher income group index went up by 11.12%, year-on-year, the middle income group index rose by 14.42%, and the lower income group index moved up by 9.88% on the same basis.

In the past ten months the rate of inflation has been relatively static in the 10% to 11% band. The lowest rate of 10% was achieved in February. This really signifies that the efforts of the authorities to reduce the rate of inflation have not been very successful.

With the increase in GST to come, these CPI figures are not encouraging in spite of the Minister of Finance, Mr Owen Horwood, saying in Cape Town recently that the increase from 7% to 10% in the GST, with the exemption of a number of food items, had been done to reduce the rate of inflation and not to raise it.

The foods which have been exempted will contribute to slowing down the inflation rate for people in the lower income groups, but for others, the three percentage point rise will certainly send the CPI index up a few notches in July.

The only way the raised GST might help to bring down the rate of inflation is by curbing consumption expenditure. A factor which has stimulated the CPI has been credit-led consumer spending. The strength of this demand has kept prices high.

After this month’s buying spree by the public there is the possibility that most consumers will not be in a position to spend as freely in the months ahead. This suggests that retailers will start cutting prices to attract business.

But after a few months the public will become accustomed to the higher tax and will trickle back to the shops again to a state of as-you-were in December.

Some authorities are of the opinion, however, that demand is not the basic reason for the rise in the CPI. They maintain that the country suffers from cost-push inflation with the heavy input element being administered prices such as the maize price, the cost of animal feeds, the price of transport and other costs which the government raises in its various departmental budgets.

If this cost-push theory is correct, the depreciated rand will also add to living costs because of its impact on the prices of imported goods.
Milk price rise wipes off tax saving

Mercury Reporter

THE price of fresh milk is to increase by 4 c a litre on Monday — effectively neutralising any benefit consumers would have enjoyed from the sales tax exemption.

The national increase was approved by Minister of Agriculture Greyling Wentzel in agreement with the Dairy Board, said Mr Paul Freemantle, marketing manager of Clover Dairies in Natal, yesterday.

"It is in line with the normal annual increase. Producers will benefit by 3 c and distributors by 1 c," he said.

With the tax exemption on fresh milk and other products, which comes into operation on July 1, the milk price should have dropped to 82 c delivered. Instead, it will remain at the present level — including tax — of 86 c.

Mr Freemantle said: "It is just unfortunate that the increase has coincided with the implementation of the tax exemption."
Steel prices to increase 7.5%  

JOHANNESBURG. — All steel products, excluding tinplate, will increase in price by 7.5 percent from July 2, the chairman of the SA Rolled Steel Producers’ Co-ordinating Council, Mr F P Kotzee, announced yesterday.

The council represents the eight primary steel producers in the Republic.

In a statement, Mr Kotzee said the previous general steel price adjustment was on July 1 last year, and amounted to 8.9 percent.

"A sustained productivity improvement in the past year enabled the local steel producers once again to limit the new adjustment to well below the rate of inflation, at present 11 percent," the statement said.

"The industry's benefits of improved productivity and accompanying cost effectiveness have therefore been passed on to the steel consumer."

Canning industry

Tinplate prices are normally reviewed annually in April, the statement said, but this year Iscor — the only local manufacturer of tinplate — decided not to apply any increase.

This decision was taken to assist the local canning industry "under the prevailing difficult conditions and in the wider economic field, to make a contribution towards combating inflation."

"The local steel industry has endeavoured for some years to improve productivity, which has led to steel price increases being kept low in relation to the general inflation rate."

"This is borne out by the fact that while the production price index rose to 185 from an index basis of 100 in 1979, the steel price index increased to only 166 over the same period — including the latest adjustment," the statement said.

Concerning recent criticism that local steel producers have been exporting steel products at prices lower than the fixed domestic prices, the statement said:

"This is done to ensure the highest levels of capacity utilization and employment, which also applies to suppliers of goods and services to the steel industry, as well as to earn foreign currency for the Republic (R650m in the past year)."

"The lower return from such exports by South African producers is borne by the respective companies themselves and is not subsidized out of domestic selling prices."

"As in the case with steel producers in the Western world, the South African steel industry has to cope with poor market conditions and resultant unfavourable international prices."

The statement highlighted the impact of domestic inflation on South African prices.

World prices

"The local steel industry is subject to inflation-bond cost increases in respect of their inputs, in the same way as other industries. The high domestic rate of inflation is largely responsible for the existing disparity between South African and world market prices for primary steel products, as well as between domestic prices in South Africa and those in other steel-producing countries.

"South African steel is exported at world prices in order to compete with other exporters, some of whom are subsidized on a large scale by their governments, which is not the case in South Africa."
Steel adds to woes

By Don Robertson

Adding to the OST nightmare which hits the consumer from today is the announcement of a 7.5% increase in the price of steel — a move which will have a ripple effect on the cost of virtually all household and other goods.

The South African Rolled Steel Processing Co-ordinating Committee, of which Iscor is the largest member and which includes seven other producers, says the average cost of all steels, excluding tin plate, will be raised from tomorrow.

Productivity

It says the price of raw materials used in making steel has risen considerably faster than the price of steel in the past few years and producers have again had to absorb some of this increase.

The steel committee says prices have been raised to maintain reasonable productivity and plant use and that exports — generally sold at below the South African price — are not being subsidised by high domestic prices.

It stresses that exports last year which raised R650-million were vital to the economy.

The increase in price is also necessary to maintain a steel industry and support an active secondary industry.
Most fresh meat and chickens are on sale at major supermarkets are cheaper now that general sales tax has been dropped from a range of basic foods.

While customers at smaller stores and takeaway restaurants complain that the revised GST system is proving a recipe for a rip-off, those at the bigger stores are finding some prices have dropped considerably over past months.

Store managers say the switch to the new GST system has been smooth and trouble-free. The exception is the OK Bazaar in Ellipt Street yesterday some tills malfunctioned, causing long queues.

Pick 'n Pay's meat prices are now considerably lower than they were some weeks ago. For instance, Norwood Hypermarket is charging R9.59 for a kilogram of shorthairs — against R11.99 halfway through May. T-bone steaks have gone down from R7.18 to R6.99. And leg of lamb has dropped from R5.98 to R4.58.

Mince up

Among items which have increased at Pick 'n Pay are beef mince (R3.59 to R5.20) and topside (R4.99 to R6.30). Chicken prices at Pickers have dropped from R2.74 to R2.19; wings (R3.63 to R3.19); breasts (R3.72 to R2.10) and thighs (R5.13 to R3.30) also cost less than a month ago.

Peanut bread is among the items showing plummeting prices at Woolworths. A high-protein loaf of brown bread that cost 90c in mid-June now costs 69c High-protein white bread, dropped from 69c to 79c.

Woolworths' gammon steaks have dropped from R6.19 a kilogram to R5.79, but a leg of lamb that cost R6.19 a kilogram in mid-June now costs R7.19.

At OK Bazaars, chuck has dropped since mid-May from R4.93 to R4.09 to R3.80. OK's other meat prices have also dropped substantially.

Spar meat prices have generally moved up. Short ribs, for example, have increased from R5.11 to R5.69 a kilogram.
Financial Editor

THERE will be strong pressure on the Government to increase the petrol price as the dollar-rand exchange rate plunges to yet lower levels.

Yesterday the rand sank to a new low of 69.33 U S cents.

Ten years ago it was 140 U S cents. A week ago it was 74 c.

While the falling rand brings in more rands for exports, which last year were R20 billion and nearly half in gold, imports will see increased prices (about R16 billion last year), especially during the season, including 3.9 c for the retailer's profit, goes to customs and other Government taxes.

The Mercury's Johannesburg correspondent says the foreign-exchange market thinks the banks are speculating and fueling the fall with money borrowed from the Reserve Bank.

Slowed

The banks have borrowed more than R2.740 million from the Reserve Bank, and that figure has been rising instead of falling as other factors would dictate, and on which they are now paying 15.5 percent.

From London the Mercury's correspondent reports that sales of South African gold have slowed in recent weeks and the Reserve Bank is not getting the usual flow of dollars for gold sales.

Earlier this week the Reserve Bank spent about R150 million selling U S dollars and then on Wednesday put up the price (from 18 percent to 18.5 percent) at which it will lend money to the banks and floated an attractive issue of Treasury bills which drew R100 million and will pay 17.95 percent in interest.

Both steps put pressure on the banks, which find it cheaper to borrow from the Reserve Bank and

leat customers paying above the prime overdraft rate.

But one bank executive considers that only a dramatic revival in gold prices or a slump in the dollar will reverse the tumble.

Commenting on the dramatic fall in the rand, the chief executive of the Association of Chambers of Commerce, Mr Raymond Parsons, said: "The latest fall in the value of the rand against the dollar is the outcome of both external and internal economic factors - and was not unexpected."

Apparent

"At the same time it is apparent that the rand has fallen too far, and the chances are good that the underlying fundamental factors - together with Reserve Bank intervention - will help to stabilise and strengthen the rand in the immediate future.

"Apart from the performance of the dollar, a realistic value for the rand will depend on a large extent on appropriate domestic policies."

Our Pretoria correspondent reports that the plummeting value of the rand will deepen the recession and aggravate already serious inflationary pressures, according to economists.

See Editorial Opinion
HOW MUCH A LITRE
THE WORLD
COSTS AROUND

Rise for oil companies
State approves profit

SA's fuel-from-coal industry has crowded takings of the private sector
Price of oil up 18 cents a litre

Staff Reporter

Lubricating oil prices had gone up by an average 18 cents a litre, effective from Monday, major oil companies announced yesterday.

Mr Bernard King, financial director of a leading city lubricating firm, said the increase was due to price rises in base-oil and additives, which affected the overall petroleum industry.

A BP spokesman said that the increase was also subject to foreign exchange fluctuations.

The price of oil — unlike petrol — is not controlled by the government and prices are fixed by the controlling oil companies. The price of lubrication oil and products of this nature were subject to normal economic forces, he said.

The Motor Industry Federation did, however, provide guidelines to garages in this respect.

Monograde oil used in most cars is up by 16c. The approximate wholesale price of R1.30 will now be R1.46, meaning that garages will now retail this at about R2.70 a litre or R1.35 for a 500ml can.

Multigrade, which till now retailed at about R1.35 a 500ml can, will be R1.45.

Most garages yesterday said they would increase their prices when new stock arrived. A Newlands garage owner said he would increase his price from today, when his new stock arrived. All garages are expected to be charging the new prices by the end of this week.
Gas price up 9 cents a kg

Staff Reporter

Major oil companies yesterday announced a 9c/kg increase in the price of household gas — bringing the total price increase to 18c in less than five months.

On March 12 this year, the price of gas (liquefied petroleum gas) was also raised by nine cents.

The latest increase follows the increase in oil prices of which gas is a by-product. Gas is a non-controlled commodity and is subject to prices fixed by the controlling oil companies.

Mrs. Phyllene van Greunen, a spokeswoman for a City gas distributor, said yesterday that compared with prices in January — including the two increases in GCT — consumers paid about R10 more for a purchase of 48 kg of gas.

Gas now sold at R1.01/kg compared with 92c/kg in March and 83c/kg in January this year.

Mrs. Joy Hurwitz, president of the Housewives' League of South Africa, said from Johannesburg:

"It is ridiculous that very important commodity should have two increases in such a short span of time. It is going to hit hardest old-age pensioners and people living in townships who are dependent on this source of energy."
Book prices up 5 to 13 percent

Consumer Reporter

The prices of books are going up from Monday by between five percent and 13 percent.

Recommended price increases were recently distribu-
ted to booksellers throughout the country by the Associated Book-
sellers of Southern Africa.

President of the association, Mr. Ebenard Oellemann, said the main reason for the in-
creases was the weakened rate of exchange of the rand against both the dollar and the pound. However, this was not the only reason for the increases.

"Books overseas are also expensive. Price rises in those countries also affect the price of books in this country," he added.

He added education books printed in Britain and America had two prices — a home price for the local market and an export price which South African importers had to pay.

"When people say it is cheaper to buy books overseas and have them imported to this country they are quite correct — but that is because they are paying the local price for it," he said.
Putco is to raise fares by 12%

By RICH MKHONDO

PUTCO intends introducing an average 12.5% fare hike for its bus services in the Johannesburg, Pretoria, Durban and Bophuthatswana areas by not later than November this year, it was announced yesterday.

A Putco spokesman said if the new increases were approved by the National Transportation Board, it would apply through the Department of Transport for an increased subsidy. The subsidy would then determine the new Putco fares.

The spokesman said the application was one of a number that would be submitted to local boards in Pretoria, Johannesburg, Bophuthatswana and Durban.

He said the new ticket prices were not known at this stage, as the application had first to be approved by the National Transport Committee.

"It is not possible to say how much of any increase granted is payable by the passenger until a decision is made by the department (of Transport Affairs)."

He said the increase was necessary to meet increased operating costs.

Meanwhile, the Alexandra Youth Congress (AYCO) vice president, Mr Obeni Bapela, said they had received a letter informing them that fares may go up by November 1 if they are approved by the Transportation Board in Pretoria.

AYCO was instrumental in the Alexandra bus boycott earlier this year. The boycott ended after residents alleged that they were being harassed by the police for refusing to use buses.

Mr Bapela said his organisation will circulate a petition to judge the opinion of people of Alexandra regarding the new increase.

Mr Bapela said Putco could not increase their fares until "they have courteous drivers, clean buses, shelters and racks and clean toilet facilities."

"Putco must improve their appalling conditions, otherwise we will be forced to call another bus boycott which will include other townships affected by the fare increase."

""
Brick price increases tomorrow

Consumer Reporter

It will cost more to build a home from tomorrow when the price of bricks goes up by about 4.5 percent.

The increase was one of the regular price adjustments made by Corobrik, said the acting managing director of the Transvaal division of the company, Mr. Ray Andrews.

The last price rise was in May.

"The price adjustments vary from about R4 for 1000 bricks to about R10 for 1000 bricks depending on the type of brick," he added.

"But there is some good news for people who are having homes built. Transport costs, which could increase the price of bricks by between 20 percent and 30 percent, will not rise."

The high rate of inflation and rising costs were responsible for the increase.

"Major cost factors are the increase in GST, the price of coal and the cost of labour," said Mr. Andrews.

Another reason was that much of the equipment used by the company was bought overseas and costs had increased due to the falling rand."
Long list of hikes this year

Bread price rise likely in October

Mail Reporters

THE Government is financially unable to prevent an increase in the price of bread from October 1, according to Free
toria sources.

And people building a home will be hit by a 4.5% increase in the price of bricks from today.

Last week the Wheat Board made recommen
dations to the National Market Council for increases in wheat producers prices and for higher margins for the milling and baking industries.

The recommendations will be passed on to the Cabinet food committee before a final decision is taken.

However, it is considered certain that the Government will reject any demand that the bread subsidy be raised to compensate for the higher producer price and higher margins in the baking and milling industry.

If the bread price does go up it will be the latest in a series of staggering price rises for consumers.

Among the barrage of price hikes in essential services and products, maize, petrol and general sales tax have raised twice already, each time causing a ripple effect on other basic items.

In January the consumer was hit when the Eskom upped its tariffs by 9%, and the consumer price of maize was raised by 7%.

A drove of hikes hit the consumer in February:

- General Sales Tax rose from 6% to 7%.
- Brown bread rose by 16.5% while white bread cost 11% more.
- Petrol went up by 1.01%.
- Mortgage rates increased by 1.25%.
- Canned foods cost 14.7% more.
- The price of a dozen eggs rose by 3.5%.
- Beer cost between 5.5% and 9.9% more.

More increases took effect in March:

- Sugar prices rose by 10%.
- Tyres went up by between 3% and 5%.
- April brought:
  - An increase of 1.5c a litre in the price of petrol.
  - A rise in the cost of petrol.
  - A rise in railway, air and harbour tariffs increases of an average of 9.4%.

- The Rand Water Board increased its water tariffs by 25.5%.
- Fees at Transvaal provincial hospitals rose by 10%.

By May the list had become staggering:

- Third parties rose by between 8.3% and 11.3%.
- Eggs rose by 5.17%.

This month brought:

- GST up to 10%.
- A 7% increase in the price of milk at the same time as GST was removed.

- Medical and subscriptions climbed by between 12% and 15%.
- Doctor's and dentist's patients were hit by 10% and 8.6% increases respectively.
- Tyres cost between 8.6% and 4.3% more, and
- Steel went up by 7.5%.

In his Budget speech in March this year the now retired Minister of Finance, Mr. Owen Horwood, announced another bread price rise later in the year was "inevitable."

A Wheat Board spokesman and farmers costs had risen sharply during the past 12 months.

Among them were the steep increase in interest rates and the fact that the Rand Bank rate was only marginally less than the commercial rate.

Economists said yesterday escalating costs in the wheat and milling industries was part of the inflationary spiral which has the economy by the throat.

Wheat Board estimates are that bread consumption is rising.

This year provision has been made for a 5% increase in bread sales.

Contributing to the trend is the fact that a percentage of regular mealie meal eaters have switched to bread because of the less popular yellow-white maize meal mix, and the recent increase in the maize price.

The bigger bread consumption pushed up the Government's total bread subsidy, particularly as the more highly subsidized brown bread constitutes about 70% of all bread sold.

Because of GST exemptions from the beginning of July the price of white bread was reduced to 50c a loaf and brown bread to 55c.

It is likely that the prices will at least go back to 60c for a white loaf and 65c for brown and wheaten from October 1 unless the unexpected happens and the Government raises the subsidy.
Details of the new HP rates

By ANTON FISHER

THE NEW minimum deposits and maximum repayment periods for hire-purchase agreements concluded from today, with previous rates in brackets, are given below. These apply only to new agreements, not existing ones.

- Household furniture, including garden furniture, mattresses, floor carpets and floor rugs, irrespective of the materials from which these articles are manufactured — minimum deposit, 15 percent, maximum repayment period, 18 months (10 percent and 24 months).
- Appliances — electrical and non-electrical — for domestic use, including radios, gramophones, sound recorders and reproducers, record players, tape and wire decks, loudspeakers and amplifiers, and accessories for these, but excluding car radios, portable radios and coal stoves, 15 percent and 18 months (10 percent and 24 months).
- Camping equipment, including tents but excluding caravans, 15 percent and 18 months (10 percent and 24 months).
- Jewellery, including clocks and watches, 25 percent and 12 months. (10 percent and 24 months).
- Photographic equipment, including cinematographic cameras, enlargers and reducers, and projectors, including accessories for these articles, but excluding equipment for cinemas and theatres, microfilm equipment, lithographic process cameras, 25 percent and 12 months. (10 percent and 24 months).
- Television receivers and accessories thereof, but excluding closed-circuit television equipment, 15 percent and 30 months. (10 percent and 24 months).
- Video cassette recorders and players and video tape recorders and players, 30 percent and 12 months. (10 percent and 24 months).
- Video cassettes and video tapes, 30 percent and 12 months. (10 percent and 24 months).
- Electronic television games, 30 percent and 12 months. (10 percent and 24 months).
- Motor vehicles — designed to seat not more than 15 passengers — including motorcycles and motor tricycles, 20 percent 36 months (20 percent and 42 months).

The facts

To correct material errors of fact, write to the Editor, Cape Times, P O Box 11, Cape Town, or dictate the complaint briefly to the Editor’s office, telephone 24-2233 ext 229 between 9:30 am and 5pm (Monday to Friday).
Despite lifting of GST
Food prices increase

<table>
<thead>
<tr>
<th>PERCENTAGE CHANGE OR DECREASE</th>
<th>AVERAGE PRICE on FEBRUARY 1, 1984</th>
<th>AVERAGE PRICE</th>
<th>PICK N' PAY, BERMONDE</th>
<th>CHECKERS</th>
<th>SANDTON CITY</th>
<th>OLD BAZAARS ROCKDALE</th>
<th>PICK N' PAY HYPERMARKET</th>
<th>HAYMARKET</th>
<th>DATE OF SURVEY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.5%</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12%</td>
<td>11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12%</td>
<td>12%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5%</td>
<td>1.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td>2.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5%</td>
<td>1.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td>2.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Prices exclusive of GST       | JULY 31, 1984                     |               |                       |          |               |                       |                       |           |              |

Consumer reporter.
Meat price drop not passed on to consumers

<table>
<thead>
<tr>
<th>Types of meat per box</th>
<th>8 oz.</th>
<th>13 oz.</th>
<th>16 oz.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>R2.79</td>
<td>R2.99</td>
<td>R3.18</td>
</tr>
<tr>
<td>Pig</td>
<td>R4.10</td>
<td>R4.60</td>
<td>R5.19</td>
</tr>
<tr>
<td>Lamb</td>
<td>R1.15</td>
<td>R1.30</td>
<td>R1.43</td>
</tr>
<tr>
<td>Turkey</td>
<td>R1.29</td>
<td>R1.49</td>
<td>R1.69</td>
</tr>
<tr>
<td>Chicken</td>
<td>R1.62</td>
<td>R1.82</td>
<td>R2.03</td>
</tr>
<tr>
<td>Pork</td>
<td>R2.35</td>
<td>R2.49</td>
<td>R2.69</td>
</tr>
</tbody>
</table>

*Prices are for 8 oz. boxes. Additional charges apply for 13 oz. and 16 oz. boxes.*
Experts have little wage earners’ cor-

ECONOMISTS analysing the current financial crisis have concluded that South Africans are living beyond their means.

But is this surprising when their means fall so far short of the cost of living?

Further plums of logic from the economists are that the way out of this crisis for the individual is to “stop spending”, “avoid credit”, “save and build up cash”, “work harder”.

But in this kind of recession, where is the extra work to be found? And who among us has anything left to save?

If there is one thing the economic crisis has shown, it is the importance of help coming from the economists.

A Weekend Post survey of six married breadwinners showed the struggle these people are having to make ends meet, let alone worry about saving. In each case, only a wife’s earnings were keeping the larders stocked.

Taking into account all their outgoings — with such fixed commitments as bonds, rates, clothing and transport — it was really only on food that these people could make any economies.

To actually bridge the gap between income and commitments, these men have to rely on their wife’s wages, take on extra work or work overtime to make ends meet.

According to the Department of Statistics, the average white South African family of five had an expenditure of R272.3 a month in 1973, an amount which had built R415.50 in 1981.

The cost of living has rocketed along with inflation and the public is suffering from what economists call “fiscal drag”.

Annual increases are usually in line with inflation and

| Bank Teller |  |

<table>
<thead>
<tr>
<th>Salary</th>
<th>R800.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Holidays</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R800.00</td>
</tr>
</tbody>
</table>

| Garage Mechanic |  |

<table>
<thead>
<tr>
<th>Salary</th>
<th>R1400.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R1400.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R1400.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R1400.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R1400.00</td>
</tr>
</tbody>
</table>

| Toolroom Miller |  |

<table>
<thead>
<tr>
<th>Salary</th>
<th>R800.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R800.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R800.00</td>
</tr>
</tbody>
</table>

| BUDGETS of six breadwinners (married with three children), not taking into account insurance, entertainment, holidays, drink, tobacco, restaurants, bars, reading matter, licences, miscellaneous

| Port Elizabeth salary figures from local employment agencies.

| Post Office Clerk |  |

<table>
<thead>
<tr>
<th>Salary</th>
<th>R500.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Holidays</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R500.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lunch &amp; Dinner</th>
<th>R150.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R150.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R150.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R150.00</td>
</tr>
<tr>
<td>-Holidays</td>
<td>R150.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R150.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic Worker</th>
<th>R500.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Person @ 6%</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Tax</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Medical aid</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Holidays</td>
<td>R500.00</td>
</tr>
<tr>
<td>-Post</td>
<td>R500.00</td>
</tr>
</tbody>
</table>

for 2000 people.

The above are meant to ensure a standard of living for 1,000 people.

Economists show a month cannot survive and has to supplement.

Excluding rent, mortgage, rates, drink and the like, and in effect, the bracket and average.

A sales rep. of a healthy battle to survive the supplement.

A toolroom garage mechanic very comfortably on occasional to have no chance of incomes.

A civil eng. — only a third of the total has to rely on s-i-m-e.
Economists analysing the current financial crisis have concluded that South Africans are living beyond their means.

Is this surprising when their means fall so far short of the cost of living?

Further plums of logic from the economists are that the way out of this crisis for the individual is to "stop spending," "avoid credit," "save and build up cash," "work harder."

But in both recession, where is the extra work to be found? And who among us has anything left to save?

If there is one thing that economic crisis has shown, it is the poverty of helpful advice coming from the economists.

A Weekend Post survey of six salaried breadwinners showed that this is a struggle, people are having to make ends meet, let alone worry about saving. In each case, only a wife's earnings were kept and their children kept them employed.

Taking into account all the outgoings — with each fixed commitments as a bond, rates, clothing and transport — it was really only on food that these people could make any economies.

To actually bridge the gap between income and commitments, these men have little to rely on their wife's salaries, take on extra work, or work overtime to meet ends meet.

According to the Department of Statistics, the average white South African family of five had an expenditure of £237,23 a month in 1984, an amount which totals £215,450 last year.

The cost of living has rocketed alongside inflation and the public is suffering from what economists call "fiscal drag."

Annual increases are usually in line with inflation and

By GERDA KENYON

are meant to ensure that workers can maintain their standard of living.

But, in effect, increases put people into higher tax brackets and they are left poorer each year.

Statistics show a post office clerk who earns R650 a month cannot support a family of five on his salary alone and has to supplement his income which his wife's salary to survive.

Excluding recreation, holidays, insurance, reading matter, drink and tobacco, he will have a monthly deficit and the possibility of saving a cent.

A bank teller who earns R800 a month should be a lot better off than the post office clerk, but he is in a higher tax bracket, he comes away with little more than the clerk and again no chance of saving.

A sales representative who 10 years ago could have made healthy savings of at least R100 a month now has to battle to survive and has to send his wife to work to supplement the family income.

A toolroom Miller who earns R1 500 a month and a garage mechanic earning R1 400 would have managed very comfortably 10 years ago to save as well as splash out on occasional luxuries but now have to work overtime and have no chance of saving even if their wives earn similar incomes.

A civil engineer who earned R2 000 a month is left with only two-thirds of his income after deductions and he, too, has to rely on alternative forms of income to make ends meet.

<table>
<thead>
<tr>
<th>Teller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
</tr>
<tr>
<td>Pension @ 6%</td>
</tr>
<tr>
<td>Tax (PAYE)</td>
</tr>
<tr>
<td>Medical aid</td>
</tr>
<tr>
<td>Chamber of commerce</td>
</tr>
<tr>
<td>Home loan</td>
</tr>
<tr>
<td>Food/housing</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Domestic worker</td>
</tr>
<tr>
<td>Amount owing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
</tr>
<tr>
<td>Pension @ 6%</td>
</tr>
<tr>
<td>Tax</td>
</tr>
<tr>
<td>Medical aid</td>
</tr>
<tr>
<td>Take home pay</td>
</tr>
<tr>
<td>Rent</td>
</tr>
<tr>
<td>Food/housing</td>
</tr>
<tr>
<td>Car</td>
</tr>
<tr>
<td>Lights and water</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Amount owing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Garage Mechanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
</tr>
<tr>
<td>Pension @ 6%</td>
</tr>
<tr>
<td>Tax</td>
</tr>
<tr>
<td>Medical aid</td>
</tr>
<tr>
<td>Take home pay</td>
</tr>
<tr>
<td>Rent</td>
</tr>
<tr>
<td>Food/housing</td>
</tr>
<tr>
<td>Car</td>
</tr>
<tr>
<td>Lights and water</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Amount owing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Toolroom Miller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
</tr>
<tr>
<td>Pension @ 6%</td>
</tr>
<tr>
<td>Tax</td>
</tr>
<tr>
<td>Medical aid</td>
</tr>
<tr>
<td>Take home pay</td>
</tr>
<tr>
<td>Bond/rent</td>
</tr>
<tr>
<td>Food/housing</td>
</tr>
<tr>
<td>Car</td>
</tr>
<tr>
<td>Lights and water</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Amount owing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Civil Engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
</tr>
<tr>
<td>Pension @ 6%</td>
</tr>
<tr>
<td>Tax</td>
</tr>
<tr>
<td>Medical aid</td>
</tr>
<tr>
<td>Take home pay</td>
</tr>
<tr>
<td>Bond/rent</td>
</tr>
<tr>
<td>Food/housing</td>
</tr>
<tr>
<td>Car</td>
</tr>
<tr>
<td>Lights and water</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Amount owing</td>
</tr>
</tbody>
</table>
Price control on coal to stay

WITBANK — Price control on coal and the rationalisation of coal distribution would remain in force until the government was convinced that the demand for coal for domestic and other smaller users could be met on a satisfactory basis.

This was stated yesterday by the Minister of Mineral and Energy Affairs, Mr Danie Steyn, when he opened a new coal quality control laboratory — the Transvaal Coal Owners’ Association (TCOA) Laboratory — at Witbank.

Mr Steyn said he and the Minister of Industries and commerce, Dr Dawie De Villiers, had decided that the abolishment of both price control on coal and the rationalisation of coal distribution in the local market could not be considered at this stage.

The Competition Board had recommended that the government should withdraw from any form of control over the commodity.

"However, after discussions between the board and the Department of Mineral and Energy Affairs, it was agreed that particular circumstances exist necessitating continued intervention until such time as a combination of factors such as socio-economic aspects makes government's withdrawal possible," he said.

"Due to the importance of coal as a source of energy in our economy, it is important that its price be kept stable. It is imperative that coal should at all times be freely available to all consumers, certainly also, to those consumers who are dependent on coal for cooking and heating purposes."

Mr Steyn said the Department of Mineral and Energy Affairs was finalising the requirements in consultation with the TCOA and the SA Coal Depot Operators Association, to which all merchants dealing in coal would have to adhere to qualify as licenced merchants.

Prospective merchants would be allowed to enter the market freely, if they met the requirements.

The minister also said research was being done to develop a refinement process for millions of tons of surplus brown coal (stoomsteenkool) which, because of its particle size, could not be absorbed by the local market and because of its low heat value could not be exported.

Mr Steyn said the main thrust of South Africa's energy policy — as was the case in most other countries — was aimed at securing adequate and consistent supplies of energy at reasonable costs for domestic use. — SAPA
Food prices rise will hit hard

By Jennifer Tennant, Consumer Reporter

Prices of a wide range of consumer goods including tea, cooking oil, milk powder and coffee are set to soar by between five and 15 percent within the next two months — and increases in the prices of wheat, sugar and cigarettes are also expected later this year.

Supermarket executives have been notified by suppliers of several pending increases.

By the end of October consumers can expect increases of about:

- Fifteen percent on milk powders (This follows an increase of about 7 percent in dairy products in July this year)
- Twelve percent on tea (In February this year prices rose by about 10 percent)
- Twelve percent on condensed milk (This follows a 7 percent increase in the prices of dairy products last month)
- Ten percent on coffee (The last increase of 7.5 percent was in April)
- Ten percent on margarine (Margarine prices rose by about 12 percent at the beginning of the year)
- Ten percent on cooking oil (The price of cooking oil went up by 50 percent in May last year)

Consumer Reporter

Not a month has gone by this year without a price rise in some service or commodity.

- JANUARY: Maize went up by about seven percent.
- FEBRUARY: Bond rates went up by about 1.25 percent and tinned foods by an average of nine percent. Brown bread rose by 16.7 percent and white bread by 11 percent.
- MARCH: Sugar increased by 10 percent.
- APRIL: Maize went up by 18.5 percent, while the cost of petrol inland went up by 1.5c a litre. Transport and postal tariffs increased by about nine percent.
- MAY: Third party insurance went up by between 8.9 percent and 11.8 percent.
- JUNE: Bond rates were increased again and tyres cost 7.5 percent more.
- JULY: Dairy products rose, milk by 4c a litre and butter and cheese by about seven percent.

General sales tax rose to 10 percent in July. Although basic commodities are now exempt, prices of several of these commodities have also increased.

- Eight percent on biscuits. (No figures are available of previous increases)
- Seven percent on baking powder (No figures are available of previous increases)
- Five percent on canned goods (Tinned foods rose by about 9 percent in February)

Many of these items are either imported or contain ingredients which are imported and are being affected by the currency situation.

To consumers, already labouring under the burden of the Government’s new campaign to cut overspending, it will be yet another blow in a year of spiralling costs.

Many traders blame the fall of the rand against foreign currencies such as the dollar and the yen for many of the price increases.

A major bank’s group economist, Dr Johan Cloete, outlined three major reasons for continued price rises: the devaluation of the rand, the drought and inflation.
Government may raise bread price in October

Consumer Reporter

The price of bread could rise -- for the second time this year -- in October.

A decision on whether to increase bread prices is expected to be taken by the Cabinet at its meeting at the end of this month.

The Wheat Board has recommended higher producer prices and larger margins for the baking and milling industry.

Earl ter this year the then Minister of Finance, Mr. Owen Horwood, shocked consumers when he announced a 6c increase in the bread price during his mini-budget.

Brown bread rose by 16.6 percent to 42c a loaf and white bread went up from 54c a loaf to 60c, including general sales tax, an 11 percent increase.

At the time Mr. Horwood said further increases this year were inevitable.

The price of bread dropped in July due to the exemption of base foods from GST.

See Page 2
Suppliers have told supermarket executives of several pending increases and at least two chains are pumping vast sums of money into stocks which they will sell at the old prices for about three months after the increases.

"In spite of the rise in interest rates, we are pouring money into extra stocks so that we can cushion the consumer from the price increases as long as possible," said supermarket chairman Mr Raymond Ackerman.

**Prices set to soar**

The prices of tea, cooking oil, milk powder and coffee are set to soar by between five and 15 percent by the end of October.

Increases in the prices of wheat, sugar and cigarettes are also expected this year.

By the end of October consumers can expect the following increases:

- **Milk powders** — 15 percent. This follows an increase of about seven percent in dairy products in July.
- **Tea** — 12 percent. Prices rose about 10 percent in February.
- **Condensed milk** — 12 percent.
- **Coffee** — 10 percent. In April prices rose 7.5 percent.
- **Margarine** — 10 percent. In January prices rose about 12 percent.
- **Cooking oil** — 10 percent. Prices increased by 50 percent in May last year.
- **Soft drink cordials** — 10 percent. (The price of sugar increased by 10 percent in March.)
- **Biscuits** — eight percent.
- **Baking powder** — seven percent.
- **Canned goods** — five percent. In February prices rose about nine percent.

Many of these items are either imported or contain imported ingredients, and are being affected by the fall of the rand against foreign currencies.

There are strong rumours that the Government will soon impose a surcharge on imported goods, forcing prices still higher.

**Import surcharges were lifted last September.**

Dr Johan Cloete, group economist for a major bank, said the drought, inflation, the rise in transport costs and the falling rand were responsible for spiralling prices.

The following examples of what consumers can expect to pay are based on average prices for commodities at a city supermarket:

- Milk powder 500g up from R3.55 to R4.06.
- Tea 500g up from R4.29 to R4.80.
- Condensed milk 397g up from 76c to 85c.
- Coffee 250g up from R1.60 to R1.78.
- Margarine 600g up from R1.45 to R1.60.
- Cooking oil 750ml up from R1.77 to R1.94.
- Soft drink cordials 750ml up from 60c to 76c.
- Biscuits An 85c packet up to 92c.
- Baking powder 200g up from R1.05 to R1.12.

The prices exclude general sales tax.
250 pc price leap in bread, milk in 10 years

By Jennifer Tennant, Consumer Reporter

Prices of base foods such as milk and white bread have risen by a staggering 250 percent in the past decade, a review carried out by The Star of price increases since 1974 found.

The review followed the recent announcement of a spate of price increases, including tea, milk powder and cooking oil, which will come into effect by the end of October.

Reasons for soaring prices — in 10 years — have not changed the crippling drought of the last two years, South Africa’s inflation rate, increasing transport costs, higher fuel prices and the spiralling cost of labour.

Since 1976 the price of brown bread has risen by 200 percent. Five increases in 10 years:

* In 1976 it went up from 13c a loaf to 16c a loaf.
* In 1980 brown bread increased by 25 percent to 21c a loaf.
* Brown bread went up again in 1981 — this time by 40 percent — to 29c.
* In 1982 the price of it increased by 17.8 percent to 35c.
* This February it went up 6c, rising from 36c to 42c a loaf, an increase of 16.5 percent.
* But the price dropped to 39c when bread became exempt from general sales tax in July.

The price of white bread has risen by 250 percent — six increases in eight years:

* White bread rose to 20c a loaf from 16c in 1976.
* In 1978 it increased to 26c a loaf.
* In 1980 a loaf of white bread went up by 5c to 31c.
* White bread went up again to 42c a loaf, an increase of 30 percent, in 1981.

* It cost 53c at the end of 1982.
* There was an 11 percent increase in the price of white bread to 60c a loaf this February.
* When bread became exempt from GST in July the price dropped to 56c.

Milk has increased by about 250 percent — 47c — since 1974, when a litre bottle cost 18.8c (See graph of milk price increases)
Possible bread price rise

By PETER DENNEHY

The price of bread will rise for a second time this year, from October 1, if the Wheat Board's recommendation, announced on Friday in Pretoria, is put into effect.

But the amount of the increase has not yet been decided.

The Wheat Board recommended that new producer prices and new margins for the milling and baking industries should come into effect from October 1.

Foodstuffs

On February 20 the bread price was increased by 8c a loaf to 60c for white bread and 42c for brown. At the time, the then Minister of Finance, Mr Owen Horwood, said further price increases during the year would be inevitable.

When GST was abolished for base foodstuffs on July 1, the price dropped to 56c (white) and 32c (brown).

Mrs Joy Hurwitz, national president of the Housewives' League of South Africa, said on Friday night that she had pleaded in vain the previous week at a meeting with the Minister of Agriculture, Mr Greyling Wentzel, not to allow either the wheat price rise or the millers' and bakers' rise.

"The price of bread is almost entirely dependent on these factors," she said. "Everybody is supposed to be cutting back now. If the input costs for wheat are expensive, they should be cut down,"

Mrs Hurwitz said the problem lay in the wheat price, which was three times higher in South Africa than in other wheat-growing countries.

The Western Cape publicity secretary for the United Democratic Front, Mr Jonathan de Vries, said it was clear that the vote in the coming week would not change anybody's life with regard to increases in the price of basic foodstuffs.

Whisky shock

Mr Armin Abrahams, media convener for the Cape Action League, said the increase was "yet another attack on the living standards of the oppressed and exploited, particularly the working class".

* In a shock announcement for whisky drinkers, liquor outlets were informed on Thursday that the price of whisky had been increased by R5 a case with immediate effect — after a R5 per case increase three weeks ago.
Price rises will ‘push CPI higher still’

Inflation rate to top 13% for July

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICA’S chronically high inflation rate is expected to be above 13% during July, according to economists yesterday.

Thus, they say, will be reflected in the Consumer Price Index for July, due to be released by Central Statistical Services in Pretoria tomorrow or on Thursday.

Economists said yesterday the increase from 7% to 10% in General Sales Tax from July would add about 1.2% to the June rate of 11.7% when other “inevitable” price increases were taken into account, the rate could rise to about 13.2%, they said.

Price increases which will keep the rate above 13%, probably for the rest of the year, include:

- Bread — likely to rise above 60c a loaf from October 1;
- A possible maize price increase;
- Mortgage bond hikes; and
- A variety of food price rises, including vegetables and certain processed foods.

The rising food price trend was confirmed in the June CPI. The food index rose sharply 1.7% — with a rate of 13.5% for the 12 months to the end of June.

A University of Stellenbosch Bureau for Economic Research economist, Dr O D J Stuart, said the combined impact of the 3% increase in GST from the beginning of July, as well as higher mortgage rates and doctors and dentists fees, could add up to 1.5% to the index for July.

Other economists agreed there was little prospect of the rate being reduced before the end of the year. In fact, if there was no drastic improvement in the performance of the rand, and high interest rates persisted, the inflation rate would accelerate.

The threat of high and rising inflation will be part of the argument used by the executive of the Federation of SATS Trade Unions when it meets the Minister of Transport Affairs, Mr Hendrick Schoeman, in Pretoria on Thursday to demand wage and salary increases for 240 CIR railway workers, black and white.

The chairman of the federation, Mr Jimmy Zurch, said yesterday the Minister would be asked to implement the increases from April next year. Mr Zurch claimed the CPI had increased by 27.5% between July 1982 and June this year, “and we claim we are trailing the Col by at least 24%”.

Single-digit inflation, he said, had become an “impossible dream”
New school fees expected in 1985

The parents of pupils at white provincial schools in the Transvaal may have to pay for part of their children's education next year.

Compulsory school fees have been accepted in principle by the Government, and are expected to be introduced at white provincial schools in all four provinces.

A draft Education Ordinance published this week sets out the basic framework for a compulsory school fee system, and is to be debated during a special session of the Transvaal Provincial Council from August 28 to 30.

It is expected the fee system will take effect during 1985.

INDICATIONS

The draft ordinance does not give details of the new system but indications are that parents may have to pay about 10 percent of the amount spent by the State on educating a child.

Parents will probably face a three-tier system, with lowest fees levied for primary school children, a higher fee for lower secondary school pupils and a top fee for senior secondary pupils.

A bursary system — similar to the one already operating for hostel accommodation and transport — will be introduced for parents earning low salaries or with a number of children at school — Sapa
Food is most pricey in Cape

Consumer Reporter
Cape Town has replaced both Pretoria and the Witwatersrand as the most expensive area for food in South Africa, according to the latest figures released by the Central Statistical Services in Pretoria.

The survey of average retail food prices, which covers South Africa's 12 main urban areas, shows that Pretoria is the second most expensive area, followed by Durban and the Witwatersrand.

A shopping basket of 64 items (including general sales tax) cost R133.66 in Cape Town, R133.96 in Pretoria and R131.77 on the Witwatersrand.

The same items in Kimberley cost R116.27.

Fruit is the most expensive on the Reef, according to the report, while Pretoria is the most expensive area for buying vegetables.

Other coastal towns have also been hard-hit by rising costs.

The shopping basket cost R151.94 in Durban, R135.39 in Port Elizabeth and R128.58 in East London.

Meat is most expensive in Cape Town, while grain products, such as rice, oats and mealie meal, are the most expensive in the East London area.

A strange fact to emerge from the statistics is that hake can be bought more cheaply in the Transvaal than at the coast — Klerksdorp has the lowest price, R1.11 for 400 g.

In Pretoria, 400 g costs R1.27.

The price of 400 g of hake is highest in East London at R1.53.
Maize price will not drop
Farming Correspondent

The price of maize will not drop when South Africa stops importing maize, say informed sources in Pretoria.

The Maize Board briefed consumer groups today on the maize price. Imported maize now costs about R250 a ton landed in Durban.

After adding R45 a ton for cleaning, storing, and transport, imported maize costs R305 a ton in Johannesburg. This is R86 a ton more than the South African maize price of R219 a ton.

The Government is bearing the loss.

The higher maize price here was caused by Russian and Chinese bulk buying on the world market and the rand's decline in value.

JCI dona
By Colleen Ryan, Municipal Reporter

A Johannesburg mining house has announced plans to build a new student's residence for the University of the Witwatersrand as a 1986 centenary gift.

The project was launched yesterday by the chairman of the Johannesburg Consolidated Investment Group, Mr Gordon Waddell.

Mr Waddell, who declined to say how much the scheme would cost, said his group was in recognition of the university's achievements.

Support
Labour Reporter

The South African Council of the International Union of Metal Workers' Federation has come out in full support of Highveld Steel workers who voted last week for industrial action at the plant.

The council yesterday called upon Highveld's parent company, Anglo American, to "get the company back to the negotiating table with the two unions in an effort to
Women’s World

'School lunch' may become cost problem

By YVONNE STEYNBERG

Woman's Editor

SOON the traditional wholesome sandwich and milk for a school lunch may be something many housewives cannot afford, considering that the products which have gone up in price most during the last nine years have been butter, margarine, white bread, brown bread, eggs and milk.

In a survey conducted by the Housewives League of South Africa (HWL) included with their annual report, the league expresses concern over rapidly escalating costs resulting in a changing pattern of buying by the hard-pressed housewife.

A small ray of relief was that during the past nine years, from 1975 to May 1984, the price of frozen chickens increased by only 9% and rice by only 43%.

But sugar, produced in South Africa, jumped by 264%, from 45c in October, 1975, to R1.84 a kg.

Significantly, administration costs of control boards concerned with milk and dairy products, increased by 48% from 1981 to 1983.

The demand for chicken has increased considerably for one basic reason – its price compared with that of red meat. The HWL compared an average price of R1.62/kg for frozen chicken with R9.12/kg for a super cut of red meat.

The consumption of white meat has risen from 12% in 1970 to 23% in 1983.

The HWL found, in surveys carried out in Kensington, Johannesburg North, Pretoria, Vereeniging and Sandton areas, that contrary to Press reports, beef prices have not decreased, apart from special offers.

"Now a time of extreme austerity has been advocated by the Government and many families are straining under the burden of higher bond interests – we know we have to tighten our belts but we would like it if the Government gives us a lead," Mrs J Hurwitz, national president of the HWL said in a statement.

She queried where the cutbacks in Government spending had been effectively made.

This month the HWL Executive met senior members of the Department of Agriculture and marketing councils to discuss the spiralling costs of basic foods.

"The man in the street can no longer afford to accept rapid price increases for maize products, meat and bread," Mrs Hurwitz said.

<table>
<thead>
<tr>
<th>Basic Food Increase</th>
<th>October '75</th>
<th>May '84</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter 500g</td>
<td>R1.99</td>
<td>R1.99</td>
</tr>
<tr>
<td>Milk 1</td>
<td>25c</td>
<td>25c</td>
</tr>
<tr>
<td>R5c</td>
<td>43c</td>
<td>43c</td>
</tr>
<tr>
<td>Cake Flour 2.5kg</td>
<td>R1.47</td>
<td>R1.47</td>
</tr>
<tr>
<td>Instant Coffee 750g</td>
<td>R1.39</td>
<td>R1.39</td>
</tr>
<tr>
<td>Teabags 100s</td>
<td>R2.08</td>
<td>R2.08</td>
</tr>
<tr>
<td>Tea 200g</td>
<td>R1.64</td>
<td>R1.64</td>
</tr>
<tr>
<td>Sugar 2.5kg</td>
<td>R1.04</td>
<td>R1.04</td>
</tr>
<tr>
<td>Eggs, large/each</td>
<td>R1.79</td>
<td>R1.79</td>
</tr>
<tr>
<td>Chicken – frozen/kg</td>
<td>R2.09</td>
<td>R2.09</td>
</tr>
<tr>
<td>Meat</td>
<td>86c</td>
<td>86c</td>
</tr>
<tr>
<td>Maconne 250g</td>
<td>12c</td>
<td>12c</td>
</tr>
<tr>
<td>Brown Bread 900g</td>
<td>13c</td>
<td>13c</td>
</tr>
<tr>
<td>White Bread 900g</td>
<td>15c</td>
<td>15c</td>
</tr>
</tbody>
</table>

Items which were raised by the HWL included:

- The lack of competition in the distribution of milk to consumers
- The limiting of competition between bakers by the existing quota system of bread production
- The tardiness of the Dairy Board to introduce a parity seal
- The creation of an ombudsman to organise the distribution of surplus produce
- The reasons why meat prices remain so high when 6 000 tons of frozen meat (mostly deboned) has been sold to the retail trade this year.

This figure is about 8% of sales.

The HWL says that if meat prices continue to remain high, and even increase, people will buy more chickens, because the prices have remained reasonable throughout a nine-year period.

This is how basic foodstuffs, necessary and used in most homes, have increased in price during the past nine years.
Call for probe into

BY CAROL VAN DER MEER

EAST LONDON — Private patients are paying up to 1 000% per cent more for their medicines than provincial hospitals, the Director General of Health, Dr Francois Retief, has confirmed.

He said this had nothing to do with the state. "Prices are determined by the industry and it is an internal problem which will have to be solved by the pharmacists and manufacturers," he added.

In one example, provided by an East London pharmacist, chemists paid R16 for a box of 30 pills which cost hospitals only 84 cents.

The pharmacist said this meant in effect that the public was subsidising hospital supplies to the underprivileged.

Writing in a guest editorial published in the Medical Chronicle, the editor of the South African Medical Journal, Dr S S B. Gilder called on pharmaceutical manufacturers, wholesalers, pharmacists and doctors to get together and examine the question of medicine costs as a whole.

"If there are abuses they must be honestly acknowledged and dealt with. "The problem must be examined objectively and proposals must be made for cutting costs without hastily resorting to a simplistic solution that might just make matters worse all round," Dr Gilder said.

The "simplistic" solution he was referring to was the state's attempt to reduce medicine costs by promoting generic substitution of expensive prescriptions.

Drugs products have three names: the trademark owned by a company, the official or "generic" name assigned by government-appointed committees and the scientific name derived from the drug's chemical constituents.

Doctors did not always prescribe the cheapest available medicine for a particular ailment. The Minister of Health Dr Nak van der Merwe has suggested that pharmacists should be allowed to substitute a generic product for a brand-name product on a doctor's prescription — provided neither the doctor nor the patient objected.

This would throw the market open. Medicines with the same biochemical action would compete on a price basis and not on bias or personal confidence doctors hold for a particular brand Dr Retief said.

Generic prescription was nothing new except that doctors have always had to add "or equivalent" to entitle the

Inside a pharmacist's dispensary ... the cost of medicines has become a problem
CAROL VAN DER MERWE

provisioned neither the doctor nor the patient objected.

This would throw the market open to medicines with the same biochemical action, which would compete on a price basis and not on bias or personal confidence. Doctors hold for a particular brand, Dr Retief said.

Generic prescription was nothing new, except that doctors have always had to add "or equivalent" to entitle the pharmacist to substitute for example a cheaper product. Dr Retief believed doctors have simply not bothered to add those vital words which could have made the patient's life less of a trial for the patient's pocket.

The proposed new system would mean that the pharmacist could automatically substitute a prescription with a cheaper equivalent, unless the doctor specified that the medication had to be given nothing but the prescribed brand. Dr Retief said, adding that if the decision would not mean a change of law, but merely involve an internal decision by the Pharmacy Board.

Before implementing generic prescriptions there were, however, scientific and legal problems which had to be solved, the chairman of the Medicines Control Board, Prof Peter Polb, said.

"There is no list of equivalent drugs in South Africa, which is essential when generic medicine is allowed," he said.

He explained that the control board's function had been to test drugs for effectiveness and quality, and not to compare them.

The legal question was who would be liable if a patient developed serious side-effects from a prescription that had been substituted by a pharmacist, Prof Polb said.

The doctor could not be held responsible as the medicine he had prescribed, was not taken. The pharmacist, on the other hand, would be legally entitled to substitute the prescription with an "equivalent."

The Pharmaceutical and Chemical Manufacturers Association (PCMA), questioned in its journal, Pharma News, whether generic substitution would really solve the root problems of high medical costs and per diem prices. It would it would have the industry.

It said that governments in many parts of the world had found generic prescribing had not resulted in substantial uniform savings in the long term and recently medical authorities in the United Kingdom had decided against this principle because the projected cost saving of only two per cent to institutional health service did not outweigh the disadvantages and risks.

The PCMA said in part of the United States of America and Canada legal substitution had produced short-term benefits but was not maintained in the long term.

"We in the pharmaceutical industry are firmly of the opinion that the very doubtful cost benefit of substitution can never justify the very serious medical risk to the patient or even the legal risks to the doctor the pharmacist and the industry," Pharma said.

Opinion on whether generic "cemies" were inferior to originals, was not clear.

While there was no questioning of the moral and ethical reasons when they passed a medicine for effectiveness and quality, many doctors believed pharmacists still had more confidence in certain brands, pharmacists said.

At East London pharmacist said, although equivalent medicines should have the same effect in theory, this did not always happen in practice. He cited an example of a tablet which contained the active ingredient of the original pill. "Because it is too hard, however, it did not work. It is not totally absorbed in the tummy and passes into the large intestine which is alkaline and where it cannot be absorbed," he explained.

The executive director of the Pharmaceutical Society, Mr Boet van der Merwe, did not share the same apprehension about generic substitution, saying that there could not be a problem when a medicine had been passed by the Medicine Control Board.

The Pharmaceutical Society was in favour of generic substitution not only for the cost savings, but also because it would give the pharmacist the discretion in terms which was due to him, Mr Van der Merwe said.

Speaking for the Medical Association of South Africa (Masas), the vice-president Dr Retief supported generic substitution on two conditions. The generic preparation must not be more expensive than the original prescription. The doctor must have the final say, retaining the ultimate responsibility.

Prof Louw was, however, wary over the pharmacist's discretion to substitute a patient. He agreed that it might be frustrating to complete a four-year college course only to find oneself working in a small community which did not have diagnostic facilities or full time laboratory service.

The cheaper pill may have side effects which could worsen the patient's agony. The pharmacist does not know the patient's medical history, his family, his health and personal needs - of the patient who was examined and questioned by the doctor.

"To treat a patient responsibly, one must be able to diagnose and unfortunately the pharmacist is not trained at that stage to do so," Prof Louw said.

On the question of why doctors have not bothered to ensure their patients get the cheapest available medicine, Dr Retief said that doctors did not always know the price differences between possible alternatives and they merely prescribed the medicine they had known as effective over many years.

The drug the doctor knew best, was usually the most expensive. It was the original medicine which the original manufacturer who invented it had the patent right on it for 21 years, which was now being copied by other firms who manufactured and sold it generally.

These firms did not have the expense of research and development and could reproduce and sell it at a cheaper price. An East London pharmacist said.

The PCMA sympathised with firms who invested large amounts of money in continuous research on a product of unquestionable quality and who then, after 21 years, faced up to a price competition with firms who could then copy their product.

Dr Retief said 21 years was more than enough for them to recover their costs.

The PCMA however, believed that generic even lead to disinvestment in South Africa.

Dr Gilder agreed, saying the more research and development companies use part of their profits for two purposes: research and support of medical education. If their profits are cut, both these effects of support will dry up.

He added that the government would then be left with the policy which could take the task of supplying funds. This has happened in other countries such as those in Eastern Europe and the result was no major pharmaceutical advances in the Soviet Union for the past 50 years. "When a new drug appears they buy supplies from the West until they can copy it. Then they make it themselves. But we have never adopted this attitude, research would then stop world-wide."

"There is in fact evidence that the bases for certain generic products marketed in South Africa would not be produced in Eastern Europe a curious situation indeed," Dr Gilder said.

He warned against the effects of disturbing the pharmaceutical market which was likely to occur. "Don't think that firms will not pull out. Citra-Geigy recently closed down its manufacturing plant in Australia late in the year. We could see similar exacerbations on the horizon."

A week before, Boeischer and Ingelstern cancelled a 350,000 dollar clinical research grant for a hospital being constructed at St Vincent's Hospital in Sydney, because the Federal Government decided to open to other countries the products of the pharmaceutical benefits scheme.

Dr Gilder added that the effect on medical education of a withdrawal of the multidisciplinary element of South Africa would be highly significant.

"Congresses would become less expensive. At least three university departments of pharmacy are likely to suffer considerably. Most medical publications would either shut down or undergo drastic change," he warned.

He then called on pharmaceutical manufacturers, importing companies, pharmacists and doctors to get together, examine present problems objectively and to make proposals for cutting costs without hastily resorting to a "no-solution" solution that might just make matters worse all round.
The sugar price increase on March 2 this year had been absorbed by bottlers, he said.

"During the past year the industrial price of sugar has risen by R4.34 a ton, which alone resulted in an additional cost to the soft-drink industry of about R5 million a year."

The new recommended retail selling prices (excluding GST and deposit) for bottles are 21c for 200 ml (2c increase), 25c for 300 ml (3c increase), 35c for 500 ml (3c increase) and 65c for 1 litre (6c increase). Cans of 175 ml are 32c (2c increase) and 340 ml are 43c (3c increase). While deposits are 'price-controlled, the contents are not..."
From the coast to the core... how much work is there around the world to go shopping...
Price of oil, margarine up

Staff Reporter

THE price of salad and cooking oil will rise by an average 12.5 percent from next month, close on the heels of a 15 percent increase in June this year.

The increase is likely to bring about a ripple-effect rise of 10 percent in the price of margarine.

This was confirmed yesterday by Mr Lance Japhet, chairman of the South African Oil Expressers' Association and vice-chairman of the South African Margarine Manufacturers' Association.

Mr Japhet said vegetable oil had recently been imported at high cost because of the "depreciating value" of the rand against the dollar.

"We are still having to import about 80 percent of our oil requirements because of the limited local supply of seeds.

"The recent American drought has forced up the price of vegetable oils in the international market.

"The bank overdraft rate shot up, which meant a higher cost of financing raw materials, stocks and debtors," Mr Japhet said.

The last salad and cooking oil increase had been on June 1 this year, when housewives had to fork out 15 percent more, because of the local oil seed price increase and other cost increases.
Rise in attorney tariffs will help public
Demands for new maize deal increase

by Hannes Ferguson, Farming Correspondent

Black organisations are moving to the centre of the maize arena. According to industry sources, the Black Chamber of Commerce, NaFeCo, may soon join the Black Consumers Union and the white maize producers in demanding a new deal for the hard-pressed maize industry.

They want cost incentives for the South African maize production, a policy of stockpiling white maize against future droughts, the shifting of bread subsidies to maize products and the organised marketing of traditional sorghum meal to replace bad-tasting, "orange-coloured" meal.

At this stage black organisations are seen as ideally placed to influence Mr Greylng Wenzel, the Minister of Agriculture’s views on the future of the maize industry.

Faced with a R600 million drought debt and an interest burden exceeding farm income, maize producers are asking for cuts in crippling, administratively determined costs.

Consumer bodies feel that if the Maize Board had been allowed to stockpile white maize in 1981 and 1982 instead of having to export at staggering losses, the State would not now be losing R80 a ton on low-grade imported maize.
Bread price set to rise next month

Own Correspondent

DURBAN — The bread price is expected to rise sharply on October 1 — the second time this year.

The price would be increased because the Government did not have the funds to raise the bread price subsidies, Mr A Liebenberg, assistant general manager of the Wheat Board, said today.

He would not speculate on the size of the increase, but board officials have previously said it will be large. Department of Agriculture officials refused to comment on the matter.

About three-quarters of the R120 million bread price subsidy for the financial year ending next March has already been spent, though there are still seven months to go. In addition, the Wheat Board has recommended higher producer prices from October 1, as well as higher profit margins for the milling and baking industries.

Mr Liebenberg said costs had risen by 11 percent in the past year because of increases in the price of fertilisers, interest rates and equipment.

The baking and milling industry, which has a fixed 15 percent profit margin, wants this increase as the industry feels it is not getting sufficient return on its capital expenditure at the moment.

The bread price was increased by 8c a loaf earlier this year. White bread presently costs 86c a loaf and brown 93c a loaf.
Bread price crisis looms as subsidy runs out

By GERALD REILLY

The R120-million allocated this year’s Budget to subsidize the bread price is running out fast and financial adjustments are urgently necessary, say Pretoria sources.

The Cabinet is expected to approve an increase in the wheat price within a matter of days, the Minister of Agricultural Industry, Mr. G. P. W. van der Walt, told the Rand Daily Mail last week. He said the Cabinet decided to increase the wheat price, rather than the bread price, as the Government subsidy would have to be increased.

Pretoria sources said R10 million of the original R120 million bread subsidy had already been spent.

The remaining R10 million was insufficient to hold bread prices at the present level, political observers said yesterday. The Government could not afford to increase the subsidy because of the critical nature of state finances. But if it raised the bread price there would be angry reactions from an already disturbed black population.

Pretoria sources pointed out that wheat farmers were granted an increase two years ago. It was extremely unlikely the Rand would accept another wheat board recommendation for a price rise.

The baking and milling industries are also expected to be granted increased margins, even though they were given increases earlier this year.
Govt raises wholesale price of sugar 12.5%

Own Correspondent

Johannesburg — The government has taken a brave, but unpopular step for the consumer, of lifting the wholesale price of sugar by 12.5 percent from today, more important, it has given the go-ahead for the industry to embark on a pool system which could protect it from low export prices.

White sugar will now cost R573.75 a ton — up from the 10 percent increase in March which took the price to R510 — and brown sugar slightly less.

The price hike has only brought the price to the farmer and miller to the break-even level. They will still have to shoulder export losses and the constantly rising costs of farming and milling inputs should push the industry into a “loss” position in six months.

Financial risk

Full details of the pool system are still to be announced but it appears that each farmer will decide whether he wishes to produce for export and he will carry the financial risk.

The industry will not have to carry the financial burden of exports and will, most likely, act as an agent using its established export channels.

The Minister of Industries and Commerce, Dr Dawie de Villiers, said the financial problems faced by the industry were “now reaching distressing proportions.”

This had been caused by the droughts and the low international sugar price.

While the “yearly increase” of 10.4 percent in the wholesale price had been allowed in March, the industry had borrowed R227m, partially to bridge the yearly deficits.

“The present high interest rate results in an interest burden of R47m a year.”

Deficits

“Further deficits could compel the industry to increase the loans, which could cause permanent damage.”

The government has considered various alternative forms of assistance but decided that a further price increase in these circumstances was unavoidable.

“It has agreed to an increase which would possibly prevent a number of growers from discontinuing their farming activities.”

Dr De Villiers noted that the government and the industry were engaged in restructuring the industry to make it more cost-efficient.

Because sugar cane had a cycle of between eight and 10 years, “changes could not be affected overnight.”

From this year onwards a new cane transport system will be in operation which could take a large extent assist in placing the industry on a sound economic footing.

“As from the 1965/6 season (May 1, 1965) the industry will introduce a pool system. Further particulars will be made available later.”

Dr De Villiers said these steps would lead to a rationalization of the industry and to considerable cost savings.

Consumption

“It should be emphasized that the application for a price increase by the industry was not made lightly.”

“It is realized that the two large price increases have a detrimental effect on consumption, in addition to the danger that alternative sweeteners could possibly affect the consumption of sugar.”

The chairman of the S.A Sugar Association, Mr Ian Smeaton, reacted to the increase by saying “We appreciate the fact that the government has recognized the serious financial plight of the industry and taken steps to provide a partial solution to the problem.”

Production costs

“Domestic sugar has been selling at below the level of production costs and this increase will do no more than bring the consumer price closer to the correct level at which it should have been set at the beginning of the season.”

“At this new level, the domestic consumer would not be providing any financial support of the sugar industry’s export operations.”

Regarding the production pool system which would be introduced from May 1, 1965, he said its terms were that the decision to produce for the export market and the financial consequences of that decision would be carried by individual growers and millers rather than remaining with the industry as a whole.”
Poor eat less as maize price rises

MAIZE prices could rise further this year because of the falling rand, threatening the diet and the existence of those who could least afford to pay, the deputy chairman of the Premier Group, Mr Peter Wrightson, said in Pretoria yesterday.

Addressing the "Business and the drought" conference, he said the drop in the volume of maize meal sales had not been offset by an equivalent rise in bread sales.

"So we are forced to the conclusion that people were eating significantly less than they were a year ago, with more people around the pot and less wastage," Mr Wrightson said.

Mr Wrightson said drought had taken a desp- erate human and social toll and inflicted debilitating punishment.

Last year instead of exporting R1 500-million worth of agricultural crops a similar amount had to be imported. The total effect of the balance of payments was about R3 000-million.

This put pressure on the rand, added to imported inflation and caused interest rates to rocket, bringing further misery and unemployment.

He pointed out that as the price of maize meal increased — and increased by 25% this year — the level of demand must fall.

"Mainly was a staple diet of those with the lowest incomes, many of whom were on or below the breadline."

A drop in sales volumes of up to 30% had been experienced, something which had never happened before.

"What is more critical is that the people most affected do not have the vote and it is a desperately frightening historical truth that hungry people react more actively and become more angry at gaps in living standards than those with full bellies and disposable incomes."

Drought drove labour from the land and into urban areas where opportunities were few and unemployment was rising. It drove up prices and created scarcestesses, hopelessness and hunger.

"But above all it can easily lay waste the years of diplomatic effort that gave birth to Nkomati and the new intuitions in Southern Africa by depriving us of the one real lona of value — food exports — which we have in our gift for the rest of Africa," Mr Wrightson said.

The managing director of OK Bakers, Mr Gordon Mood, said the growing number of insolvencies and liquidations served to under- line the drought's by-products.

The lower income groups were reeling under the impact of shrinking purchasing power and retailers were experiencing big drops in after-tax profits.

There was a growing threat of labour unrest.

Consumers had stopped buying higher margin durables such as furniture and clothing, and were cutting spending to necessities.

Botswana reply to Pik's charge on pact signing

By PATRICK LAURENCE

The Office of the Botswana President yesterday expressed regret at what it termed an "oblique suggestion" by the South African Foreign Minister, Mr Pik Botha, that economic ties between the two countries depended on the signing of a non-aggression pact.

In an earlier statement Mr Botha had accused the Botswana Government of "deliberate misrepresentations" in its account of negotiations with Pretoria on the signing of a non-aggression pact.

Mr Botha was referring to a report of a statement by the Botswana President, Dr Quett Masire, that such a pact would be tantamount to a loss of sovereignty for Botswana.

"The Teates slipped through Botswana to attack the neighboring countries it was not with the knowledge and still less with the approval of the Botswana authorities," the Office of the President said.

The signing of a non-aggression pact would not in itself prevent isolated cases of saboteurs crossing the borders, it added.

In another development the opposition Botswana National Front (BNF) said yesterday it planned to petition the High Court to order that a new election be held in Gaborone South constituency, where its leader, Dr Kenneth Koma, lost by 122 votes to the Vice-President, Mr Peter Mmuse, in last Saturday's general election.

The BNF secretary general, Mr Maseleli Giddey PW to make history today

By CHRIS FREIMOND

Political Correspondent.

Kikie TOWN Mr PW Botha will be inaugurated as South Africa's first executive State President in Cape Town today.

And when he announces his new Cabinet tomorrow afternoon, it is likely to inclu- de people other than whites for the first time in the country's history.

Mr Botha will be sworn in by the Chief Justice, Mr Justice P. J. Rabe, at the Groote Kerk today.

After the ceremony Mr and Mrs Botha will travel along a soldier-lined route to the Grand Parade, in front of the Cape Town City Hall, where Mr Botha will address an expected
Sugar price rise to affect food industry

Mercury Reporter

THE 12.5 percent increase in the wholesale price of sugar is expected to have a ripple effect on the entire food industry.

The price hike, announced by the Minister of Industry, Commerce and Tourism, Dr Dawie de Villiers, last week, is expected to affect the prices of soft drinks, jams, sweets and some cereals.

Mr Gordon Utan, managing director of Checkers, yesterday urged the State President to apportion funds from the defence budget towards holding down the prices of basic foodstuffs.

"The best defence that South Africa can have is to fight against people with full stomachs," he said.

Mr Bernhard Hellberg, assistant director of the Consumer Council, has slammed the increase, saying it was unfortunate that such a "dramatic" increase should come at a time when the consumer was financially hard hit.

"A puzzling aspect of the industry is the regular over-production of sugar which is then exported at a loss. It is quite inexplicable that the South African consumer should subsidise the market abroad."

Stocks

Mr N. Echhorn of the Soft Drinks Federation said yesterday that the manufacturers of soft drinks were still 'looking their wounds' from the recent increases and although he did not know whether prices would be increased.

"Since the lifting of price control manufacturers have been free to announce increases as they wish," he said.

Spokesmen for major supermarket chains throughout Durban said yesterday that they would sell sugar at the old prices for as long as long their existing stocks last.

Miss M. Russel, secretary of the Durban Housewives' League, said: "We deplore the increase in the sugar price at such a crucial time for consumers as it will also affect many other foods. The national executive will be telephoning the Minister of Agriculture to reconsider."

Price increases for...
Delivered milk up 2c

Dairies in the Witswatersrand will increase the price of home-delivered milk by 2c a litre this month.

At least one distributor has already pushed up prices; and other dairies are likely to follow within the next few weeks.

A spokesman for Nels Dairy, Mr Hans Nel, said home-delivered milk was increased by 2c to 76c a litre today.

He said a distributor's increase of 1c a litre in July had not been enough to cover higher labour and packaging costs.

A spokesman for another distributor, NCD, said prices would rise by the end of the month.
Rise in bread price expected

By Michael Chester

Increases in bread prices from October 1 that may wipe out all the benefits of exemption from general sales tax may be announced within the next few days.

The price of brown bread, now accounting for 70 percent of all bread sales, may be pushed up from 36c to 45c — unless the Government agrees to new multimillion-rand subsidies.

White bread prices, not subsidised but still controlled, may be raised from 56c to between 61c and 63c — "unless a miracle occurs", as one inside source puts it.

A decision by the Cabinet, responsible for items under price control, is believed to be imminent.

The pressure on prices has been spelled out in confidential reports prepared by the National Marketing Council and the Wheat Board.

Inside sources say the pressure has started with recommendations that producer prices paid out to farmers should be increased by between eight and 10 percent to compensate for losses suffered in the prolonged drought and higher fertilizer and labour costs.

Millers and bakers see little chance of winning any increase in the 15 percent return on fixed capital they have been allowed for several years, despite arguments that profit margins are inadequate.

However, there is optimism that the Cabinet may agree to increase the current 16.5 percent return on what is termed "floating capital" — the cash they are forced to use to buy wheat stocks.

The millers argue they are losing huge amounts by having to borrow from the banks at an unprecedented 50 percent to finance wheat supplies until they receive delayed compensation.

One of the largest food producers told 24 Hours: "Bread prices need to go up between 5c and 7c if the industry hopes to survive."

"Prices in South Africa are by far the lowest in the world — but millers and bakers are under tremendous strains in a fight for sheer survival."

"The Cabinet can allow the full increases to be footed by the consumer or work out bigger subsidies."

---

**Images:**

- Brown Bread Prices:
  - 1975: 13c
  - 1976: 16c
  - 1978: 21c
  - 1980: 29c
  - 1981: 35c
  - 1982: 42c
  - 1983: 39c
  - (GST dropped)

- White Bread Prices:
  - 1975: 16c
  - 1976: 20c
  - 1978: 26c
  - 1980: 31c
  - 1981: 42c
  - 1982: 53c
  - 1983: 60c
  - 1984: 56c
  - (GST dropped)
Mark-up is too high, says monopolies critic

Bread price threat sparks profits row

The threat of new increases in bread prices has raised a storm of controversy, with the big producers engaged in attack and counter-attack about their profit margins.

Mr Robin McGregor, author of "Who Owns Whom" and a persistent critic of monopolies, has accused the big bakeries of running a nation-wide cartel that has boosted prices faster than the average inflation rate.

The big food producers have countered with arguments that bread prices have been held at among the lowest in the world by price controls that have kept margins too low.

The controversy has broken out at a moment when consumers are awaiting a Cabinet decision on new bread prices from October 1.

Mr McGregor has released the results of an investigation in which he claims that the current price of white bread — at 66 cents a loaf already 25% percent higher than in 1975 — would be as much as 19% percent lower had it stayed in line with the pace of overall inflation.

He lays the blame on a spurt in profit margins that broke away from the average inflation line in 1981.

He argues that if margins had stayed on course with the consumer price index they would be 14.1 cents a loaf on white bread instead of an actual 17.3 cents.

Mr McGregor insists that the result would be that white bread should be on sale at about 47 cents instead of the current 55 cents.

Mr Tony Bloom, chairman of the Premier Group, one of the biggest producers, snaps back that the calculations ignore the abolition of government subsidies on white bread that occurred three years ago.

"If new price formulae had not been sorted out, the price of brown bread would today be as high as white bread", he told 24 Hours.

"Our profit margins are hopelessly inadequate — as proved by evidence that there has not been a new major company launched in the sector over the past 40 years.

"This is simply because if would be madness for investors to expect even a reasonable return", he said.

"One has only to compare international bread prices to see that South African prices are the lowest in the world.

"In South Africa, the producer pays about R300 a ton for wheat and that becomes worth only R610 on the counter after the costs of the miller and baker and retailer have been covered.

"In the United States, producers pay R70 a ton for wheat — which becomes worth a staggering R4 200 by the time the consumer is buying bread.

"The squeeze on our margins is ludicrous." Mr Patrick McLaughlin, of Tiger Oats, added.

"Profits from bread making have become non-existent. It is only by diversification that the big bakeries can survive at all.

Says Mr McGregor:

"I'm slicking to my guns.

"The huge conglomerates can offer all the sophisticated statistics in the world.

"The fact remains that profit margins on white bread have shot up far faster and higher than the overall inflation rate because of the cartel — and the consumer is paying the bill."
Application for busfare increase

20/9/84

C. T

Staff Reporter

CITY Tramways applied yesterday for a 12 percent busfare increase. The increase was needed to offset increases in salaries, wages, operating and maintenance costs, Mr S Selikowitz, SC, who appeared for City Tramways, told the National Transport Commission in support of the company's application.

About 30 people representing several civic and labour organizations attended the hearing, chaired by Mr H C van Zyl of the NTC. Several memoranda objecting to the increase were also handed to the commission.

In papers before the commission, Mr Selikowitz said the actual revenue earned by City Tramways deduced from an "adjusted base period" between July 1983 and February 1984 was R30.5m, while actual expenditure for the same period was R28.1m.

The anticipated increases in costs were expected to amount to R3.4m which would leave City Tramways with a pre-tax surplus of R186 718 which "represented an unreasonable return of less than one percent on the capital employed", he said.

If the application for the higher fares was granted, the increase in revenue would amount to R5.1 million. "We are running at a type of break-even point and the company unashamedly would like to make a fair profit," Mr Selikowitz said.

City Tramways experienced significant increases in the following categories: Rent, 89 percent; telephones, 14.8 percent; damages, 15 percent; and 33 and 32 percent on the dollar and sterling exchange rates respectively for fuel and parts purchases. The increased costs were expected to be lower than the R1.4m made in 1983.

The last time a cost-related increase was made was in 1982. The 18 percent increase in 1983 was to absorb salary and wage increases.

Representations on behalf of the objectors will be heard today at 9am at the Nedbank Building, Foreshore.

Reports that City Tramways was using blue and white painted buses from Ciskei were denied at the hearing. Mr Selikowitz said the buses were purchased from the Corporation for Economic Development in Pretoria to repaint the buses was "an expense not justifiable in this climate."

Mr Selikowitz was instructed by Asherson and Asherson Mr David Mias, of Omar, Vasson, Sonn and Abercrombie, appeared on behalf of the objectors.
More price rises?

JOHANNESBURG — The prices of tea, coffee, milk powder, margarine and at least six other basic foodstuffs are set to rise — in some cases for the second time this year — by the end of October, according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued here last night, he said continued increases in basic foodstuff prices would wipe out the benefits of general sales tax exclusion on certain staples within months.

He predicted increases of 10 percent in the price of coffee, margarine, cooking oil and cool-drinks. Coffee and margarine prices have already gone up this year — by 7.5 percent and 12 percent respectively.

Prices of biscuits, baking powder, cooking oil and condensed milk were also set to rise, Mr Hood said.

‘Disastrous’

“‘The year to date has been disastrous, particularly for the lower-income groups,’” he said.

“In all my years in retailing, I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year.

“When we look back on 1984, we will find that from the consumers’ point of view this year will have delivered the most dismal calendar in decades.

“If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months.” — Sapa
It's a disaster, says sharp
food up
Cost of
other basic food items are expected before the
1.5% today, and steep price rises in at least 10
Johannesburg — The price of bread may rise

21/11/78
Basic food prices set to rise again

The prices of tea, coffee, milk powder, margarine and at least six other basic foodstuffs are set to rise — in some cases for the second time this year — by the end of October, according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued in Johannesburg last night, he said continued increases in basic food prices would wipe out the benefit of general sales tax exclusion on certain staples within months.

He predicted increases of 10 percent in the price of coffee, margarine, cooking oil and cold drinks. Coffee and margarine prices have already gone up this year — by 7.5 percent and 12 percent respectively.

Prices of biscuits, baking powder, cooking oil and condensed milk were also set to rise, Mr Hood said.

"Disastrous for poor"

"This year to date has been disastrous, particularly for the lower income groups," he said.

"In all my years in retailing, I have never encountered what appears to have become accepted practice in 1984 — the phenomenon of raising the price of a basic foodstuff several times in a single year."

"When we look back on 1984, we will find that, from the consumer's point of view, this year will have delivered the most dismal calendar in decades."

Mr Hood said the exemption of certain foodstuffs from GST had not helped the consumer. Many true staples had been left off the exemption list, while most of the goods on the list had subsequently gone up in price or were about to do so.

"If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months."

He added that, by the end of October, consumers could expect price increases in the following foods:

- Milk powder and condensed milk (the second increase this year)
- Tea, to increase by 12 percent following a 10 percent rise in February
- Coffee, up 10 percent after going up by 7.5 percent in April
- Margarine, up 10 percent after a 12 percent hike in January
- Cooking oil (10 percent)
- Cold drinks (10 percent — following the sugar price rise)
- Biscuits and baking powder.
- Canned goods, for the second time this year
- Bread

Mr Hood said currency problems had a severe impact on prices of imported products or ingredients.

"But there are many and inexplicable anomalies." South African consumers were, for example, subsidising sugar exports, while benefits of the meat surplus had not been passed on to consumers.

There were also rumours of another GST increase. If this did happen, more items were likely to be exempted from tax and it was hoped that the retail sector would be consulted so that a more accurate definition of "staples" could be obtained.

"But this will be a short-term benefit for the hard-hit South African consumer," Mr Hood said. — Sapa

Live TV coverage of fight in jeopardy

By Sven_Forsman

A premature announcement by a morning newspaper today has jeopardised the next "long day" of the white facilities.

No foreign blacks in Pretoria's white facilities

By Andrew Beattie, Pretoria Bureau

The final word from Pretoria Municipality is that no black people, foreign or local, except those with diplomatic status may use white municipal facilities.
Bread price rises

Own Correspondent

PRETORIA. — Bread prices are to go up for the second time this year on October 1.

Brown bread will cost one cent a loaf more and the price of white loaves will increase by four cents.

Since the beginning of this year, the cost of brown bread has rocketed by 25 percent and white bread has shot up by 22 percent. Currently the price of white bread is 56 cents a loaf and brown bread 39 cents.

Announcing the increase in Pretoria yesterday, the Minister of Agriculture, Mr. Greylng Wentzel, said brown bread would rise to 40 cents a loaf — cheaper than it was before GST was removed in July — and white bread to 60 cents a loaf — the price before GST was removed.

The recent 12% percent rise in the sugar price and the threat before the next budget of another increase in the price of molie meal will severely strain the budget of black families, according to economists.

While the minister said the increase in the brown-bread price would have little effect on the consumer, major food retailers and consumer spokesmen were yesterday disturbed by it.

Margin

Mr Wentzel said the rises were needed because of the increase of 7.45 percent in millers' margins, a 5.20 percent increase in bakers' margins and by a "reasonable" 8.7 percent rise in the wheat price to R29.6 a ton — the first adjustment in two years.

Although Mr Wentzel described the bread-price increases as "moderate", they represent another heavy cost-of-living blow to the lower-income groups.

The FFP consumer spokesman, Mr Harry Schwartz, said: "It is pleasing that the increases were reasonably small, but regrettable there had to be increases at all in these very difficult times — especially for the lower-income groups."

Mr Gordon Utian, managing director of Checkers, responded: "The best defence South Africa can have is people with full stomachs."

He said in a statement yesterday: "While this bread-price increase is modest, brown bread has increased by 25 percent and white bread by 22 percent this year alone."

"Plight of poor"

"I appeal to the government to apportion funds from our large defence budget to holding down prices of basic foods and not to ignore the plight of our poor."

The general manager of a Pick 'n Pay last night commended the minister for keeping the bread-price increase to an "absolute" minimum, but once again appealed to the government to abolish GST on all basic foodstuffs.

In a statement, Mr John Barry said he welcomed the minister for keeping the price increase to an absolute minimum of one cent on the price of brown bread, a basic foodstuff.

Mr Wentzel said the minimum price increases were made possible because millers, bakers and wheat producers had sacrificed part of their increased costs.

R40m allocation

Without this the government, because of the current economic climate and limited State funds, would have been unable to prevent a big increase in the prices of brown and white bread.

The Wheat Board had also made a massive contribution by allocating R40-million from the Wheat Reserve Fund to keeping the prices down.

The minister emphasized that it was a cabinet decision that in the present economic climate the increases should be limited to an absolute minimum.
Foodstuffs price hikes will make 1984 a dismal year

CONTINUED increases in basic foodstuffs prices would wipe out the benefit of general sales tax exclusion on certain staples within months.

This is according to the managing director of OK Bazaars, Mr Gordon Hood.

In a statement issued in Johannesburg, he said the string of food price hikes this year would make 1984 the "most dismal" year in decades for the consumer.

"The year to date has been disastrous, particularly for the lower income groups," he said.

"In all my years in retailing I have never encountered what appears to have become accepted practice in 1984 - the phenomenon of raising the price of a basic foodstuff several times in a single year.

Mr Hood said the exemption of certain foodstuffs from GST had not helped the consumer.

Many true staples had been left off the exemption list, while most of the goods on the list had subsequently gone up in price or were about to do so.

"If we follow the present disturbing trend, the several and now inevitable price increases will wipe out the benefits of GST exclusion within months."

Mr Hood said that by the end of October consumers could expect price increases in the following foodstuffs:

- Milk powder and condensed milk (the second increase this year).
- Tea, to increase by 12%, following a 10% hike in February.
- Coffee, to rise by 10%, after going up by 7.5% in April.

- Margarine, to increase by 10%, after a 12% hike in January.
- Cooking oil, to 10%.
- Cold drinks, to 10%, following the sugar price rise.
- Biscuits and baking powder.
- Canned goods, for the second time this year.
- Bread.

Mr Hood said currency problems had had a severe impact on prices of imported products and ingredients.

"But there are many inexplicable anomalies". South African consumers were, for example, subsidising sugar exports, while the benefits of the meat surplus had not been passed on to the consumer.
"Modest increases in price of bread greeted with relief"

Weekend Argus Consumer Reporter

WHITE consumer organisations have expressed relief at the "small increases" in the bread price, but a black consumer spokesman slammed the rise as being the "straw which breaks the camel's back."

The Minister of Agricultural, Economic and Water Affairs, Mr Greyling Wentzel, announced yesterday that the price of a loaf of brown bread would increase by one cent to 40c a loaf and white bread by 4c to 66c a loaf from October 1.

"These represent increases of 2.58 percent and 7.14 percent respectively — considerably less than the expected increase of between 10 and 15 percent."

"Can be grateful"

The assistant-director of the South African Consumer Council, Mr Bernard Hellberg, said: "The has is for once in favour of the consumer instead of the producer. We can be grateful that the increases are below the inflation rate."

Mr Hellberg emphasised that anyone who sold bread for more than the stipulated price was liable for a fine of R1 000 or 12 months imprisonment.

"Unimpressed"

The president of the Black Housewives' League, Mrs Solly Motlapa, said she was "totally unimpressed."

"This is the last straw to break the camel's back. It's effect on the black people will be more starvation, more graves and more children suffering malnutrition," she said.

The president of the Housewives' League, Mrs Joy Harwitz, said brown bread accounted for 75 percent of the bread consumed and the government had shown clear thinking by keeping the price increase to a minimum.

"Mr Gordon Utan, managing director of Checkers, said in a statement: "The best defence is people with full stomachs. While this bread price increase is modest, brown bread has increased by 25 percent and white bread by 25 percent this year alone."

"I appeal to the Government to apportion funds from our large defence budget to keeping down prices of basic foods and not to ignore the plight of our poor."
Cigarettes cost 5% more and...

Bread price to rise from October 1

By GERALD REILLY
Pretoria Bureau

The price of bread will go up from October 1 — the second price increase this year. Brown bread will rise by 1c a loaf and white by 4c a loaf.

Announcing this in Pretoria yesterday, the Minister of Agriculture, Mr Greyling Wentzel, said brown bread would rise to 60c a loaf — cheaper than it was before GST was removed in July — and white bread to 80c a loaf, the price before GST was removed.

Meanwhile, smokers who bought cigarettes yesterday had to pay an unannounced 5% to 6% price increase, taking the price of a packet of 20 from 77c to 78c in certain cases.

The Rand Daily Mail was alerted to the increase by a spokesman for the National Restaurant, Retailers, and Proprietors Association (TRAPA), who was objecting to criticism being levelled at cafes by the public.

Currently the price of white bread is 60c a loaf and brown bread 80c.

The price hikes were necessitated by the increase of 7,6% in millers' margins, a 5,4% increase in bakers' margins and by a reasonable 8,7% rise in the wheat price to R29 a ton — the first adjustment in two years.

Mr Wentzel said the small increase in the brown bread price should have little effect on consumers.

Economists said the Government's decision to raise the price, instead of the subsidy, showed an insensitivity to the hardships in the black townships because of widespread unemployment and the spread of poverty.

The Minister said the medium price rises were made possible because millers, bakers and wheat producers had sacrificed part of their increased costs.

The Wheat Board has also made a massive contribution by allocating R40-million from the Wheat Reserve Fund to keeping the prices down to a minimum.

Mr Wentzel said the maize Board would soon make recommendations to him to raise the present 25% white maize component of mealie meal.

He said this was necessary because of consumer resistance to the white/yellow maize mix.

Commenting on the rise in the price of cigarettes, the spokesman for the TRIPA said: “There is nothing we can do about the increase as it was passed on to us yesterday morning by the wholesalers.”

But it was the manufacturers who had increased the price.

A spokesman from the Rembrandt Tobacco Corporation said yesterday it was impossible to continue absorbing rising costs.

Flaming the increase on the current rand/dollar exchange rate, the spokesman said the manufacturer could not be held accountable for the increase as there was no.
Inflation eases as food bill rises

By Harold Fridjion

The inflation rate as measured by the consumer price index eased slightly from 12.4% in July to 11.8% in August.

The numbers issued yesterday by the Central Statistical Services show that the all-income-index for August was 297, compared with 295.1 for July and 295.6 for August 1983.

The lower income group index rose by 10.4% compared with 10.8% in July, the middle income group index went up by 12.1% — 12.5% in July — while the year-on-year increase in the upper income group index was 12.1% compared with the previous month's 12.8%.

A slower rate of increase in the food index was probably the main reason for the smaller increase in the overall CPI.

In August the food-only index rose by 10.2% compared with 11.3% in July. But this was probably an overhang from the exclusion of certain basic foods from GST.

In July the food-only index actually declined to 307.2 compared with 314.4 in June, a drop of 2.3%.

Last month the index moved up marginally to 308.6%.

And it is probable that the food index which is 25% of the total will give the CPI a shove in the months to come.

A higher price for bread is due next month. The milk price is scheduled to rise. The sugar price has gone up and a higher price for sugar affects a wide range of processed foods including jams, cold drinks and condensed milk.

Last month's drop in the increase of the CPI should not be seen as a turning point in the index which is expected to reach above 13% by the end of the year. The best that can be hoped for at this stage is a slowing down in the rate of increase after the August hiccup.

The prices of certain consumer durables can be expected to drop as increased competition in a shrinking market will result in traders cutting prices in order to promote business.

But to wring inflation out of the system input costs must be brought down otherwise prices will soar again as the economy pulls out of the present trough.

The Minister of Finance, Mr Barend du Plessis, hopes that the inflation rate will drop to 10% next year. As the graph shows, a 10% rate was achieved only in February. If the Minister expects an average of 10% for 1985 the inflation rate will have to drop well below 10% to achieve this average.
Milk price goes up 13.5c in 15 months

Staff Reporter

Consumers, reeling under a barrage of price increases, have been dealt another surprise blow with the price of milk having risen by two cents a litre.

The unannounced increase came into effect on Monday last week and affects all retail outlets. Home deliveries have not been affected.

This brings the effective increase in the price of a litre of milk since milk price control was abolished 15 months ago to 13.5 cents. It is the second milk price increase this year.

A spokesman for the Cape Dairy Products Association, Mr Colin Boyce, described the increase as "pretty much in line" with inflation. "The hard reality of life is that the man in the street has to bear the brunt."

The chairman of the Cape Town branch of the Housewives League, Mrs Sheila Bailie, said her organization intended applying to the government for price control to be reinstated.
We survey the supermarkets

<table>
<thead>
<tr>
<th>Item</th>
<th>Grand Bazaar (Mowbray)</th>
<th>Grand Bazaar (Bellville)</th>
<th>OK Bazaars</th>
<th>Checkers Blue Route</th>
<th>Pick ’n Pay (Claremont)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eskort back bacon, noodles (250g)</td>
<td>R1.20</td>
<td>R1.45</td>
<td>R1.94</td>
<td>R1.04</td>
<td>R1.34</td>
</tr>
<tr>
<td>Boerewors 1kg</td>
<td>R4.70</td>
<td>R2.00</td>
<td>R4.05</td>
<td>R5.18</td>
<td></td>
</tr>
<tr>
<td>Topside mince 1kg</td>
<td>R5.20</td>
<td>R5.20</td>
<td>R6.35</td>
<td>R5.18</td>
<td></td>
</tr>
<tr>
<td>Lamb braai chops kg</td>
<td>R5.20</td>
<td>R6.15</td>
<td>R6.22</td>
<td>R5.84</td>
<td></td>
</tr>
<tr>
<td>Farmer Brown Chicken (fresh) 1kg</td>
<td>R2.25</td>
<td>n/a</td>
<td>n/a</td>
<td>R2.19</td>
<td></td>
</tr>
<tr>
<td>I&amp;J bake fillets 400g</td>
<td>R1.42</td>
<td>n/a</td>
<td>R1.45</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Protea skim milk powder 1kg</td>
<td>R5.20</td>
<td>n/a</td>
<td>R5.91</td>
<td>R5.35</td>
<td></td>
</tr>
<tr>
<td>Cheddar cheese 1kg</td>
<td>R5.23</td>
<td>R4.70</td>
<td>R5.95</td>
<td>R4.99</td>
<td></td>
</tr>
<tr>
<td>Large eggs, 12</td>
<td>R1.12</td>
<td>R1.22</td>
<td>R1.24</td>
<td>R1.32</td>
<td></td>
</tr>
<tr>
<td>Golden Spread margarine 500g brick</td>
<td>R1.25</td>
<td>R1.95</td>
<td>R1.29</td>
<td>R1.19</td>
<td></td>
</tr>
<tr>
<td>Cheese butter 500g</td>
<td>R2.34</td>
<td>R1.89</td>
<td>R2.34</td>
<td>R1.89</td>
<td></td>
</tr>
<tr>
<td>Tomatoes (1st grade) 1kg</td>
<td>R1.59</td>
<td>R1.80</td>
<td>R1.99</td>
<td>R1.99</td>
<td></td>
</tr>
<tr>
<td>Potatoes (medium) 1kg</td>
<td>50c</td>
<td>59c</td>
<td>59c</td>
<td>56c</td>
<td></td>
</tr>
<tr>
<td>Onions 1kg</td>
<td>50c</td>
<td>59c</td>
<td>59c</td>
<td>59c</td>
<td>79c</td>
</tr>
<tr>
<td>Cabbage (head)</td>
<td>35c</td>
<td>29c</td>
<td>38c</td>
<td>25c</td>
<td></td>
</tr>
<tr>
<td>Gem squash 1kg</td>
<td>69c</td>
<td>59c</td>
<td>R1.10</td>
<td>69c</td>
<td></td>
</tr>
<tr>
<td>Lettuce (head)</td>
<td>49c</td>
<td>25c</td>
<td>25c</td>
<td>32c</td>
<td></td>
</tr>
<tr>
<td>Haute’s sugar 2,5kg</td>
<td>R1.65</td>
<td>R1.72</td>
<td>R1.79</td>
<td>R1.94</td>
<td></td>
</tr>
<tr>
<td>Jungle Oasis 500g</td>
<td>71c</td>
<td>72c</td>
<td>69c</td>
<td>69c</td>
<td></td>
</tr>
<tr>
<td>Tastic rice 1kg</td>
<td>R1.35</td>
<td>R1.75</td>
<td>R1.35</td>
<td>R1.30</td>
<td></td>
</tr>
<tr>
<td>Dogcroq dogfood 25kg</td>
<td>R2.49</td>
<td>R2.49</td>
<td>R2.31</td>
<td>R2.46</td>
<td></td>
</tr>
<tr>
<td>Marmitie 250g</td>
<td>R1.59</td>
<td>R2.06</td>
<td>R2.01</td>
<td>R1.99</td>
<td></td>
</tr>
<tr>
<td>Black Cat Peanut Butter 410g</td>
<td>R1.29</td>
<td>R1.19</td>
<td>R1.49</td>
<td>R1.39</td>
<td></td>
</tr>
<tr>
<td>Kellog’s cornflakes 500g</td>
<td>R1.09</td>
<td>91c</td>
<td>R1.19</td>
<td>91c</td>
<td></td>
</tr>
<tr>
<td>Whalawheat bread</td>
<td>37c</td>
<td>38c</td>
<td>37c</td>
<td>37c</td>
<td></td>
</tr>
<tr>
<td>White bread</td>
<td>54c</td>
<td>55c</td>
<td>54c</td>
<td>54c</td>
<td></td>
</tr>
<tr>
<td>Koffiebus instant coffee, 270g</td>
<td>R1.69</td>
<td>R1.72</td>
<td>R1.65</td>
<td>R1.69</td>
<td></td>
</tr>
<tr>
<td>Joko tagliati teabags 100g</td>
<td>R2.25</td>
<td>R2.49</td>
<td>R2.95</td>
<td>R2.35</td>
<td></td>
</tr>
<tr>
<td>Milo 500g</td>
<td>R2.50</td>
<td>R2.50</td>
<td>R3.00</td>
<td>R2.55</td>
<td></td>
</tr>
<tr>
<td>Pails and Monal spaghetti 500g</td>
<td>80c</td>
<td>69c</td>
<td>95c</td>
<td>80c</td>
<td></td>
</tr>
<tr>
<td>Colgate toothpaste 100ml</td>
<td>R1.05</td>
<td>R1.05</td>
<td>R1.65</td>
<td>R1.20</td>
<td></td>
</tr>
<tr>
<td>Lux toilet soaps</td>
<td>41c</td>
<td>42c</td>
<td>45c</td>
<td>45c</td>
<td></td>
</tr>
<tr>
<td>Sunlight liquid 750ml</td>
<td>R1.55</td>
<td>R1.15</td>
<td>R1.16</td>
<td>R1.15</td>
<td></td>
</tr>
<tr>
<td>Surf 500g</td>
<td>R1.05</td>
<td>R1.05</td>
<td>R1.03</td>
<td>R1.09</td>
<td></td>
</tr>
</tbody>
</table>

Consumer Staff

This is the first of a regular weekly survey by The Argus of grocery prices at four major supermarkets. Each week we will present the grand total of prices at each supermarket, allowing the consumer an overall comparison of the outlets.

Where particular lines are unavailable, we will add the product’s average price calculated from the other stores.

According to this week’s survey, OK Bazaars appears the least expensive of the supermarkets.

100 percent

In some cases prices between outlets fluctuated more than 100 percent. The biggest variations appeared in the fresh meat and vegetable sections. Gem squash showed the widest fluctuation a kg of gem squash which cost 50c at OK Bazaars in Bellville cost R1.10 at Checkers’ Blue Route store.

Similar variations of prices were found in boerewors, cheese, tomatoes and onions. However some of these variations may be because of differences in quality.

In the dry food section, Milo was the only commodity to show a large price fluctuation of 54c. Other items in the dry food line fluctuated between 2c and 30c.

According to the survey, the prices of toiletries and cleaning goods show little variation between supermarkets.
# Food prices are staying constant

**Consumer Reporter**

Despite recent announcements of price increases, the Star's latest shopping basket survey has a pleasant surprise for consumers: food prices have remained fairly constant since the last survey in July.

The prices of 14 basic foodstuffs at four northern suburbs supermarkets were compared with the prices of the same goods surveyed two months ago (see graph).

The shopping basket now costs R37.46 (including GST) compared with R37.83 in July this year.

Frozen chicken has risen in price by the largest margin, 8.6 percent. It now costs R2.03 kg compared with R1.87 kg two months ago.

Potatoes have also gone up in price. The average price for a 2 kg bag of medium first-grade potatoes is now R1.09 compared with R1.04 in July.

Although eggs showed the greatest decrease in price, a 15.4 percent drop compared with July’s prices, prices rose by 12c a dozen the week.

Egg prices dropped twice during August and September because of an annual surplus.

Meat prices have dropped slightly since July. The average price for a kilogram of lamb is now R6.84 compared with R7.20 kg two months ago. Porterhouse steak is now R8.24 kg, a drop of 1.7 percent since the previous survey when it cost R8.38 kg.

<table>
<thead>
<tr>
<th>Item</th>
<th>Pick n Pay</th>
<th>Pheasant</th>
<th>Chancery</th>
<th>Pick n Pay</th>
<th>Average Price</th>
<th>Average Price</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 kg Porterhouse Steak</td>
<td>R8.18</td>
<td>R8.18</td>
<td>R8.15</td>
<td>R8.18</td>
<td>R8.24</td>
<td>R8.30</td>
<td>-1.7%</td>
</tr>
<tr>
<td>1 kg Frozen Chicken, Grade A</td>
<td>R1.78</td>
<td>R1.78</td>
<td>R1.75</td>
<td>R1.78</td>
<td>R1.78</td>
<td>R1.78</td>
<td>+0.4%</td>
</tr>
<tr>
<td>1 Dozen Large Eggs</td>
<td>R1.04</td>
<td>R1.04</td>
<td>R1.00</td>
<td>R1.04</td>
<td>R1.04</td>
<td>R1.23</td>
<td>-15.4%</td>
</tr>
<tr>
<td>2 kg Medium Potatoes, Grade A</td>
<td>R7.90</td>
<td>R7.90</td>
<td>R7.90</td>
<td>R7.90</td>
<td>R7.90</td>
<td>R7.90</td>
<td>+0.0%</td>
</tr>
<tr>
<td>1 kg Loin &amp; 2 Hake Fillets</td>
<td>R2.80</td>
<td>R2.80</td>
<td>R2.80</td>
<td>R2.80</td>
<td>R2.80</td>
<td>R2.80</td>
<td>+0.0%</td>
</tr>
<tr>
<td>250 g Eskett Middle Bacon</td>
<td>R1.85</td>
<td>R1.85</td>
<td>R1.85</td>
<td>R1.85</td>
<td>R1.85</td>
<td>R1.85</td>
<td>+0.0%</td>
</tr>
<tr>
<td>1 kg Lamb Loin Chops, Super</td>
<td>R7.00</td>
<td>R7.00</td>
<td>R7.00</td>
<td>R7.00</td>
<td>R7.00</td>
<td>R7.00</td>
<td>+0.0%</td>
</tr>
<tr>
<td>500 g Choice Butter</td>
<td>R2.18</td>
<td>R2.18</td>
<td>R2.18</td>
<td>R2.18</td>
<td>R2.18</td>
<td>R2.18</td>
<td>+0.0%</td>
</tr>
<tr>
<td>1 Linen Mix</td>
<td>67c</td>
<td>67c</td>
<td>67c</td>
<td>67c</td>
<td>67c</td>
<td>67c</td>
<td>0%</td>
</tr>
<tr>
<td>1 kg Tastic Rice</td>
<td>R1.37</td>
<td>R1.37</td>
<td>R1.37</td>
<td>R1.37</td>
<td>R1.37</td>
<td>R1.37</td>
<td>+0.0%</td>
</tr>
<tr>
<td>500 g Kelloggs Cornflakes</td>
<td>R1.14</td>
<td>R1.14</td>
<td>R1.14</td>
<td>R1.14</td>
<td>R1.14</td>
<td>R1.14</td>
<td>+0.0%</td>
</tr>
<tr>
<td>250 g Nescafe Instant Coffee</td>
<td>R4.95</td>
<td>R4.95</td>
<td>R4.95</td>
<td>R4.95</td>
<td>R4.95</td>
<td>R4.95</td>
<td>+0.0%</td>
</tr>
<tr>
<td>250 g Five Roses &amp; Herbs (Gala)</td>
<td>R2.29</td>
<td>R2.29</td>
<td>R2.29</td>
<td>R2.29</td>
<td>R2.29</td>
<td>R2.29</td>
<td>+0.0%</td>
</tr>
<tr>
<td>500 g Buffalo Salt</td>
<td>45c</td>
<td>45c</td>
<td>45c</td>
<td>45c</td>
<td>45c</td>
<td>45c</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Prices exclude GST; tax deposit included.*
Pick 'n Pay's Ackerman ... jail the offenders

powers to enforce its findings.

"Government should take off the gloves and punish those guilty of such practices with jail sentences," says Ackerman. "And the Competition Board needs more support from the Minister."

Utian says attempting to expose the country's cartels would be like "walking into a minefield" because of the influence in high places of those involved.

Kantor, who is a member of the Competition Board, says cartels are inherently unstable, and the incentive to boost sales ultimately pushes some members into breaking ranks and offering customers secret discounts and deals.

"Markets such as SA which are protected against imports are ripe for cartels," he argues, "if only because they have no room for more than a few local suppliers. A solution is to allow free entry into the market by raising restrictions on imports."

Kantor also says collusive acts on prices between suppliers should be outlawed.

Competition Board chairman Stef Naude agrees and says he favours the implementation of regulations under the present Act which would provide for fines of up to R100 000 for companies guilty of price collusion.

A problem with stiffening the laws is that it is often difficult to prove collusion, since such agreements are not always placed on record. And even when competitors' prices are agreed on a par with each other, this is not necessarily due to deliberate collusion, "how do you force companies to compete?" asks Naude.

"Very often they choose to follow, rather than fight, an industry leader's prices, and we cannot outlaw that."

Another cartel practice, predatory pricing, is also difficult to prove — especially because it offers obvious benefits to the consumer in the short term. This happens when cartel members agree temporarily to drop prices to prevent a new competitor from gaining a foothold in the market. Once the competition has been crushed, prices return to old, or higher, levels.

New entrants frequently have resources to launch their products in certain regions only, rather than nationally — which makes pricing them out of the market that much less expensive for the cartel.

It has been alleged that such collusion has squeezed competition in, among others, the western Cape softdrink market and the Natal cement market. But one established firm claims its actions are simply "a classic case of pure and perfect competition."

They may well be, but only those who took the decisions know for sure.

"It is a normal market reaction," says Blue Circle financial commercial director Peter Retif of price cuts by a Natal factory owned by SA's three cement producers, Blue Circle, Pretoria Portland Cement and Anglo Alpha. The three have a pricing and market-sharing agreement deemed by the Competition Board not to be against the public interest, owing largely to the fact that transport costs account for about 46% of total delivered cement costs.

It is probably a matter of definition whether the Natal price decision is a case of collusion — although it could put paid to further imports of cheap cement.

The existence of cartels is likely to be more easily proved in professional associations such as those for doctors, dentists, pharmacists, opticians, stockbrokers, architects, accountants, lawyers and advocates. In many cases, restrictive trade practices are said to be written into their constitutions and ensnared by law.

The Competition Board may make recommendations for sweeping changes in the affairs of these professions, which have traditionally derailed the notion of commercial competition — probably to the detriment of the paying public. The board's involvement here is in keeping with its brief from government to examine all legislation affecting competition.

Professional codes

If it sticks to its stated principles, the board may recommend abolishing some of the professional conduct codes which allow certain professions to:

- Bind their members to fixed minimum charges.
- Prevent suitably qualified individuals in good standing from doing certain work (for example, conveyancing) if they are not members.
- Specify that certain work must be handled by more members than is sometimes strictly necessary (for example, advocates must be briefed by attorneys and senior advocates must appear in court with juniors), and
- Prohibit non-members from buying shares in certain practices.

Such changes are already occurring in the US and UK, and it is hoped that government will have the courage to follow a similar course here.

But doing so will, by no means, win the war against all price and market fixing. The next battle, in the manufacturing sector, will be harder. And government may well shrink from the final and biggest battle of all — the challenge of imposing the same disciplines on agriculture with its parasitic marketing boards and co-operatives.

The press and public have a role too. "Co-

incidental" price adjustments should be closely scrutinised. The real questions are who benefits by such apparent collusion, and who loses? But so widespread, and so secret, are cartelised practices that the full dimensions of the cost to the economy may never be known. What is certain is that, for a country which has waged so enthusiastic over the benefits of free enterprise, SA has an alarmingly large number of commercial sectors locked into rings of collusive practice.
Councillors reject new Putco fare increases

By RAYMOND MASHAO

THE Vosloorus Town Council has rejected Putco's 12.5% proposed fare increase to be implemented in the Reef areas later this year.

In August the Soweto Council also opposed the increase and turned down a suggestion that councillors serve on the Transport Consultative Committees.

A delegation led by the mayor of Vosloorus, Mr P. L. Mahlangu, his deputy, Mr C Mokoena, and a councillor, Mr E Jakuda, held talks with officials of the Local Transportation Board in Pretoria on Tuesday.

"We have submitted our objections to the board and we are only waiting for the outcome. We are against the increment as we feel it would be the second time in a year that Putco increased their fares in the area," said Mr Mokoena.

For some in November last year violence nearly broke out because of Putco fare hikes.

The council claims Putco was giving poor service in the township and that bus drivers were not adhering to the normal procedure regarding the use of weekly coupons.

The mayor said they were also making it difficult for commuters to cope with the increases.

Mr Mokoena said the matter was brought to the council's attention by residents.

He said it would have been useless if the council turned a deaf ear to residents' grievances because "they elected us so we must serve them accordingly".

Putco recently wrote to a number of councils explaining their intention to increase fares, pending the outcome of an application to the Local Transportation Board.

Meanwhile Putco is introducing weekly season tickets for commuters using the Ekangala-Kaalfontein-Springs buses on Monday at one-third of 10 single fares, reports Sapa.

In a statement yesterday Putco said five-day season tickets between Ekangala and Kaalfontein will cost R3,60 and Springs R3,20. Six-day tickets currently cost R19,00 and R8,00 respectively.

The services were introduced at the end of April and five buses are operating daily. The single journey fares are R3 for the Springs route and R6 for Kaalfontein.
Now the flour price is to increase by 8%

By SUE FAULKNER

If you thought of baking the bread price increase by baking at home — the price of flour has been raised by an average of 8%.

The rise, which affects all types of flour and which was gazetted yesterday, will also push up the prices of many other foods like cakes, biscuits and confectionery.

Bread prices will rise on Monday.

Cake flour, which now costs about R1.87 a 2.5kg bag, will go up to R1.97 for the same size bag from Monday.

Mrs Peta Lomberg, public relations officer for a large supermarket chain, said yesterday that because flour was perishable, supermarkets were unable to keep large stocks but were likely to be able to keep prices down for a few months.

The cost of frozen and fresh meat pies is also set to rise from Monday.
Putco fares cut

PUTCO is to cut its fares for Ekangala passengers to less than a third of current prices with the issue of weekly season tickets from today.

Mr Pat Rogers, Putco's public relations executive, said that the company had applied to the Department of Transport for a subsidy with no results as yet. The company had now decided to go ahead on its own of necessity.

Putco's move follows a recent application by the South African Transport Services (SATS) to operate a bus service in the area.

The application was initially approved by the Johannesburg Road Transportation Board but the decision was suspended following an appeal to the National Transport Commission by Putco.

Putco has been operating services between Ekangala township, near Bronkhorstspruit, and Kaalfontein and Ekangala and Springs (via Benoni) since the end of April this year.

In the absence of a subsidy, passengers have been paying the full economic fare tariff — R3 to or from Springs and R2.50 to or from Kaalfontein.

The new five-day season tickets (providing for return trips from Monday to Friday) will sell at R8.60 and R8.20 respectively. Six day tickets will be R10.30 and R9.80.

"Putco anticipates that with the drastic reduction in travel costs, the service will attract more passengers which in turn would allow for improved trip frequency," Mr Rogers said.
Eggs go up on Monday

The price of eggs in the Transvaal and Orange Free State will increase on Monday, the Poultry Association said today.

A huge egg surplus forced down prices at the beginning of August and again during September, the association said in a statement in Pretoria.

Eggs came down by 12c a dozen during the two months.

The surplus had now been reduced and a more realistic balance existed between supply and demand.

"As a result prices will return to normal, that is the price level during July," the statement said.

— Sapa
BREAD PRICES
Catcher in the chaff

Last week's wheat price increase again raises the question of why farmers should be encouraged, by artificially high prices, to grow a crop which can be imported at less than half the local production cost.

If this year's domestic wheat requirements had been bought on world markets — instead of paying local prices — the saving would have been at least R260m. This would have more than compensated for the brown bread subsidy, set to cost a minimum of R120m this year.

As a quid pro quo for the new R299/t wheat price, the Wheat Board has agreed to contribute R46m from its R80m stabilisation fund towards the brown bread subsidy. The R120m government allocation for the subsidy has been deleted by blacks switching to brown bread because of the higher percentage of yellow maize in maize meal.

The question of paying farmers over the odds also applies to the sugar industry — which is expecting a record crop this year — but not to maize, where the domestic price has at least assumed parity with the imported landed price.

The effects of the local prices of wheat and sugar are that the consumer is being asked to subsidise farmers. Farmers countrywide are climbing on the high price wheat wagon. This season, farmers in the western and central Free State put 100 000 more hectares under wheat than the year before — in areas unsuited to this winter rainfall cereal.

At least the sugar industry is making an outward attempt to solve its problems. It hopes to institute soon a three-tier quota system. Farmers will be allocated quotas for the domestic market based on previous performance; any further production will be subject to the world price and its vagaries.

The wheat-bread industry is another kettle of fish. The sugar industry at least plants a crop suitable to the prevailing climate, wheat, as the Wheat Board freely admits, is not a suitable crop for SA's climatic conditions. Efficient maize farmers can equal overseas yields (given good weather), wheat farmers average 1.4 t/ha compared to an overseas 4 t/ha.

Production

The Wheat Board argues that wheat production, at least to the level of domestic consumption, should be seen as a strategic crop. That could be countered by events with this year's maize imports, which are being openly bought on the Chicago Commodity Exchange, in a country which is becoming increasingly hostile to SA. If the US sells grain to Russia, it seems certain that the last sanctioned commodity import to SA would be food.

There are also problems the wheat-bread industry faces on its own doorstep. Joy Hurwitz, national president of the Housewives League, says the industry, from producer to consumer, is a can of worms. She says investigation of each process in the industry is needed, and welcomes government's call in the Government Gazette for comment on the role of millers and bakers.

Hurwitz observes that farmers have experienced increasing input costs, but says there should be a far greater disclosure of the industry's infrastructure — particularly details on who is making the profits.

The R46m drawdown from the Wheat Board's stabilisation fund has been slammed by Jan Schutte, chairman of the Free State Wheat Committee. He says the withdrawal has cut the Free State farmers' lifeline in a year when a maize crop failure was followed by a wheat crop failure, adding insult to injury.

But Gert Schoombee, chairman of the SAAU's National Winter Cereals Committee, says the drawdown is the farmers' contribution to keeping the CPI low. The SAAU's Hennie Bezuidenhout argues that the levy which built the fund is built into consumer prices, and it is fair that the money should now be used to benefit consumers.

One cost saved if the subsidy were abolished would be R750 000 a year needed to administer the subsidy.
The secret sharers

When the FBI recently telephoned a paper company executive on alleged price fixing, this was his first reaction. "Have you asked our competitor these questions?" I'd like to know what they said.

SA's two paper giants, Sappi and Mondi, may not collude on price fixing. But the executive's comment would strike some cynics as an unguarded response from a company that does. Members of cartels regularly consult one another on matters which may threaten their interests — though, to the world at large, they tend to project the image of being in competition.

Economics dictionaries define a cartel as a formal agreement between two or more parties on matters such as pricing, sales quotas and measures to prevent newcomers entering the market. There are few manufacturing industries in SA (cement is one) which are known to have formal agreements of this nature. But retailers maintain that SA has many cartels — and that collusion on a less formal basis routinely takes place.

Ackerman's charge

"The big milling and dairy companies definitely run cartels," says Pick 'n Pay chairman Raymond Ackerman.

Tiger Oats chief executive Robbie Williams replies: "Tiger Oats is very surprised by this statement. In the milling and animal feed industry where we are active, competition is particularly keen at present, and our margins are under continual challenge."

"In the wheat milling and baking industry, government controls the prices of our raw material, flour, and also that of the final product, bread. Thus may not be dealt with, either up or down. We think the margins are too low and have said so in the past. Consequently our return on investment is too low to enable us to firmly guarantee our ability to meet the growing demand for bread in the future."

Premier Group director Peter Wrightson says "It would not be proper for me to comment on this in view of the investigation into the milling and baking industry currently being undertaken by the Competition Board.

Chief executive of dairy company NCD Japie Dreyer does not exactly deny the charge. But he points out that since milk prices have to be approved by the Dairy Board, dairies do get together for price discussions before negotiating.

Economist Brian Kantor says he suspects cartels in industries where prices from all manufacturers go up simulta-

Pricing agreements between apparent competitors appear to be far more widespread in SA than most realise. Large retail chains are particularly bitter about cartel-type arrangements between their suppliers. But charges of price rigging are difficult to prove. Where it does exist, it is often with government's sanction.

nously. He cites as a recent example the apparently coincidental price increase from 25c to 30c of three Cape Town English newspapers (There were similar moves in Johannesburg). While this is not necessarily proof of a cartel, it certainly arouses suspicions.

In a submission to the Competition Board in 1980, retailers asserted that there had been cartel-type pricing arrangements with processed meat, frozen vegetables, potato chips, tea, paper products, cooking oil, margarine and bakery products.

Most of the alleged offenders refuse to comment — or they deny charges of collusion and say that their prices are determined largely by common input costs. "And if one of us puts up his prices before the others," says one, "he also gets flak from retailers."

Among those who deny involvement of their industries in cartels are president of the SA Federation of Softdrink Manufacturers Henne Viljoen, MD of tea distributor T W Beckett Toby Gawith, MD of Sappi Eugene van As, and a spokesman for potato chip manufacturer Simba-Quix.

"There is a cartel for everything and anything in this country," asserts Checkers MD Gordon Utan. "How else could some of our suppliers, who should really be suffering in this recession, be making such good profits?"

"In many cases, it does not help to phone around for a quotation because so many companies are working hand in glove. Government is not aware of the extent of cartels and where it does know, it tends to turn its back on the problem."

Weak legislation

Some believe that the legislation on cartels — in the Maintenance and Promotion of Competition Act — is not strong enough. It provides that action can be taken against offenders only after an investigation by the Competition Board, and then only at government discretion. Pretoria's rejection of the Board's recommendations on the wine and spirits industry, where restrictive practices were found, bears out the view that the authorities are unwilling to rock the boat if important interests are involved.

Another case of government reluctance to act decisively could be in coal distribution. It has accepted the board's findings that a cartel-type situation exists, but has directed that the market be freed by negotiation between the parties concerned and the board — which does not have full
Bread prices start to rise

Shoppers pay more for food in Gardens

Consumer Reporter

GARDENS, it seems, is a particularly expensive suburb for shoppers. Items surveyed at the Gardens branch of Pick 'n Pay last week were more than R2 dearer than those at the Mitchell's Plain branch this week.

And the most expensive shop surveyed this week is the Gardens branch of Checkers.

While last week's survey showed less than a R1 fluctuation between surveyed branches, this week we see a fluctuation of almost R3.

Fresh produce showed the biggest percentage price difference. First-grade tomatoes at Checkers were more than double those at Shoprite.

The Checkers potatoes were also almost double the prices elsewhere.

Frozen fish also showed a marked price difference of 33 percent between Checkers and Shoprite.

Prices in the beverage line differed a little less but still showed a discrepancy of at least 10 percent.

Last month's bread-price increase is slowly beginning to filter through to the consumer. For several weeks supermarkets have maintained the old prices but this week's survey shows that at least two have increased white bread price by 4c and wholemeal by 1c.

Because the surveyed branch of Shoprite did not have a butchery section, fresh-meat prices were taken from their Lansdowne branch. Once again, where items were unavailable, the price average has been used to calculate the grand total.

<table>
<thead>
<tr>
<th>Shoprite Wynberg</th>
<th>Pick 'n Pay Mitchell's Plain</th>
<th>Checkers Gardens</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1.73</td>
<td>R1.84</td>
<td>R1.94</td>
</tr>
<tr>
<td>R2.99</td>
<td>R4.29</td>
<td>R3.98</td>
</tr>
<tr>
<td>R4.99</td>
<td>R4.88 (lean)</td>
<td>R5.12</td>
</tr>
<tr>
<td>R7.28</td>
<td>R6.98</td>
<td>R6.39</td>
</tr>
<tr>
<td>R2.30</td>
<td>n/a</td>
<td>R2.45</td>
</tr>
<tr>
<td>R1.09</td>
<td>n/a</td>
<td>R1.45</td>
</tr>
<tr>
<td>R5.25</td>
<td>R4.99</td>
<td>R4.45</td>
</tr>
<tr>
<td>R4.30</td>
<td>R4.98</td>
<td>R5.05</td>
</tr>
<tr>
<td>R1.24</td>
<td>R1.22</td>
<td>R1.24</td>
</tr>
<tr>
<td>R1.27</td>
<td>R1.09</td>
<td>R1.29</td>
</tr>
<tr>
<td>R1.96</td>
<td>R1.80</td>
<td>R2.40</td>
</tr>
<tr>
<td>R1.05</td>
<td>R1.49</td>
<td>R2.29</td>
</tr>
<tr>
<td>30c</td>
<td>35</td>
<td>60c</td>
</tr>
<tr>
<td>60c</td>
<td>70c</td>
<td>70c</td>
</tr>
<tr>
<td>60c</td>
<td>70c</td>
<td>70c</td>
</tr>
<tr>
<td>R1.79</td>
<td>R1.64</td>
<td>R1.79</td>
</tr>
<tr>
<td>72c</td>
<td>60c</td>
<td>60c</td>
</tr>
<tr>
<td>R1.35</td>
<td>R1.35</td>
<td>R1.35</td>
</tr>
<tr>
<td>R1.45</td>
<td>R2.45</td>
<td>R2.51</td>
</tr>
<tr>
<td>R1.59</td>
<td>R1.59</td>
<td>n/a</td>
</tr>
<tr>
<td>R1.23</td>
<td>R1.33</td>
<td>R1.49</td>
</tr>
<tr>
<td>R1.09</td>
<td>90c</td>
<td>R1.18</td>
</tr>
<tr>
<td>30c</td>
<td>35c</td>
<td>35c</td>
</tr>
<tr>
<td>50c</td>
<td>54c</td>
<td>58c</td>
</tr>
<tr>
<td>R1.65</td>
<td>R1.49</td>
<td>R1.65</td>
</tr>
<tr>
<td>R2.49</td>
<td>R2.24</td>
<td>R2.69</td>
</tr>
<tr>
<td>R2.99</td>
<td>R2.55</td>
<td>R2.99</td>
</tr>
<tr>
<td>80c</td>
<td>90c</td>
<td>95c</td>
</tr>
<tr>
<td>R1.09</td>
<td>80c</td>
<td>R1.69</td>
</tr>
<tr>
<td>40c</td>
<td>40c</td>
<td>48c</td>
</tr>
<tr>
<td>R1.25</td>
<td>R1.15</td>
<td>R1.19</td>
</tr>
<tr>
<td>R1.07</td>
<td>R1.09</td>
<td>R1.07</td>
</tr>
<tr>
<td>R0.92</td>
<td>R1.23</td>
<td>R0.92</td>
</tr>
</tbody>
</table>

| Eskort back bacon,                   | R1.73 |
| rindless (250g)                      | R2.99 |
| Butcher's boerewors (1kg)            | R4.99 |
| Topside mince 1kg                    | R7.28 |
| Lamb loin chops (1kg)                | R2.30 |
| Farmer Brown chicken (fresh) 1 kg    | R1.09 |
| 1 & 1/2 cake fillets 400g            | R5.25 |
| Protea skim milk powder 1kg          | R4.30 |
| Cheddar cheese 1kg                   | R1.24 |
| Large eggs, 12                       | R1.27 |
| Golden Spread margarine 500g brick   | R1.96 |
| Choice butter 500g                   | R1.05 |
| Tomatoes (1st grade) 1kg             | 30c   |
| Potatoes (medium) 1kg                | 60c   |
| Onions 1kg                           | 60c   |
| Gem squash 1kg                       | 72c   |
| Hallett's sugar 2.5kg                | 72c   |
| Jungle Oats 500g                     | R1.35 |
| Tastic rice 1kg                      | R1.49 |
| Dogmor dogfood 2kg                   | R2.45 |
| Marmite 250g                         | R1.59 |
| Black Cat peanut butter 410g         | R1.23 |
| Kellogg's cornflakes 500g            | R1.09 |
| Wholewheat bread                     | 30c   |
| White bread                          | 50c   |
| Koffiehuis instant coffee 250g       | R1.65 |
| Joko lagless teabags 100              | R2.49 |
| Milo 500g                            | R2.99 |
| Fattis and Mous                      | 80c   |
| spaghetti 500g                       | R1.09 |
| Colgate toothpaste 100ml             | 40c   |
| Lux toilet soap                      | R1.25 |
| Sunlight liquid 750ml                | R1.07 |
| Surf 500ml                           | R0.92 |
| Total                               | R1.23 |
Milk price to rise by 2c a litre

Post Reporter

THE price of milk in the United Dairies supply area will be increased by 2c a litre from November 1, according to the marketing manager of United Dairies, Mr Stephen du Plessis. Mr Du Plessis said the increase was due to an increase in distribution costs, wages, transport, manufacturing and packaging.

He said milk delivered to the doorstep would go up from 67c to 69c and 20 milk tokens would now cost R13.00.

Milk bought at United Dairies' depots would go up from 66c to 67c.

The price increase will also affect the price of milk at the new Abonmat dispensing operation at the Newton Park depot, where it will also be increased by 2c a litre.
Putco fares will go up by 12 percent

By Revelation Ntoua

Putco fares in the Transvaal will be raised by an average of 12.5 percent as from December 3.

The new fares have been approved by the National Transport Commission which heard evidence on September 26.

At its monthly meeting in September the Soweto City Council rejected proposed new fares, saying fares were already too high and that the council had not been consulted on the matter.

It also rejected Putco's offer to serve on the company's special committee dealing with West Rand fares. Councillors felt that Putco wanted to use them as rubber stamps to endorse unpopular decisions.

Putco's public relations officer Mr Pat Rogers denied that the council had not been consulted.

He said all interested parties, including the council, had been notified of the decision.

TO RAISE

The council had had the opportunity to raise objections at a Transportation Board hearing but had not attended the meeting.

Mr Rogers also dismissed as 'nonsense' the council's allegation that Putco fares were already too high.

R1-m damage to buses

Transport Reporter

Damage caused to Putco buses during recent unrest in townships on the Witwatersrand amounted to more than R1 million, a Putco spokesman said today.

The spokesman said it was impossible to give an exact figure because buses were being damaged every day.

Eight buses were completely destroyed and 460 were damaged. A total of 700 windows were smashed by stone-throwers.

Of the three bus drivers seriously injured, one sustained a fractured skull and two had their eyes cut by broken glass. Many others were slightly injured.

Putco has submitted a claim to its insurance company, Carleo Read and Associates.
Unions condemn bus fare increase

Staff Reporter

TRADE UNION spokesmen said today the City Tramways bus fares increase was a shock and a burden that would "make living impossible" for many working families.

"City Tramways has announced that Peninsula fares will increase by 12 percent on Sunday.

The National Transport Commission has granted the higher fares after an application heard in September.

"City Tramways' application said the increase was "necessary because of the general increase in operating costs."

A union official said today the increases would be a factor in wage negotiations.

"This news has come as a great shock to us," said Mr. John Erasmus, general secretary of the Cape Town Municipal Workers Association.

"The union will very seriously have to analyse the implications for its members and workers in general."

(Turn to Page 3, col. 3)

Union 'shock' at 12 percent hike

(Continued from Page 1)

"Whatever further action might be taken would probably be in consultation with other organisations whose membership will be similarly affected.

A spokesman for the General Workers Union said the increase was "terrible."

"City Tramways are overburdening the already overburdened worker and the increase will make their living impossible.

"We totally reject the bus fares increase," said a spokesman for the Food and Canning Workers Union and the African Food and Canning Workers Union. "It comes at the worst time for the working class as a whole who make use of the public transport.

"Our union will have to take these increases into consideration in wage negotiations." A spokesman for the executive committee of the Western Cape Traders' Association said.

"We are alarmed and annoyed at the intention of City Tramways to further increase the bus fares.

"With the present disastrous economic climate the association wishes to warn City Tramways not to push city commuters any further.

"The association is of the firm opinion that the Government should nationalise City Tramways and run it on a non-profit basis."

Peninsula bus fares up again

By REENEE MOODIE

Bus fares in the Cape Peninsula are to rise from Sunday, City Tramways announced yesterday.

Civic and labour organizations have condemned the increase, which will in some cases amount to an increase of 50c.

According to tables released by City Tramways, the lowest possible fare of 10c will remain the same, but the highest possible fare of R4.50 will increase to R5.

The increase was granted by the National Transport Commission (NTC), following an application by City Tramways in September.

Mr. Bob Krause, public relations officer for the bus company, said City Tramways had no comment to make on adverse reaction and had nothing to add to what had been said at the hearing on September 19 and 20.

The NTC heard that the increase was necessary to offset increases in salaries, wages, operating and maintenance costs.

The latest increase follows similar increases in May last year and September 1982.

'Provocation to community'

Several organizations presented memoranda to the NTC opposing the increases.

Yesterday Mr. Jonathan de Vries, Western Cape Publicity secretary for the United Democratic Front, said the increases could be regarded as "a provocation to an already tense community".

"The people cannot afford the increases. Transport should be provided for people, not profit," he said.

Mr. Arren Abrahams, convener of the Cape Action League, said the increase "is yet another indication of the profound economic crisis into which the rulers of South Africa have led our country.

'Perpetual crisis'

"Together with large scale retrenchments, unemployment, increases in rents, train fares and electricity, we live in a period of perpetual crisis."

Mr. John Ernstzen, general secretary of the Cape Town Municipal Workers Association said his immediate reaction was one of disappointment. The increase would have an adverse effect on the living standards of workers.

"Most of our members use public transport and the union will have to take the increases seriously into account when considering wages," he said.

Miss Lynelle Mauai, general secretary of the Cape Areas Housing Action Committee, said "We at CAHA wish to warn the government and the bus authorities that they are hitting at the people who are down and suffering under the economic recession."
Outrage at bus fares increase

Staff Reporter

Commuters have reacted with outrage to the latest increase of 12 percent in bus fares which came into effect yesterday.

Already civic and labour organizations have condemned the increase, which came after an application to the National Transport Commission (NTC) by City Tramways.

Mr. Salie Pick, of Hanover Park, was one of the commuters approached by the Cape Times for comment on the increase.

"It's just too terrible. At the moment it costs us R2.50 to go to Wynberg, now it will cost even more. There's just no more money for this."

Mr. Isaac Cupido, of Hanover Park, said he worked in Cape Town and spent a substantial proportion of his monthly earnings on travelling to and from work.

"When I first came to Hanover Park 13 years ago it cost me R2.50 a week to travel to work. Before the last increase I was paying R7.30 for a cupboard. Now I will be paying over R8."

Other commuters interviewed agreed that the fare increase was way beyond their means and came too soon after the last increase.

The last two increases, which came into effect in September 1982 and May last year, were for percentages of between 11 and 12 percent.

A City Tramways spokesman said the company had no comment to make on adverse reactions to the increase and had nothing to add to the September NTC hearings in which the company claimed that the increase was necessary to offset higher wages, operating and maintenance costs.
Meat price may stay high.
EAST LONDON — The price of milk here is to
be up by 5c a litre from November 26.

In a statement released yesterday, the Model Dairy Co-
operative announced that the price rise would
affect East London only.

In Queenstown the price would remain the
same as the price there had been higher for
some time, a spokesman said.

"Over a number of years the dairy has acted
reasonably in its attitude towards price increases
and has only made adjustments when abso-
lutely necessary," he said.

"This is borne out by the fact that at present
our price for fresh milk is 4c a litre below the
present price in control-
led areas."

Over the past two years the co-operative's
price of fresh milk had
increased by 25 per cent.

"The real milk price increase was from 55c in
February 1982 to 69c, which will be the new price," he said.

This compared with an
increase of 51 per cent in
the controlled areas over the same period.

"Owing to the un-
favourable present eco-
nomic climate and the
increased cost of certain
raw materials, it has also
become necessary to in-
crease the price of other
Model Dairy products
accordingly by approxi-
mately eight per cent on
average," the spokesman
said. — DDR.
### Bread price creeping up

**Consumer Reporter**

MORE than a month after the Government announced a bread price increase, supermarkets are still holding prices down.

So far no supermarket surveyed has increased its prices to the 60c it is allowed to charge for white bread or 40c for wheaten.

Yet each week the price of bread at at least one supermarket creeps up. And before Christmas, the consumer can expect to carry the full increase.

Shoprite in Landsdowne Road appears the cheapest of the supermarkets for the items surveyed this week.

This week we have included the names of different butter brands as the surveyed stores did not stock a common brand.

Where a product was unavailable, the average price at other stores was used to calculate the grand total.

<table>
<thead>
<tr>
<th>Product</th>
<th>OK Bazaars Wynberg</th>
<th>Checkers Belville</th>
<th>Shoprite Landsdowne Rd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escort back bacon, rashless (250g)</td>
<td>R1.59</td>
<td>R1.54</td>
<td>R1.72</td>
</tr>
<tr>
<td>Pork sausages 500g</td>
<td>R1.99</td>
<td>R1.99</td>
<td>R1.95</td>
</tr>
<tr>
<td>Topside mince 1kg</td>
<td>R5.68</td>
<td>R4.98</td>
<td>R4.78</td>
</tr>
<tr>
<td>Lamb loin chops 1kg</td>
<td>R7.18</td>
<td>R7.11</td>
<td>R6.88</td>
</tr>
<tr>
<td>Farmer Brown chicken (fresh) 1 kg</td>
<td>R2.45</td>
<td>R2.45</td>
<td>R2.39</td>
</tr>
<tr>
<td>1kg lake fillets 400g</td>
<td>R1.25</td>
<td>R1.45</td>
<td>R1.39</td>
</tr>
<tr>
<td>Protea skin milk powder 1kg</td>
<td>R5.89</td>
<td>R5.55</td>
<td>R5.25</td>
</tr>
<tr>
<td>Cheddar cheese 1kg (1st grade)</td>
<td>R5.05</td>
<td>R5.05</td>
<td>R4.29</td>
</tr>
<tr>
<td>Large eggs, 12</td>
<td>R1.22</td>
<td>R1.34</td>
<td>R1.20</td>
</tr>
<tr>
<td>Golden Spread margarine 500g brick</td>
<td>R1.47</td>
<td>R1.29</td>
<td>R1.27</td>
</tr>
<tr>
<td>Choice butter 500g</td>
<td>R2.36 (Cherry)</td>
<td>R2.40 (Gold Medal)</td>
<td>R1.95 (Dairybelle)</td>
</tr>
<tr>
<td>Tomatoes (1st grade) 1kg</td>
<td>R1.59</td>
<td>R1.59</td>
<td>n/a</td>
</tr>
<tr>
<td>Potatoes (1st grade medium)</td>
<td>22c</td>
<td>39c</td>
<td>25c</td>
</tr>
<tr>
<td>Onions 1kg</td>
<td>69c</td>
<td>75c</td>
<td>39c</td>
</tr>
<tr>
<td>Gem squash 1kg</td>
<td>69c</td>
<td>49c</td>
<td>49c</td>
</tr>
<tr>
<td>Huletts sugar 2.5kg</td>
<td>R1.92</td>
<td>R1.79</td>
<td>R1.79</td>
</tr>
<tr>
<td>Jungle Oats 500g</td>
<td>61c</td>
<td>61c</td>
<td>61c</td>
</tr>
<tr>
<td>Tastic rice 1kg</td>
<td>R1.46</td>
<td>R1.34</td>
<td>R1.34</td>
</tr>
<tr>
<td>Dogmors dogfood 2kg</td>
<td>R2.49</td>
<td>R2.31</td>
<td>R2.19</td>
</tr>
<tr>
<td>Marmite 250g</td>
<td>R2.15</td>
<td>R1.89</td>
<td>R1.99</td>
</tr>
<tr>
<td>Black Cat peanut butter 410g</td>
<td>R1.52</td>
<td>R1.49</td>
<td>R1.29</td>
</tr>
<tr>
<td>Kelloggs cornflakes 500g</td>
<td>R1.29</td>
<td>R1.18</td>
<td>94c</td>
</tr>
<tr>
<td>Wholewheat bread 30c</td>
<td>38c</td>
<td>38c</td>
<td>38c</td>
</tr>
<tr>
<td>White bred      50c</td>
<td>58c</td>
<td>58c</td>
<td>58c</td>
</tr>
<tr>
<td>Kaffeehaus instant coffee 250g</td>
<td>R1.85</td>
<td>R1.65</td>
<td>R1.48</td>
</tr>
<tr>
<td>Joko tagless teabags 100</td>
<td>R2.79</td>
<td>R2.59</td>
<td>R2.89</td>
</tr>
<tr>
<td>Milo 500g</td>
<td>R3.29</td>
<td>R3.09</td>
<td>R2.79</td>
</tr>
<tr>
<td>Fattis and Mons spaghetts 500g</td>
<td>99c</td>
<td>89c</td>
<td>98c</td>
</tr>
<tr>
<td>Colgate toothpaste 100ml</td>
<td>R1.12</td>
<td>R1.07</td>
<td>R1.09</td>
</tr>
<tr>
<td>Lux toilet soap</td>
<td>45c</td>
<td>45c</td>
<td>44c</td>
</tr>
<tr>
<td>Sunlight liquid 750ml</td>
<td>R1.27</td>
<td>R1.26</td>
<td>R1.26</td>
</tr>
<tr>
<td>Surf 500g</td>
<td>1.09</td>
<td>R1.05</td>
<td>R1.07</td>
</tr>
</tbody>
</table>
Shoppers call for food price inquest

By Russell Gault

Consumers are seeking urgent meetings with representatives of the food industry as massive food price increases send shoppers reeling.

"We want answers now," said Mrs Joy Hurwitz, president of the Housewives League. "The increases in the past few weeks are the worst I can recall."

She said her organization wanted plain answers from the manufacturers, wholesalers and retailers on the reasons for the increases.

"We are sick of them. In times of recession there should be more competition and lower prices. Instead, we are being subjected to a barrage of shocking increases."

"In the past month there have been incredible increases which our organization cannot explain on economic grounds."

"We are left with the impression some people are concerned about keeping their profits at pre-recession levels. All consumers are being hit by costs today — it may be that some businesses have to accept that the same should not apply to them. You can't keep profits at the same level when everyone else is taking a knock with their incomes."

Mrs Hurwitz said that, if some people were making inordinate profits, "then we want to find out who they are."

Figures just prepared by the league have revealed that, in the past year, price increases have been the highest since figures were first compiled by the organization many years ago.

Some of the past year's 200 price increases monitored by the Housewives League include:

- Corned meat up 51.0%
- Bacon up 46.5%
- Tea bags up 33.7%
- Peanut butter up 44.9%
- Dishwashing liquid up 31.7%
- Jam up 30.0%
- Meat meal up 27.3%
- Pork sausages up 24.6%
By Michael Tisong

In a circular to consumers, the Soweto Town Council has announced it has pushed up electricity tariffs by 20 percent.

This increase has been condemned by the Soweto Civic Association (SCA) as an inhuman act in the present economic climate. A spokesman, Mr. Tom Manthata, said the SCA executive would discuss the increase on Sunday.

The circular said the tariff for metered consumption would be adjusted by 0.8c a unit. Town Clerk Mr. Nico Malan said: "This means a person who presently pays a monthly account of R25 will pay R30."
Disagreement on beef price rise

Staff Reporter

THE price of beef in the Western Cape has risen sharply in recent weeks but butchers and a Meat Board spokesman disagree strongly as to the reasons for the increase.

One butcher, who declined to be named, claimed an insufficient supply and a drop in quality of beef was causing prices to rocket and warned that prices would rise further before Christmas.

"The Meat Board complain that sales are deteriorating and go on an extensive advertising campaign but they then make the price prohibitive," he claimed.

He described top-grade beef recently purchased as "an absolute disgrace", but several butchers contacted in a Peninsula survey disagreed with him.

Most said supply was ample but agreed that prices had risen sharply.

A spokesman for the Meat Board in Pretoria said there was an "ample" supply of beef. The reason for the recent price increase was that butchers were preparing for an "anticipated Christmas rush," he said.

However, one well-known butcher described this explanation as "utter nonsense."

"Nobody is stocking up now, it's far too early," he said.

Mr. F. Hartley, a Mitchell's Plain butcher, said the increase was above normal for the season, but there was no drop in quality or supply.

A Rondebosch butcher said "The price of beef has not risen much but the value of our money has dropped."

A Grassy Park butcher said the price had risen "tremendously" but there had been no drop in quality or supply.

In a warning to beef farmers, the Meat Board spokesman said cattlemen supplying the Maitland abattoir were presenting up to 24 percent of the total slaughter stock as calves which later turned out to be adult animals and were thus opening themselves to prosecution.

An animal qualifies as a calf only "if it is less than six months old, slughters out at less than 91 kg or the fourth molar in its upper jaw has not yet erupted."
If only we could drink petrol

By David Carte

FIZZY soft drinks cost more than petrol.

A litre of soda water, which comprises nothing but water and gas, costs 60c in a cafe, excluding sales tax and any deposit on the bottle.

A litre of petrol on the Highveld costs 80c, including tax of at least 10c. So soda water is at least 30% more expensive than petrol.

Other carbonated soft drinks cost the same as soda water, even though they contain syrups, sugar and other ingredients that the industry calls expensive. A 750ml can costs 65c in a bottle store, without the bottle, which is R1,66 a litre. But a thirds of the beer price is excise duty. Without excise duty, beer costs 76c a litre — a bit more than soda water — and home delivered milk at 68c a litre.

Brewers mumble about the additional pleasure factor in their product and insist that beer is infinitely more difficult to make than soda water. If they could, cows would make a similar assertion about their short-life product.

Impatient

Highveld petrol is made by Sasol, but the cost to the consumer is based on Opec prices, which have quadrupled in the past decade. Built into the petrol price are enormous exploration, exploitation, shipping, refining and distribution costs, not to mention huge profits for oil companies and garages.

Still, it is cheaper than carbonated soft drinks.

Renne Viljoen, head of the SA Federation of Soft Drink Manufacturers, gets impatient with the comparison.

"You can't compare petrol with soft-drink prices. They are too different. The difference is in volume handled and consumed. Soft-drink prices are determined mainly by input costs.

"Makers of carbonated soft drinks use 110,000 tons of sugar a year. They pay R34 a ton to the SA cartel — virtually three times the London price. That makes the sugar bowl alone R6-milion."

"Then there are ingredients, boiler water purification, bottling and canning expenses, the cost of cranes and the enormous costs of distribution to thousands of tiny outlets all over the country. Our industry uses more fuel than just about any other."

"But with sales exceeding R250-million, soft drinks are profitable. The Big Two, Coca-Cola and Pepsi Cola of the US, do not disclose their profits in SA, but several bottlers of their products are doing extremely well."

Alagamated Beverage Industries, which bottles Coke and Schweppes, has an estimated 65% of the market. For Coca-Cola, which has 86% of the market, dominates the industry.

Coke's own products have an estimated 65% of the market and Sparlletta 15%. Coke bottlers Sparlletta as well as Schweppes, which has 5%. So effectively, Coke has 86% of the total market. Pepsi has about 6% and other small brands the balance of 8%.

"The brand leader" — as Mr Viljoen, a senior Coca-Cola man wearing his Federation hat coyly calls Coke — "recently increased its prices and the other manufacturers followed suit."

Mr Viljoen says the federation does not set prices.

The Competition Board recommended lifting price control on soft drinks because they are not a luxury and although there is not much price competition, demand falls heavily when prices rise.

In addition there is competition from tea, coffee, cur- dials, fruit juices, home soda makers and even Adam's ale.
Cost of food for blacks rises

OWN CORRESPONDENT

Johannesburg - The cost of food for black people rose "markedly" between March and September despite the exemption of basic foodstuffs from GST in July, according to the latest Household Subsistence Level (HSL) survey conducted by the University of Port Elizabeth.

Since food items exempted from GST accounted for three-quarters of the food bought by blacks, the expectation was that food prices would remain more or less at the level recorded in March, Professor J F Potgieter, director of the university's Institute for Planning Research, said in his introduction.

But analysis of actual food prices "proved to be most disturbing," with increases of up to 14 percent being recorded in major urban areas.

GST was increased generally from seven to 10 percent on July 1. But on a wide range of staple foods, it was scrapped — meaning that there should have been a 7 percent fall in the price of many non-luxury food items for July, August and September.

"Questions"

Professor Potgieter concluded that the increase raised questions as to the manner in which the benefit was passed on to the consumer.

Mrs Sheena Duncan, of the Black Sash, said yesterday: "It is evidence that the benefits of GST exemptions are not passed on to the consumer. Retailers must share the burden of responsibility for the planned consumer boycott over Christmas by black consumers."

Professor Potgieter's comparison showed that food prices rose more sharply for blacks than for coloured people.

He saw this as an indication that the price of meals rose more sharply than most exempted foodstuffs.

Most expensive

Professor Potgieter's findings showed that the Vaal Triangle — scene of the most violent disturbances in the current unrest — was among the most expensive urban areas for blacks in South Africa.

The HSL consists of three items: A Primary Household Subsistence Level (PHSL) made up of food, clothing and cleaning materials, rentals, including service charges, and transport costs.

The PHSL was slightly higher for Johannesburg than for the Vaal Triangle — R237.46 against R234.26. So were transport costs in Johannesburg — R17.02 against R14.29.

Minimum

But rentals in the Vaal Triangle were higher — R61.70 against R57.19.

The unrest in the Vaal Triangle was ignited by protests against attempts to raise these rentals.

Mrs Duncan said the HSL was the absolute minimum needed by a family to survive and that in the current situation of high unemployment, many families did not earn that much.

Unemployment insurance amounted to only 45 percent of what the unemployed person had earned in the past six months.
Cost of food hitting blacks hard — survey

By PATRICK LAURENCE
Political Editor

The cost of food to blacks rose markedly between March and September despite the decision to exempt basic foodstuffs from GST in July, the latest Household Subsistence Level (HSL) Survey conducted by the University of Port Elizabeth reveals.

Since food items exempted from GST accounted for three-quarters of the food bought by blacks, the expectation was that food prices would remain more or less at the level recorded in March. Professor J F Potgieter, director of the university’s Institute for Planning Research, said in his introduction.

But an analysis of actual food prices proved to be most disturbing, with increases of up to 14% being recorded in South Africa’s major urban areas. GST was increased generally from seven to 10% on July 1. But on a wide range of staple foods it was scrapped altogether, meaning, in effect, that there was, or should have been, a 7% fall in the price of many “non-luxury” food items for the three months July, August and September.

Professor Potgieter concluded that the increases raised questions as to the manner in which the benefits were passed on to the consumer.

Mrs Shogga Duncan, of the Black Sash, said yesterday “It is evident that the benefits of GST exemptions are not passed onto the consumer. Retailers must share the burden of responsibility for the planned consumer boycott by black consumers over Christmas.”

Professor Potgieter’s comparison between the household subsistence levels of blacks and coloureds showed that food prices rose more sharply for blacks than for coloureds.

Professor Potgieter’s findings showed that the Vaal Triangle — scene of the most violent disturbances in the current unrest — was the most expensive urban area for blacks in South Africa. The HSL of a family of six in the Vaal Triangle was R130.25, against R137.11 for Johannesburg, the next highest area.

The reason why the HSL for the Vaal Triangle is higher than Johannesburg’s is that rentals are higher. The HSL consists of three items: a Primary Household Subsistence Level (PHSL), made up of food, clothing and cleaning materials; rentals, including service charges; and transport costs.

The PHSL was slightly higher for Johannesburg than the Vaal Triangle, R357.46 against R354.28. Rentals in the Vaal Triangle were higher, R61.70 against R57.19. The unrest in the Vaal Triangle was ignited by protests against attempts to raise rentals still further.
Butter, cheese prices slashed

The Dairy Board is expected to make a detailed announcement tomorrow, but it is understood the price of butter will be cut by at least 20 per cent and cheese by between 15 and 20 per cent.

One national supermarket chain has already cut its prices in anticipation.

The new prices come into effect at its East London branch today, amounting to R1.36 on a 500 g packet of choice butter (a cut of 81c), and R3.68 on first grade cheese (a cut of R1.01).

The new prices came into effect in Port Elizabeth yesterday Mr Terry Carroll, regional general manager of Pick 'n Pay, said stores in Port Elizabeth had sold out of butter in two hours.

Sales had been "mind-boggling," he said.

Mr B.K. Nutt, deputy manager of the Dairy Board, declined to give details of the cuts yesterday, although he confirmed that a statement about the release of surplus butter and cheese stocks would be issued tomorrow.

It is not known at this stage what amounts of butter and cheese are to be sold at the lower price, but stocks are large, and the bonanza could last for several weeks.

The loss, he said, will be carried by the board's stabilisation fund.

The reason for the huge surplus is continued milk supplies in excess of demand and the 12 000 ton surplus of powdered milk which accumulated earlier in the year.

Part of the milk surplus has been reconstituted and used in the manufacture of cheese and other dairy products.

Miss Peta Lomberg, public affairs manager of Checkers in Johannesburg, said yesterday her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement.

"We cannot give the new prices yet, but we will definitely pass on the benefits to the consumer," she said.

Mr B.K. Heilberg, assistant director of the Consumer Council, welcomed the move as "excellent news."

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases.

"We hope that people will make use of this opportunity," he said. — DDR-DDC

EAST LONDON — Good news for consumers: the prices of surplus butter and cheese stocks are to be slashed.

D. de Jongh 14/11/84
Butter, cheese prices to drop?

Staff Reporter

LEADING chain stores are expecting a dramatic drop in the prices of butter and cheddar cheese but they do not know how far the prices will plunge.

It is anticipated that the Dairy Board will announce the release of huge quantities of surplus butter and cheese tomorrow, resulting in a drop in the prices of both products.

One leading national chain was so confident of a significant drop that yesterday it reduced the price of 500g of first-grade butter by 81 cents and of 1kg of first-grade cheddar cheese by R1.61.

Another major group is waiting for the Dairy Board announcement before cutting its prices.

Mr. B K Nutt, deputy manager of the Dairy Board, speaking in Pretoria yesterday declined to give details of the move, although he confirmed that a statement on the release of surplus butter and cheese stocks would be issued tomorrow.

Those stores which dropped their prices did so of their own accord, he said.

Several chain-store sources yesterday confirmed that there was a glut of choice butter and cheddar cheese.

The chairman of Pick 'n Pay stores, Mr. Raymond Ackerman, welcomed the intention to release surplus stock at a substantially lower price.

His company had anticipated that the government would reduce the price of butter and cheese, he said, and had already reduced its prices in an effort to assist consumers.

The company could have waited for the weekend but was taking a risk and absorbing the losses by lowering its prices ahead of time, Mr. Ackerman said.

"We compliment the Dairy Board, because in the past surplus stock was exported. The Dairy Board is doing an excellent job in bringing prices down.

"We have always said that when there's a surplus prices should come down, and we're putting our money where our mouth is." he said.

"I just wish that when there's a surplus of other goods the prices would come down," he said.

Miss Peta Lomberg, public affairs manager for Checkers, said in Johannesburg yesterday that her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement.

"We cannot give the new prices yet but we will definitely pass on the benefits to the customer," she said.

Mr. B K Hellberg, assistant director of the Pretoria-based Consumer Council, welcomed the Dairy Board move as "excellent news.

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases. We hope that people will make use of this opportunity."

...
# Prices down on last week

**PRICES** at supermarkets surveyed this week were generally cheaper than those of last week. Pick 'n Pay have reduced the price of butter by more than R1 in anticipation of the announcement by the Dairy Board that butter and cheese prices are to drop. Their cheese was also significantly cheaper than other supermarkets.

But other chain stores can be expected to drop the prices of these commodities after the announcement, which is expected today.

Wide price discrepancies are again evident between supermarkets. Thus:

<table>
<thead>
<tr>
<th>Item</th>
<th>Pick 'n Pay</th>
<th>Grand Bazar</th>
<th>Bananas Sea Point</th>
<th>OK Bazar</th>
<th>Bananas Sea Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eckert back bacon, endless 250g</td>
<td>R1,94</td>
<td>n/a</td>
<td></td>
<td>R1,95</td>
<td></td>
</tr>
<tr>
<td>Renown Pork sausages (500g)</td>
<td>R1,99</td>
<td>R1,99</td>
<td>R1,29</td>
<td>R4,99</td>
<td></td>
</tr>
<tr>
<td>Topside mince 1kg</td>
<td>R5,58</td>
<td>R5,99</td>
<td>R7,98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loin lamb chops 1kg</td>
<td>R6,98</td>
<td>R6,99</td>
<td>R7,98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmer Brown chicken (freeb) 1kg</td>
<td>R2,25</td>
<td>R2,35</td>
<td>R2,45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L&amp;J bacon fillets 400g</td>
<td>n/a</td>
<td>R1,42</td>
<td>R1,35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protea skim-milk powder 1kg</td>
<td>R4,69</td>
<td>R5,39</td>
<td>R4,59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheddar cheese 1kg (1st grade)</td>
<td>R3,68</td>
<td>R3,94</td>
<td>R4,20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large eggs, 12</td>
<td>R1,20</td>
<td>R1,32</td>
<td>R1,22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golden Spread margarine, 300g</td>
<td>R1,29</td>
<td>R1,35</td>
<td>R1,25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cherry cheese</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>butter 500g</td>
<td>R1,39</td>
<td>R2,24</td>
<td>R2,37</td>
<td>R2,37</td>
<td></td>
</tr>
<tr>
<td>Tomatoes (1st grade) 1kg</td>
<td>R1,59</td>
<td>n/a</td>
<td>R1,99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potatoes (medium)</td>
<td>10c</td>
<td>15c</td>
<td>20c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st grade 1kg</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onions 1kg</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gem squash 1kg</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quilletas sugar 2,5kg</td>
<td>R1,79</td>
<td>R1,79</td>
<td>R1,93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jungle Oats 500g</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tastie rice 1kg</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dogmorn dogfood 2kg</td>
<td>R2,19</td>
<td>R2,49</td>
<td>R2,49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marmite 250g</td>
<td>R1,35</td>
<td>R1,35</td>
<td>R1,29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Cat peanut</td>
<td>R1,22</td>
<td>R1,29</td>
<td>R1,42</td>
<td>R1,29</td>
<td></td>
</tr>
<tr>
<td>Kelloggs cornflakes 500g</td>
<td>30c</td>
<td>30c</td>
<td>30c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholeshave bread</td>
<td>30c</td>
<td>30c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White bread</td>
<td>30c</td>
<td>30c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koffinhuis instant coffee (line) 250g</td>
<td>R1,55</td>
<td>R1,55</td>
<td>R1,72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joko tagless teabags 100</td>
<td>R2,24</td>
<td>R2,45</td>
<td>R2,59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milo 500g</td>
<td>R2,55</td>
<td>R2,65</td>
<td>R2,59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fatts and Moffs</td>
<td>R1,05</td>
<td>R1,19</td>
<td>R1,27</td>
<td>R1,15</td>
<td></td>
</tr>
<tr>
<td>spaghetti 500g</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colgate toothpaste 100ml</td>
<td>n/a</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lux toilet soap</td>
<td>40c</td>
<td>45c</td>
<td>45c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunlight liquid, 750ml</td>
<td>R1,15</td>
<td>R1,19</td>
<td>R1,27</td>
<td>R1,15</td>
<td></td>
</tr>
<tr>
<td>Surf 500g</td>
<td>30c</td>
<td>35c</td>
<td>35c</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>R57,83</td>
<td>R60,29</td>
<td>R60,43</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fare rise implemented
6 days before approval

EAST LONDON — The city council's action committee has approved a bus fare increase which came into operation six days ago.

This was confirmed by the chairman of the committee, Mr Donald Card.

On November 28, 1983, the council applied to the Local Road Transportation Board for an increase in fares subject to no single fare exceeding R1 in value.

The board turned the application down but on resubmission, the following fares were approved:

- Stage 1 fares went up from 25c to 30c, stage 2 from 30c to 35c, stage 3 from 35c to 40c, stage 4 from 40c to 45c, stage 5 from 45c to 50c, and stage 6 from 50c to 60c.
- Pensioners' fares went up from 20c to 25c, and children under 12 from 25c to 30c.

Because the fares had to be implemented on November 12, permission was obtained from Mr Card, the chairman of the finance portfolio, Mr Errol Spring, and the portfolio holder for transport, Mr Len Cooper.

The committee was asked last night to approve their decision.

Mr Card said the transportation board had also approved two other applications from the council.

Council had been granted authority for its bus service to operate throughout South Africa from East London, and Council had been granted authority to operate local services at times and over routes to suit the exigencies of the service.

The committee was told that following various on-going studies of service times and routes, a new timetable would be implemented from December 3 — DDR.
JOHANNESBURG — Escom has announced that electricity tariffs will rise by 10 percent from January 1, 1965.

A further 10 percent increase will follow in the middle of next year, according to a statement released yesterday by Escom.

The statement said two percent may be added on to these hikes by an expected rise in the price of coal.

The Escom chairman, Mr. Jan H. Smith, said the increase in General Sales Tax and the fall in the value of the rand had forced the "interim tariff increases."
Shock increases in electricity costs next year

Staff Reporters

PENINSULA households — particularly in the northern areas — face shock electricity tariff increases in the new year which will push up some power bills by more than 20 percent.

The first increase is due in January when Escom increases its tariff by an average 10 percent.

But consumers in some Peninsula areas will benefit from Cape Town City Council’s own power generation and tariff increases will be less.

10.87 PERCENT

Escom’s regional information officer, Mr André van Heerden, said today the tariff increase for the entire Western and Northern Cape would be 10.67 percent.

Increases elsewhere are 10.69 percent for the Hand and Free State, 9.43 percent for the Eastern Transvaal, 10.36 percent for Natal and 5.33 percent for the Eastern Cape.

Escom has announced a further 10 percent increase on the January tariff in the middle of 1985.

A spokesman for the city electrical engineer’s office said “This is quite a stiff increase, but it is too early, for us to give a clear indication of the impact on Cape Town consumers.”

“TARIFFS LESS”

“Because we are a generating authority the tariffs in the Peninsula area will be less than in those areas served only by Escom.”

“The Peninsula area which will benefit from our power generation includes the Cape Town municipal area, some adjacent Divisional Council areas, Milnerton, Paarllands, Fish Hoek and Simon’s Town.”

“The increases for this area may take a different form, it might be feasible to cushion the increase by introducing it over a different period”.

Escom said it had to increase tariffs because it had “no alternative.

(Turn to Page 3, col 1)

The Argus Tygerberg Bureau reports that business leaders and municipal spokesmen in the northern areas reacted with shock to the price increases and said almost unanimously that it was a direct and severe blow to all consumers.

The president of the Tygerberg Chamber of Commerce and Industrial Association, Mr Johan Britsler said “We appreciate that increases are essential — probably owing to interest rates on overseas loans and the rand value against the dollar — but it comes at a difficult time for consumers, especially industry operating well below capacity.”

“This will result in increased running costs and increase the inflation rate, with fewer rands in the pockets of consumers.”

Mr J P Barnard, Town Clerk of Parow, said the increase would definitely affect the town’s budget.

“We certainly never make provision for such a big increase.

“If your electricity bill suddenly rises from R50 to R60 a month, it is a considerable increase,” he said.

Kraaifontein’s town engineer, Mr G Davidson, said: “This is stunning I suppose they have their reasons, but the consumer is going to suffer Kraaifontein buys directly from Escom. So it is really between them and Escom.”

The deputy city engineer of Bellville, Mr D Malan, said it would increase the cost of providing certain facilities but the blow would be felt directly by the consumer.

Said the president of Bellville Chamber of Commerce, Mr John Elford “Ridiculous. It’s a big increase.”

He said the chamber would not comment officially at this stage.

The secretary of the Durbanville Chamber of Commerce, Mr Henry Sacks, just whistled when told about the increase and said the shock took his breath away — and that was sufficient comment.

In spite of the increases Escom’s tariffs remain the lowest in the world, Escom said.

The Argus correspondent reports from Johannesburg that hotels will be hit hard and in most cases the extra charges, will be passed on to the public.

“I can see no alternative. These charges by Escom are going to hurt the industry seriously,” said Federated Hotel Association president, Mr S V Hoffmann.
Two chains have anticipated announcement

Wide fluctuations in prices of butter

Consumer Reporter

The price of butter shows one of the widest fluctuations between supermarkets surveyed this week.

OK Bazaars has retained the old price while the branches of Pick'n Pay and Checkers have dropped theirs by about R1 per 500g in anticipation of tomorrow's drop in the wholesale prices of butter and cheddar cheese.

All supermarkets surveyed have dropped cheddar cheese prices, however.

Topside mince

Another noticeable difference is in the price of topside mince. Pick'n Pay claim that the mince described by their shop assistants as topside mince is in fact extra lean and almost fat free, therefore of a better quality than the regular topside mince.

The Fish Hoek branch of OK Bazaars did not have any first grade potatoes, gem squash or onions available so the average price of the other stores has been used in calculating their grand total.

Loin chops

Other significant price differences to emerge this week are those of molo (which varied by 54 cents), marmite (84 cents) loin chops (98 cents), and skim milk (80 cents).

Prices are surveyed on Tuesdays.
Clarification seen as 'misleading'

Users hit out at Escom price rises

Escom has issued a second statement clarifying the big electricity increases that have left all sectors of the economy stunned and angry.

The new statement blames the media for the furor that has ensued.

Escom underlined that income from the increases will average out at between 15 and 17 percent more for 1985 as a calendar year.

However, economists insisted today that the interpretation was misleading to consumers.

By the time the 10 percent increase in January grows with the burden of an additional 12 percent in July, the size of electricity bills will be a stunning 23 percent higher by the middle of next year.

Reaction has flooded in from all over South Africa.

Consumers, homeowners, industrialists, farmers, builders, shopkeepers, municipalities and just about every other group that uses electricity have labelled the increases a huge price push.

The first 10 percent will hit the nation on January 1.

The second will take effect from July 1.

This may be accompanied by an extra two percent increase if coal prices go up.

The cumulative effect will be to reap at least an extra R700 million from consumers during 1985. That figure may well soar higher, depending on demand.

The Consumer Council slammed the increase as a 23 percent hike — the final effect of a 12 percent mid-year increase on top of a total already inflated by the 10 percent increase at the start of the year.

This means that Escom's revenue for 1985 will jump to well over R4 billion, compared with R3.3 billion in 1983.

The council also joined other critics such as the Sandton Town Council, which urged an inquiry into Escom's pricing policies.

The Federated Chamber of Industries, the Cape Chamber of Industries, the Association of Chambers of Commerce, the Building Industries Federation and the South African Agricultural Union all heaped their condemnation on Escom.

The union’s president, Mr Robert Gossie, said the agricultural sector was in no position to absorb the increases after years of punishing drought.

The Association of Chambers of Commerce said it feared for energy-intensive industries once the mid-year increase was applied.

Forecast

Building Industries Federation executive president Mr Louis Davis forecast that people would be forced out of their homes as a result of the power price surge.

This could mean that some homeowners are no longer able to meet their monthly commitments on bonds. They are already hard-pressed with increased interest rates on bonds.

Cape Chamber of Industries president Mr Chris Newton said the wisdom and timing of the increase was questionable.

A semi-state organisation like Escom should not be building up its capital development fund in bad business times, he said.

In defence of its case — although it was making no comment about its controversial plans to increase its capital funds — Escom claims that South Africans pay the world’s lowest electricity rates.

In one of its statements Escom repeated rates said to be applied in other countries and made comparisons. South Africans paid 7.22c/kWh, compared with 12.78c in parts of the United States and 8.4c in France.
Municipal market employees sort through watermelons, grading them into size, in preparation for the next day's market.

An agent preparing produce for sale at the market the next morning.

Growth of the market

EAST LONDON — The East London Municipal Market had the highest growth rate of national markets in South Africa and had maintained this for the past four years, according to the director of markets here, Mr. J. G. H. Rademeyer.

Mr. Rademeyer said the market here—one of 14 national markets in the country—had opened in September 1978 at a cost of R4.1 million. That same year it showed a turnover of R4.9 million. In 1982, the growth rate was up to 50.5 per cent and in 1983, the turnover was R119.3 million.

Mr. Rademeyer said the average growth rate of the East London municipal market was 26.5 per cent a year. He said that this year, the market hoped to reach a turnover of R18 million.

A feasibility study done on market growth here in 1978, predicted that the second phase of the East London market’s development and the produce handled by the market, would reach 65 000 metric tons in 1984.

Mr. Rademeyer said that the produce handled at the market this year was expected to total approximately 65 000 metric tons. The produce handled here in 1979 was 29 000 tons and in 1983, 50 000 tons.

He said the market’s growth rate was “phenomenal” and because of this, he had recommended the investigation of the feasibility of extending the market sales area.

He said that this phase of development would add an extra 8 869 square metres to the present 14 999 square metres of the market’s sales area. — DHR.
Inflation hits 18-month high
Escom increases are ‘reasonable’

Escom’s tariff increases are entirely reasonable and those who criticise it are speaking out of ignorance, says Johannesburg City Electrical Engineer Mr Wessel Barnard.

An angry Mr Barnard told The Star that the critics deserved to be “hung up on the nearest tree.”

Industrial and domestic consumers strongly condemned Escom this week when it announced a tariff increase of about 20 percent for 1985.

Mr Barnard, who is also president of the Association of Municipal Electricity Undertakings, said the electricity industry was highly capital-intensive.

“The rand has been slaughtered, interests rates are sky high, so we must expect that it will hit the electricity industry hard,” he said.

“It is high time the public woke up to the fact that electricity is a commodity that has to be paid for,” he said.

Escom’s chairman, Mr Jan Smith, said electricity tariffs would increase by 10 percent in January and by a “similar” amount in July. However, real price increases could add a further two percent to the price of electricity.

Johannesburg householders will pay five percent more for electricity next year, said a spokesman for the City Treasurer’s Department, Mr Neville Olivier.

Johannesburg was able to cushion the Escom tariff increase because it only buys half its power from Escom, said Mr Barnard.

He said most Reef municipalities would have to pass on the full 10 percent increase in January because they bought all their electricity from Escom.

‘Don’t knock Escom over price rise’

Escom is getting unfair criticism over the power price rises. That’s the charge by the past president of the Johannesburg Chamber of Commerce, Mr S K Ash.

He is also the Association of Chambers of Commerce representative on the National Electricity Users’ Forum.

“Escom is a victim of inflation and low electricity prices in the past.”

“There have been artificial constraints on prices for years which tended to be politically inspired.”

“I believe the criticism of the increases should be at least balanced and there is little evidence of that. In my experience Escom is one of the better public bodies in this country with highly competent people.”

“While one doesn’t grudgingly accept big price increases the situation facing Escom is unusual, particularly when you consider 25 percent of their capital purchases come from overseas and that planning of a power station from start to finish is a 15-year exercise.”
Bus fare increases will lead to unrest — council

By MONK NKOMO

PUTCO's fare increases — due to be implemented next week — will only lead to further unrest and riots in the township, the Atteridgeville Town Council warned yesterday.

The council, at its monthly meeting yesterday, also announced that they had written a letter to Putco requesting them to suspend the proposed fare increases indefinitely.

In the letter, the council also stated that "Our fear is that an increase of fares under the present political climate in the township will lead to further unrest and riots. A postponement will hopefully continue the moderate residents of your company's goodwill and good intentions."

We hope that a better economic and political climate will come up with the new year where both the council and your company will be in a position to increase their tariffs and fares.

Flats

The council also announced that they will advertise for the election of simplex or duplex flats near Masopa Street, Savelives early next year.

No applications will be considered unless they are accompanied by sketch plans and applications the council warned.

The erection of the flats would help alleviate the acute housing shortage in the township after the council was dealt two blows when the Government refused to grant them the nearby 'Dairy Farms' and the stretch of land west of the township.
No end in sight to bus boycott

Labour Reporter

THE Hillcrest bus boycott entered its fourth week yesterday with no indication of an end in sight.

Thousands of commuters, mainly factory workers, living in black settlements in the Valley of a Thousand Hills near Hillcrest are boycotting buses run by Interstate Bus Lines following an increase in fares.

The boycotters are using minibus taxis to get to their destinations from Ngethu and Molweni, while the buses continue to run empty.

Some people are walking up to 20 km a day in protest against the fares.

The increase came into effect from the end of October. Weekly ticket fares were increased by 5c a trip and single trips by 20c.

Determined

In spite of numerous meetings between local tribal chiefs and the management of the Transval-based bus company at which Maj Wyanda van der Merwe, commanding officer of the SAP Reaction Unit, acted as mediator, the two sides are still deadlocked.

Chief Vusumuzi Gideon Mazi, head of the Embo tribe and leader of more than 15,000 residents, told the Mercury yesterday that the commuters were determined to continue the boycott, irrespective of whether it took another month to resolve.

He said they wanted another company to take over the service which they believed would offer far cheaper fares.

'We are preparing an application to the Local Road Transportation Board to grant permission for another company to take-over the service, which might be lodged early next week,' he said.

Interstate Bus Lines' regional manager for Natal, Colin Bailey, could not be reached for comment yesterday, but he told the Mercury earlier that intimidation was playing an effective role in the bus boycott.
Escom increase will cause more unrest in Tucsa

By Carolyn Dempster, Labour Reporter

Escom’s proposed 20 percent-plus increase in electricity tariffs has been slated as “potentially disastrous” by the 460 000-member Trade Union Council of South Africa (Tucsa).

Tucsa’s national executive this week condemned the timing and magnitude of the proposed increase and said it was a certain and dangerous way to fuel inflation.

“In a climate in which virtually no competitive organisation could hope to raise its prices by 20 percent and survive, this latest increase suggests uncaring and monopolistic attitudes,” said the executive.

It has appealed to the authorities not to allow the increase because it is “liable to cause further economic hardship and provoke further civil unrest.”

Tucsa has also noted with concern that retrenchments are increasing.

While employers did face severe problems as a result of the recession, the hardship and suffering faced by unemployed workers was massive.

“We recommend that wherever remotely possible, workers should be placed on short-time instead of being laid off or dismissed.”

On the issue of disinvestment, Tucsa continues to swim against the tide of independent unions and has reiterated its support for investment by foreign companies in South Africa.

“Tucsa does not believe that the majority of black South Africans support a policy that must mean fewer jobs and opportunities for advancement.”
Johannesburg's Electrical Engineer, Mr. Wessel Berndt, said that the power grid was 90% reliable and that the issue of metering was a significant problem. He also mentioned that the City of Johannesburg was working on the issue of load shedding and that Eskom would be able to provide power to the city's hospitals and schools. However, the issue of drought and water scarcity was also a concern.

The City of Johannesburg was facing significant challenges due to the drought, which had led to a decrease in water availability. The city's water supply was at a critical level, and it was expected that the situation would worsen in the coming months. The City of Johannesburg was working on a number of initiatives to address the issue, including the implementation of water conservation measures and the exploration of alternative water sources.

The issue of tariffs and the impact on consumers was also a concern. The City of Johannesburg had been hit by a number of power outages in recent months, which had caused significant inconvenience and economic losses. The City of Johannesburg was working with Eskom to ensure that the issue was addressed in a fair and equitable manner.

In conclusion, the City of Johannesburg was facing significant challenges due to the drought, which had led to a decrease in water availability. The city's water supply was at a critical level, and it was expected that the situation would worsen in the coming months. The City of Johannesburg was working on a number of initiatives to address the issue, including the implementation of water conservation measures and the exploration of alternative water sources. The issue of tariffs and the impact on consumers was also a concern. The City of Johannesburg had been hit by a number of power outages in recent months, which had caused significant inconvenience and economic losses. The City of Johannesburg was working with Eskom to ensure that the issue was addressed in a fair and equitable manner.
Price rises set to continue in New Year

By Jennifer Tennant, Consumer Reporter

Rising costs have hit South Africans hard this year and consumers face a bleak new year as the recession continues.

The October inflation rate, the latest to be published, rose to the highest level in more than 18 months - 13.5 percent. And economists are predicting that it may reach 14 percent before the end of next year.

Not a month went by without some service or commodity price rise.

Numerous items - from basic foodstuffs including bread and milk to luxuries such as imported alcohol - went up in price at least once.

The managing director of a supermarket chain, Mr Gordon Hood, said he had never before encountered what appeared to be the accepted practice this year - "the phenomenon of raising the price of a basic foodstuff several times in a single year."

Some 1984 increases included:

- January the price of maize was increased by about seven percent.
- General sales tax rose from six to seven percent.
- Tinned foods increased by an average of nine percent in February.
- Sugar increased by 10 percent in March and a further 12.5 percent in September.
- In April, the cost of petrol increased by 1.5c a litre.
- Transport and postal tariffs also increased by about nine percent and maize went up by 13.5 percent.

Bond rate

- The price of bricks rose by 9.6 percent in May and in a further 4.5 percent in July.
- In June high bond rates were increased again and car tyres cost 7.5 percent more.
- Milk went up by 4c a litre and butter and cheese went up seven percent during July.

During the same month GST rose to 10 percent.

- Among the price shocks in August were announcements of expected price rises of more than 10 percent in the following two months. Coffee went up by more than 10 percent and soft drinks increased by 10 percent in September.

- At the beginning of October bread went up for the second time this year. A loaf of brown cost 40c, an increase of 1c, and white rose 4c a loaf to 60c.

- In February, brown bread rose by 16.7 percent and white by 11 percent.

And the dismal picture shows no sign of improvement.

Escom plans a 10 percent increase in electricity tariffs in January, with the possibility of a similar increase in June, and a reportedly large petrol price increases in the pipeline.
Economists predict 10.5 pc wage increases next year

Finance Editor

WORKERS can expect a 10.5 percent increase in their wages next year, Sanlam says in its November Economic Survey making its forecasts for 1985, but it cautions that producers and sellers of durable and semi-durable goods cannot expect any recovery until September next year.

Inflation is not likely to abate either and is estimated at 12.5 percent for 1985 compared with an expected 11.5 percent this year.

Prices will rise next year, the Survey says because of the fall in the rand exchange rate against the dollar.

Relatively high interest rates.

Hikes in administered prices - a considerable fuel price rise seems inevitable early in the new year.

The drought will push up food prices - buying new animals to replace those sold or lost in the drought will cause sharp rises in meat prices.

Further rises in general sales tax.

Salary

Salary increases outside agriculture are expected to rise by 10.5 percent next year. With rising inflation and expected tax increases, consumers real income per head will show no improvement next year.

Prime overdraft rate is seen as falling to 17 percent by the end of 1985 from the present 23 percent and the rate for long-term government stock should fall to 16.5 percent by the year-end - down by one percent from this year's rate.

South Africa's foreign trading should be back on the right side of the books with a surplus of R1 500m against an estimated deficit this year of R876m and a modest surplus in 1983 of R282m.

Growth

Their estimates for the seven main industrial countries making up the OECD (Organisation for Economic Co-operation and Development) are growth of three percent, inflation of 5.2 percent, a gold price of $370 ($500 in 1984) and a dollar-rand exchange rate of 63 US cents (70 US cents this year).

These forecasts shape the South African picture which should be:

- Real growth of 1.8 percent (after 3.5 percent this year and a negative 2.2 percent in 1983).
- Private consumption expenditure will not rise (after increases of 2.1 percent this year and 1.1 percent last year).
- Government consumption expenditure may rise by one percent (after a 7.7 percent rise this year and 2.8 percent in 1983).
- Fixed investment will continue its falling trend - by 2.4 percent next year after a 5.1 percent fall this year and 8.3 percent drop in 1983.
- Gross domestic expenditure will fall by 0.7 percent next year after a 5.1 percent rise this year and a five percent drop last year.

Dealing with the 1985 Budget the Survey considers that it will be possible to put together a "zero inflation" package next year even though there will be greater spending on housing and education.

"Tax concessions seem unlikely at this stage. In fact the possibility of increases in certain tax rates is not out of the question."

Monetary policy resulting in high interest rates will be eased gradually.
Electricity increase may be below 5 pc

EAST LONDON — Two amendments to the city's electricity tariffs will make the scheduled January increases possibly less than five per cent.

This emerged yesterday in an interview with the chief city electrical engineer, Mr Ron Robson, following the city council's acceptance of the recommendations of the increases.

The first amendment came with the amalgamation of the Border and Orange River Escom undertakings while the second came with the Escom announcement of increases for the various regions from next year.

The Escom announcement said tariffs in various parts of the country would increase by at least 20 per cent within the first six months of next year.

However, the announcement by the chairman of Escom, Mr Jan Smith, said the Cape Eastern Undertaking could expect a 5.33 per cent increase.

Mr Robson explained that the council had adjusted the tariffs to recover the additional money to pay to Escom.

"We have our own charges and are not looking for more money. We are only looking for the added amount to be paid to Escom," he said.

Following the Electricity Board's approval of the amalgamation of the two undertakings, Border and the Orange River, the tariffs of the two undertakings of Escom had to be adjusted.

"The revised tariff was designed to bring in some revenue for the six months but the overall increase in income was a negligible 0.009 per cent."

To meet the latest increase announced by Escom, the tariff would have to be increased by 4.5 per cent, which would be in the form of a surcharge.

The Cape Eastern increase is the least of the five Escom undertakings. Rand and OFS is 10.36 per cent, Eastern Transvaal 9.43, Natal 10.36 and Northern and Western Cape 10.27.

Mr Robson said it was interesting to note that the percentage increase for the Cape Eastern undertaking was substantially lower than the other undertakings.

This would reduce the percentage subsidy paid by the Decentralisation Board as it was calculated on the difference between the Cape Eastern undertaking and the Eastern Transvaal, which had now been narrowed.

Mr Robson said he did not know what the percentage subsidy — which was at present 16 per cent — would be.
Taxi firm increases its fares

Post Report:

THE managing director of a Fort Elizabeth taxi company, Mr D C Hurter, confirmed today that his company had increased its fares from 80c a kilometre to R1 a kilometre.

The "flag drop" rate had also gone up from 60c to R1, in line with the rate charged in Johannesburg and Cape Town, he said.

The new tariff came into effect yesterday, although the Local Transport Transportation Board approved the increase in October.

Mr Hurter said an application for the increase was made to the board in July. The previous application for an increase was made in 1982.

Mr Gordon Thomas Naidoo, another taxi operator, said applications to the board for increases were made individually.

As far as he knew Mr Hurter's company was the only one in the city to have increased its fares.
No fall in inflation in sight

CPI surges to highest in 20 months

By ANDREW DUNCAN

SOUTH AFRICA’s inflation rate soared to 13.25% for the year to November, according to Consumer Price Index statistics released in Pretoria yesterday.

The year-on-year inflation rate rose from 12.6% in October.

For the year to November 1983 the inflation rate was 10.59%.

The all-income index increased from 305.7 in October to 307.4 in November, compared with 297.4 in November last year.

The food-only index rose from 318.4 in October to 322.6 in November compared to only 288.4 in November 1983.

The lower income group index rose by 15% year-on-year, the middle-income group by 13.6% and the higher income group went up by 13.4%.

The inflation rate has reached its highest level in 20 months, confirming economists’ predictions that it would push past the 13% level by the year-end.

The main reasons for the jump are the weak exchange rate for the rand, the low gold price and the July hike in GST.

Economists say the December figures will be even higher and there is no reason to believe the inflation rate will start falling in the new year.

The 10% increase in electricity tariffs from January and rumours of increases in GST and fuel effectively rule out any such decrease in the rate of inflation.

Seabank economist Mr Louis Goldenhus said he was not optimistic that the average rate of inflation in 1985 would be any lower than the average this year.

Volskaas' Mr Adam Jacobs said the high inflation rate was the price South Africa had to pay for its lack of financial discipline. He said it could go higher in the near future especially if the price of fuel went up.

He urged householders to learn to lower their standard of living.

“The man in the street does not seem to be aware of the seriousness of our economic position,” he said.

“Mr Rudolf Goema of Nedbank said he was not surprised that inflation continued to rise:

“This underlines the real need for tight monetary policy. The authorities’ austerity measures were only applied in the third quarter and it is still too early to tell if they are succeeding. While the December figures will be even higher, the rate of inflation should start to ‘come off’ by the second quarter of next year.”

The chief economist at the Chamber of Mines, Mr Ted Osborne, said that higher inflation would lead to an increase in costs for the mining industry.

“Since July, the gold mining industry, has benefited considerably from the depreciation in the rand. This is however only a temporary situation, as highly-priced imports and inflationary pressures soon catch up at home.”

“Unless there is a real reduction in the value of the dollar — and this is extremely doubtful — one must expect the rate of inflation to remain high or even increase.”
Escom shocks with two-step increase

JOHANNESBURG — In a shock announcement yesterday, Escom indicated that its electricity charges could increase by 22% next year.

The increases will be applied in two steps — 10% in January, and a further 10% in the middle of the year.

In addition, adjustments to compensate for increases in the price of coal “could add a further 2% to the price of electricity.”

“In January 1984, Escom increased its tariff by a modest 6% at the request of the Government in an effort to support the Government’s fight against inflation,” said Escom in its statement.

“Since then economic factors such as the increase in general sales tax and the fall in the value of the rand have forced Escom to consider an interim tariff increase. The increase was held back pending the recommendations of the Commission of Inquiry into Electricity Supply in South Africa.”

“Escom has been informed by the Minister of Mineral and Energy Affairs, Mr. Dane Steyn, that in view of the recommendations and the report of the commission which, together with a White Paper of the Department of Mineral and Energy Affairs, will be tabled in Parliament early in 1985, it is considered necessary now to effect a tariff increase of 10% as from January 1.

“Further increases will be considered in view of the prevailing circumstances and the tariff structure recommendations by the De Villiers Commission,” the announcement said.

Escom said it had made substantial deferrals in capital expenditure for future power stations.

It had also implemented “a successful cost-cutting programme operating expenditure”, with the increase in this respect in 1984 “less than 4% or lower than the prevailing inflation rate.”

However, said Escom, despite these efforts to contain costs “external factors over which Escom has no control, have led to a situation which affords the commission no alternative but to increase tariffs by an average of 10% from January 1, 1985.

“This increase must be considered together with the 6% in total for 1984,” Mr. Smith said.

The announcement said concerted efforts would be made during 1985 to curtail costs and improve productivity.

Curtailments announced in respect of capital expenditure would only affect the tariff in the future.

Despite these increases, Escom’s tariffs “remain the lowest in the world”, the announcement said — Sapa.